

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

Interim condensed Consolidated Financial Statements (Unaudited)
For the Three-Months and Nine-Months Periods Ended June 30,2024
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-Months and Nine-Months Periods Ended June 30, 2024**

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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 Interim condensed consolidated statement of financial position of **Al Yamamah Steel Industries Company** ("the Company") and its subsidiary, collectively referred to as ("the Group") as at 30 June 2024 and the Interim condensed consolidated statement of profit or loss and other comprehensive income for the three-month and nine-month periods then ended, and the Interim condensed consolidated statements of changes in equity and cash flows for the nine-month period then ended, and summary of the notes to the Interim condensed consolidated 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 International Standard on Review Engagement 2410, "Review of Interim Condensed Consolidated Financial Information Performed by the Independent Auditor of the Entity", that is endorsed in the Kingdom of Saudi Arabia. A review of interim condensed 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 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 financial statements are not prepared, in all material respects, in accordance with IAS 34 that is endorsed in the Kingdom of Saudi Arabia.

**For PKF Al Bassam
Chartered Accountants**



Ahmed A. Mohandis
Certified Public Accountant
License No. (477)
Jeddah: 4 Safar 1446H
Corresponding to: 8 August 2024

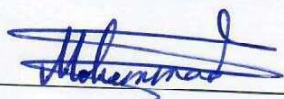


AL YAMAMAH STEEL INDUSTRIES COMPANY
(A Saudi Joint Stock Company)

Interim Condensed Consolidated Statement of Financial Position (Unaudited)
As of 30 June 2023
(Expressed in Saudi Arabian Riyals)

	Note	31 June 2024 (Unaudited)	30 September 2023 (Audited)
Assets			
Non-current assets			
Property, plant and equipment, Net	5	590,363,728	597,667,452
Intangible assets, Net		3,507,444	4,208,414
Right-of-use assets, Net	6	26,547,371	28,713,993
Non-current assets		620,418,543	630,589,859
Current assets			
Inventories, Net	7	730,447,886	780,814,766
Trade receivables, Net	8	376,654,013	326,862,117
Prepayments and other receivables		16,265,886	26,830,042
financial assets at fair value through profit or loss statement		628,001	1,997,328
Cash and cash equivalents		122,873,319	23,799,171
Current Assets		1,246,869,105	1,160,303,424
Total Assets		1,867,287,648	1,790,893,283
Shareholders' equity and liabilities			
Shareholders' Equity			
Share capital	1	508,000,000	508,000,000
Statutory reserve		29,198,060	29,198,060
Retained earnings		47,487,010	(19,050,839)
Total equity attributable to shareholders of the Company		584,685,070	518,147,221
Non-controlling interests		103,156,512	102,214,714
Total Shareholders' equity		687,841,582	620,361,935
Liabilities			
Non-current liabilities			
Long term loans- Non-current portion	9	106,853,031	80,219,591
Lease liabilities- Non-current portion	6	26,578,098	28,435,657
Employee benefits		44,061,229	40,375,596
Liability of dismantling and removing property, plant and equipment		13,354,573	13,057,910
Non-current liabilities		190,846,931	162,088,754
Current liabilities			
Short-term borrowings	9	801,734,284	822,930,223
Lease liabilities- current portion	6	2,047,164	2,280,795
Dividends payable		567,612	567,852
Trade payables		121,835,987	87,645,701
Accrued expenses and other payables		40,578,947	41,280,341
Advances from customers		7,174,434	28,343,296
Zakat Provision	10	14,660,707	25,394,386
Current liabilities		988,599,135	1,008,442,594
Total Liabilities		1,179,446,066	1,170,531,348
Total Shareholders' equity and liabilities		1,867,287,648	1,790,893,283

Chief Financial Officer



Mohammad Abu Farha

Chief Executive Officer



Sahal Althobaiti

Vice Chairman



Raed Almudaiheem

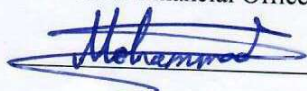
The accompanying notes form an integral part of these interim condensed consolidated financial statements

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

Interim Condensed Consolidated Statement of Profit or Loss and other comprehensive income (Unaudited)
For the Three-Months and Nine-Months Periods Ended June 30, 2024
(Expressed in Saudi Arabian Riyals)

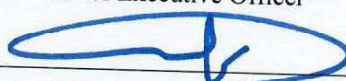
		For the three-months period ended 30 June		For the NINE-months period ended 30 June	
	Note	2024 (Unaudited)	2023 (Unaudited)	2024 (Unaudited)	2023 (Unaudited)
Revenue		425,680,502	265,250,790	1,553,339,723	1,114,131,032
Cost of sales		(378,119,603)	(291,467,867)	(1,364,462,828)	(1,151,236,267)
Gross profit (loss)		47,560,899	(26,217,077)	188,876,895	(37,105,235)
Selling and distributing expenses		(7,964,389)	(3,835,322)	(24,307,100)	(14,126,927)
Administrative expenses		(13,769,751)	(13,213,885)	(41,854,9561)	(37,205,203)
Profit (Loss) from operation		25,826,759	(43,266,285)	122,714,834	(88,437,365)
Financial charges		(17,596,713)	(18,769,733)	(50,646,086)	(50,289,110)
Realized gains on financial assets at fair value through profit or loss		307,588	403,566	2,072,703	2,087,144
Unrealized gain on financial assets at fair value through profit or loss		(35,200)	(114,400)	(39,200)	(396,393)
Other revenue		632,402	323,815	552,277	846,378
Net profit (Loss) before Zakat		9,134,836	(61,423,036)	74,654,528	(136,189,346)
Zakat	10	(2,628,025)	(1,668,812)	(7,174,881)	(5,260,896)
Net Profit (Loss)		6,506,811	(63,091,848)	67,479,647	(141,450,242)
Total other comprehensive income (loss)		6,506,811	(63,091,848)	67,479,647	(141,450,242)
Total comprehensive Profit (Loss) attributable to:					
Shareholders of the Company		6,446,945	(47,370,031)	66,537,849	(107,164,448)
Non-controlling interests		59,866	(15,721,817)	941,798	(34,285,794)
		6,506,811	(63,091,848)	67,479,647	(141,450,242)
Total comprehensive income (loss) attributable to:					
Shareholders of the Company		6,446,945	(47,370,031)	66,537,849	(107,164,448)
Non-controlling interests		59,866	(15,721,817)	941,798	(34,285,794)
		6,506,811	(63,091,848)	67,479,647	(141,450,242)
Earnings (Loss) per share to net income for the Period:	11				
- Basic		0.13	(0.93)	1.31	(2.11)
- Diluted		0.13	(0.93)	1.31	(2.11)

Chief Financial Officer



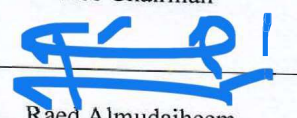
Mohammed Abu Farha

Chief Executive Officer



Sahal Althobaiti

Vice Chairman



Raed Almudaiheem

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

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

Interim Condensed Consolidated Statement of Changes in Shareholders' Equity (Unaudited)
For the Nine-Month Period Ended June 30, 2024
(Expressed in Saudi Arabian Riyals)

	Share capital	Statutory reserve	(Accumulated losses) Retained earnings	Total	Non-controlling interests	Total equity
For the NINE-month period ended 30 June 2024						
Balance as of 1 October 2023 (Unaudited)	508,000,000	29,198,060	(19,050,839)	518,147,221	102,214,714	620,361,935
comprehensive loss for the period	--	--	66,537,849	66,537,849	941,798	67,479,647
Profit for the period	--	--	--	--	--	--
Other comprehensive income	--	--	66,537,849	66,537,849	941,798	67,479,647
Total comprehensive loss for the period (Unaudited)	--	--	66,537,849	66,537,849	941,798	67,479,647
Balance as of 30 June 2024 (Unaudited)	508,000,000	29,198,060	47,487,010	584,685,070	103,156,512	687,841,582
For the NINE-month period ended 30 June 2023						
Balance as of 1 October 2022 (Unaudited)	508,000,000	89,198,060	49,344,016	646,542,076	137,295,902	783,837,978
Transferred from statutory reserve to retained earnings	--	(60,000,000)	60,000,000	--	--	--
Comprehensive income for the period	--	--	--	--	--	--
Income for the period	--	--	(107,164,448)	(107,164,448)	(34,285,794)	(141,450,242)
Other comprehensive income	--	--	--	--	--	--
Total comprehensive income for the period (Unaudited)	--	--	(107,164,448)	(107,164,448)	(34,285,794)	(141,450,242)
Balance as of 30 June 2023 (Unaudited)	508,000,000	29,198,060	2,179,568	539,377,628	103,010,108	642,387,736

Chief Financial Officer



Mohammed Abu Farha

Chief Executive Officer



Sahal Althobaiti

Vice Chairman



Raed Almudaiheem


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

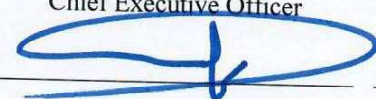
Interim Condensed Consolidated Statement of Cash Flows (Unaudited)
For the Nine Months' Period Ended June 30, 2024
(Expressed in Saudi Arabian Riyals)

	Note	2024 (Unaudited)	2023 (Unaudited)
<u>Cash flows from operating activities</u>			
(Loss) Profit for the period before zakat		74,654,528	(136,189,346)
Adjustments:			
Depreciation on property, plant and equipment		33,127,663	33,676,301
Amortization of intangible assets		710,675	702,256
Right of use asset depreciation	6	2,166,622	2,412,416
(Gains) / losses on disposal of property, plant and equipment		1,670	(131,549)
Slow moving Inventories items provision		(4,181,857)	447,954
Inventories impairment provision		(2,838,163)	13,775,654
Provision for contract losses		--	(1,492,388)
Realized gain from Investments held at fair value through or loss's statement		(2,072,703)	(2,087,144)
Unrealized loss from Investments held at fair value through or loss's statement		39,200	396,393
Finance costs		50,646,086	50,289,110
Provision for employee benefits charged for the period		5,097,994	4,873,098
		<u>157,351,715</u>	<u>(33,327,245)</u>
<u>Changes in operating assets and liabilities</u>			
Trade receivables		(49,791,896)	(50,471,077)
Inventories		57,386,900	92,354,185
Prepayments and other receivables		10,564,156	(125,326,999)
Trade payables		34,190,286	82,495,674
Accrued expenses and other payables		121,588	(2,572,207)
Advances from customers		(21,168,860)	(8,264,298)
Cash generated from (used in) operations		<u>188,653,889</u>	<u>(45,111,967)</u>
Paid Zakat	10	(17,908,560)	(5,020,320)
Paid employee's benefits		(1,412,361)	(2,008,189)
Net cash generated from (used in) operating activities		<u>169,332,968</u>	<u>(52,140,476)</u>
<u>Cash flows from investing activities</u>			
Purchase of property, plant and equipment		(25,899,999)	(142,794,552)
Purchase of intangible assets		(9,705)	(154,019)
Proceeds from the disposal of property, plant and equipment		74,390	147,478
Purchase of financial assets at fair value through profit or loss		(5,937,269)	(14,687,404)
Sold financial assets at fair value through profit or loss		9,340,099	17,819,720
Net cash (used in) investing activities		<u>(22,432,484)</u>	<u>(139,668,777)</u>
<u>Cash flows from financing activities</u>			
Proceeds from loans and credit facilities		2,476,772,911	3,311,388,583
Payments from loans and credit facilities		(2,471,335,410)	(3,085,797,296)
Paid Finance cost		(49,869,197)	(46,087,527)
Payment of lease obligations	6	(3,394,400)	(3,762,025)
Dividends paid		(240)	(996)
Net cash generated from financing activities		<u>(47,826,336)</u>	<u>175,740,739</u>
Net change in cash and cash equivalents balance		99,074,148	(16,068,514)
Cash and cash equivalents at the beginning of the period		23,799,171	68,331,971
Cash and cash equivalents at the end of the period		<u>122,873,319</u>	<u>52,263,457</u>

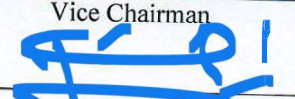
Chief Financial Officer


Mohammed Abu Farha

Chief Executive Officer


Sahal Althobaiti

Vice Chairman


Raed Almudaiheem


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

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

Interim Condensed Consolidated Statement of Cash Flows (Unaudited) (Continued)
For the Nine Months' Period Ended June 30, 2024
(Expressed in Saudi Arabian Riyals)

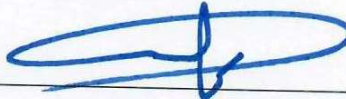
	Note	2024 (Unaudited)	2023 (Unaudited)
*Non-cash transactions			
Purchase of property, plant and equipment		--	(874,750)
Dismantling and removing assets of a facility on leased land provision		--	874,750
Liability of dismantling and removing property, plant and equipment		296,663	186,580
Accrued expenses and other payables		(822,984)	8,358,403
Finance cost for lease obligations		1,303,210	1,365,741
Finance cost		(776,889)	(4,201,583)
Zakat Provision		--	(5,709,140)

Chief Financial Officer



Mohammed Abu Farha

Chief Executive Officer



Sahal Althobaiti

Vice Chairman



Raed Almudaiheem

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

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

Notes to the Interim Condensed Consolidated Financial Statements (Unaudited)
For the Nine Months' Period Ended June 30, 2024
(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)	Yanbu	4700114058	1/12/1442H
Al-Yamamah Company for the treatment of industrial structures	Jeddah	4030460706	6/8/1443H

As on June 30, 2024 the company's authorized, subscribed and fully paid capital amounted to SR 508 million (September 30, 2023: SR 508 million), divided into 50.8 million shares (September 30, 2023: 50.8 million shares), each of which is SR 10. (September 30, 2023: 10 Saudi riyals).

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 Nine Months' Period Ended June 30, 2024
(Expressed in Saudi Arabian Riyals)

2. BASIS OF PREPERATION

2/1 Statement of Compliance

The consolidated financial statements for the nine-months period ended June 30 2024, 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, 2023.

The accounting policies for this interim financial statement matching with accounting policies for the year end consolidated financial statement on September 30, 2023.

2/2 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, 2023.

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.

2/3 Use of judgments and estimates

The preparation of the interim condensed consolidated financial statements requires management to use judgments and estimates that affect the application of accounting policies to the reported amounts of assets, liabilities, income and expenses, and actual results may differ from these estimates.

Estimates and assumptions are based on past experience and factors that include expectations of future events that are reasonable in the circumstances and are used to extend the carrying period of assets and liabilities that are not independent of other sources. Estimates and assumptions are evaluated on an ongoing basis. Accounting estimates recognized in the period in which the estimates are revised are reviewed in the review period and future periods if the changed estimates affect the current and future periods.

The significant judgments made by management in applying the Group's accounting policies are consistent with those disclosed in the financial statements for the previous year.

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.

Notes to the Interim Condensed Consolidated Financial Statements (Unaudited)
For the Nine Months' Period Ended June 30, 2024
(Expressed in Saudi Arabian Riyals)

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.

The company have a right 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 subsidiary's 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 subsidiary.

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 standards, amendments to standards, and interpretations

There are no new standards that have been issued. However, there are some amendments to the standards effective as of January 1, 2024, which were clarified in the consolidated financial statements for the year ending on September 30, 2023, which do not have a material impact on the interim condensed consolidated financial statements of the Group.

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

Notes to the Interim Condensed Consolidated Financial Statements (Unaudited)
For the Nine Months' Period Ended June 30, 2024
(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:

Construction Segment	Electricity Segment	Renewable energy Segment	Others
Al Yamamah Steel Industries factory (Pipes and Tubes)	Electrical power towers factory	Solar power plant	General management
Al Yamamah Rebar factory	Electric poles factory		
Al Yamamah Space Frame factory			

The following are the business results of these segments for the period:

	Segment reporting				
30 June 2024 (Unaudited)	Construction Segment	Electricity Segment	Renewable energy Segment	Others	Total
Revenue	715,194,478	408,127,587	430,017,658	--	1,553,339,723
Sale cost	(629,513,595)	(321,260,212)	(413,689,021)	--	(1,364,462,828)
Segment's net profit	29,049,646	32,506,207	3,890,291	2,033,503	67,479,647
Segment Assets	891,344,984	718,823,915	227,187,141	29,931,608	1,867,287,648
Segment liabilities	641,859,274	379,242,766	133,606,919	24,737,107	1,179,446,066
30 June 2023 (Unaudited)					
Revenue	647,309,343	416,048,486	50,773,703	--	1,114,131,032
Sale cost	(726,512,382)	(375,045,272)	(49,678,613)	--	(1,151,236,267)
Segment's net profit	(134,513,680)	(7,493,406)	(1,133,907)	1,690,751	(141,450,242)
Segment Asset	1,308,594,236	651,755,684	102,439,321	15,367,665	2,078,156,906
Segment liabilities	805,910,061	528,533,837	57,956,385	43,368,887	1,435,769,170

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5. PROPERTY, PLANT AND EQUIPMENT, NET

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

	30 June 2024 (Unaudited)	30 September 2023 (Audited)
Total cost	957,380,545	933,281,374
working in progress	197,480,787	197,330,308
Accumulated depreciation	(557,611,069)	(526,057,695)
Impairment losses	(6,886,535)	(6,886,535)
Net carrying amount	590,363,728	597,667,452

5/2 The company's buildings, with a net book value of 111.7 million Saudi riyals as of June 30, 2024 (September 30, 2023: 116.19 million Saudi riyals), are built on lands leased from the Industrial Estates and Technology Zones Authority with an annual rent that is renewable for a similar period with the same conditions or terms. Others as agreed upon by the concerned parties, with the exception of the column and tower factory buildings, as they are located on land owned by the parent company and whose net book value amounts to 32.67 million Saudi riyals as of June 30, 2024 (September 30, 2023: 39.59 million Saudi riyals).

5/3 The subsidiary's factory buildings, with a net book value of 59.78 million Saudi riyals as of June 30, 2024 (September 30, 2023: 62.66 million Saudi riyals), are located on a plot of land leased from the General Administration of the Royal Commission in Yanbu for a period of 35 years, starting from Rabi' al-Thani 5, 1427H. For annual rent. The lease is renewable for a similar period on the same terms and other conditions as agreed upon by the parties concerned.

5/4 Capital work in progress represents the following projects:

	30 June 2024 (Unaudited)	30 September 2023 (Audited)
Advanced payments to vendors	5,238,446	15,601,668
Al Yamamah Wind Power Systems Factory	177,070,618	151,657,742
Pipe forming and perforating machine (Jeddah pipes)	14,071,668	28,810,041
Smelting Project – Rebar	1,100,055	1,039,186
Assembling and installing units from 19, 20 - Rebar	--	221,671
	197,480,787	197,330,308

* The group obtained a long-term loan from the Saudi Industrial Development Fund with a total amount of 170,000,000 Saudi riyals to finance the project to establish a wind energy factory at a total cost of 240,266,000 Saudi riyals, in exchange for mortgaging all fixed assets of the project.

** During the period, additions to working in progress amounted to 24.02 million Saudi riyals, and the value of the work that was capitalized under property, plant and equipment amounted to 23.9 million Saudi riyals.

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6. LEASES CONTRACTS

6/1 The movement in the right-of-use-assets, net as follow:

	30 June 2024 (Unaudited)	30 September 2023(Audited)
<u>Cost</u>		
Balance at beginning of period / Year	41,026,441	41,026,441
Balance at ending of period / Year	41,026,441	41,026,441
<u>Accumulated Depreciation</u>		
Balance at beginning of period / Year	12,312,448	9,160,850
Depreciation during the period / year	2,166,622	3,151,598
Balance at ending of period / Year	14,479,070	12,312,448
Net balance ending of period / Year	26,547,371	28,713,993

6/2 The movement in the lease liabilities is as follows:

	30 June 2024 (Unaudited)	30 September 2023 (Audited)
Balance at beginning of the period / year	30,716,452	33,849,454
Depreciation during the period / year	1,303,210	1,837,192
Paid during the period / year	(3,394,400)	(4,970,194)
Balance at end of period / year	28,625,262	30,716,452

6/3 The following are the lease obligations as classified in the consolidated statement of financial position:

	30 June 2024 (Unaudited)	30 September 2023(Audited)
Current liability	2,047,164	2,280,795
Non-current liability	26,578,098	28,435,657
	28,625,262	30,716,452

* The average discount rate used to calculate the present value of lease obligations was 4.5% to 6%.

** The Group's main lease contracts are land leases from the Industrial Cities Authority (MODON) and the Royal Commission in Yanbu, on which the Group's factories are located, at a fixed rental value paid annually.

7. INVENTORIES, NET

7/1 Inventories comprise the following:

	Note	30 June 2024 (Unaudited)	30 September 2023 (Audited)
Raw materials		464,060,482	519,478,754
Finished goods		135,581,941	119,834,742
Work in progress		29,536,967	24,179,061
Spare parts		51,558,393	49,456,866
Scrap		23,958,662	13,075,727
Goods in transit		40,167,127	76,225,322
		744,863,572	802,250,472
Less: Allowance for slow moving inventory items	7/2	(14,415,686)	(18,597,543)
Less: Provision for low inventory	7/3	--	(2,838,163)
		730,447,886	780,814,766

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7. INVENTORIES, NET (CONTINUED)

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

	30 June 2024 (Unaudited)	30 September 2023 (Audited)
Balance at beginning of the period / year	18,597,543	18,079,445
Provided during the period / year	254,079	518,098
No longer required provision	(4,435,936)	--
Balance at end of period / year	14,415,686	18,597,543

7/3 Movement on inventory impairment during the year is as follows:

	30 June 2024 (Unaudited)	30 September 2023 (Audited)
Balance at beginning of the period / year	2,838,163	55,927,840
Provided during the period / year	--	48,234,590
utilized during the period/year	--	(45,396,427)
No longer required provision	(2,838,163)	(55,927,840)
Balance at end of period / year	--	2,838,163

8. TRADE RECEIVABLES, NET

8/1 Trade receivables comprise the following:

	Note	30 June 2024 (Unaudited)	30 September 2023 (Audited)
Trade receivables - related parties	13	115,890,879	85,797,677
Trade customers - other parties		270,689,614	250,990,920
		386,580,493	336,788,597
Less: Expected credit loss provision	8/2	(9,926,480)	(9,926,480)
		376,654,013	326,862,117

8/2 Total sales for the period ending June 30, 2024 to major customers (8 customers) amounted to 1,028 million Saudi riyals, representing 66 % of sales for the period (569.7 million Saudi riyals, representing 51% of sales for the period ending June 30, 2023), as of June 30, 2024, the outstanding balance of major customers in trade receivables amounted to 239,3 million Saudi riyals (September 30, 2023: 243.80 million Saudi riyals).

8/3 The movement in allowance for expected credit losses during the period/ year is as follows:

	30 June 2024 (Unaudited)	30 September 2023 (Audited)
Balance, at beginning of the period / year	9,926,480	9,926,480
Balance at end of period / year	9,926,480	9,926,480

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8. TRADE RECEIVABLES, NET (CONTINUED)

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

<u>Duration</u>	<u>30 June 2024 (Unaudited)</u>		<u>30 September 2023 (Audited)</u>	
	<u>Due Balances</u>	<u>Impairment In value</u>	<u>Due Balances</u>	<u>Impairment In value</u>
Not due	323,483,409	1,452,055	250,055,402	1,641,517
From 0 to 90 days	42,484,337	40,342	66,512,065	462,368
From 91 to 180 days	12,182,878	4,214	12,424,377	25,842
Over 181 Days	8,429,869	8,429,869	7,796,753	7,796,753
	386,580,493	9,926,480	336,788,597	9,926,480

Subsequent period collections from the Group's outstanding trade receivables balances as of June 30, 2024 amounted to 67.1 million Saudi riyals (2023: 68.2 million Saudi riyals), and guaranteed receivables amounted to 228.5 million Saudi riyals (2023: 198.9 million Saudi riyals). Which were excluded from trade receivables when calculating expected credit losses, so that the balance of net receivables subject to calculation becomes 91 million Saudi riyals (2023: 69.6 million Saudi riyals), classified according to their age.

9. BANK FACILITIES

9/1 Bank facilities from local trading banks

The group has banking facilities compatible with Sharia controls totaling 2.17 billion Saudi riyals (September 30, 2023: 2.21 billion Saudi riyals) with some local banks and the Saudi Industrial Development Fund, of which the user amounted to 1.16 billion Saudi riyals (September 30, 2023: 1.24 billion Saudi riyals). Local banks' facilities include letters of guarantee, documentary credits, and short-term bank facilities to cover the group's working capital requirements. All banking facilities are charged with bank commissions according to the prevailing market rates and are guaranteed by promissory notes issued by the parent company and the subsidiary of local banks. Average interest rates range from 6.5% to 8%.

9/2 Saudi Industrial Development Fund loan

Al Yamamah Steel Industries Company has signed a long-term loan agreement with the Saudi Industrial Development Fund, which includes granting it a long-term loan of 170 million Saudi Riyals to contribute to financing the construction of Al Yamamah Wind Power Systems Factory in Yanbu, as well as funding eligible properties, machinery, equipment, and working capital. The amount will be disbursed in installments, with 13,600,000 Riyals of these installments being deducted on a proportional basis from the total loan amount to cover prepaid financing expenses, as well as semi-annual financing costs throughout the duration of the agreement. The agreement has established the maximum limit for these costs. The loan will be repaid in semi-annual installments starting on 15 Shawwal 1448 H (March 23, 2027) and ending on 15 Rabi' al-Thani 1454 H (July 23, 2032). This loan is secured by promissory notes issued by Al Yamamah Steel Industries Company in favor of the Saudi Industrial Development Fund, covering the full amount and installments. Buildings and facilities currently existing or to be constructed on the factory land, including the entire factory, its machinery, equipment, accessories, and any future acquisitions for the project, will be pledged. Additionally, the Saudi Industrial Development Fund is the primary beneficiary of the insurance proceeds for Al Yamamah Wind Power Systems Factory, and all claims will be paid to the fund. The agreement includes certain conditions, including maintaining specific financial ratios.

9/3 Banks Facilities and Loans are shown in condensed interim financial position statement as follow:

	<u>30 June 2024 (Unaudited)</u>	<u>30 September 2023 (Audited)</u>
Short term Loans (9/3)	801,734,284	822,930,223
Long Term Loans (9/5)	106,853,031	80,219,591
	908,587,315	903,149,814

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9. BANK FACILITIES (CONTINUED)

9/4 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:

	30 June 2024 (Unaudited)	30 September 2023 (Audited)
Short bank loans	801,734,284	822,930,223
	801,734,284	822,930,223

9/5 Non-current portion of long-term loans are due as follows

Year	30 June 2024 (Unaudited)	30 September 2023 (Audited)
2027	10,056,756	8,431,815
2028	12,570,945	9,583,898
2029	15,085,134	11,370,294
2030	17,599,322	13,114,531
2031	22,627,700	16,670,380
2032	28,913,174	21,048,673
	106,853,031	80,219,591

9/6 Bank loans according to the financing entities:

	30 June 2024 (Unaudited)	30 September 2023 (Audited)
Arab National Bank	37,500,000	492,000,000
Saudi Industrial Development Fund "SIDF" (9/5)	106,853,031	80,219,591
Saudi Investment Bank	--	16,581,298
Banque Saudi Fransi	186,139,713	--
Alinma Bank	300,000,000	215,928,675
Al Rajhi Bank	105,817,669	46,821,961
Al-Awwal Saudi Bank	172,276,902	51,598,289
	908,587,315	903,149,814

9/7 Movement on Loans as follow:

	30 June 2024 (Unaudited)	30 September 2023 (Audited)
Balance, at beginning of period / year	903,149,814	886,261,201
Addition during the period / Year	2,476,772,911	4,255,553,437
Less: payments during the period / year	(2,471,335,410)	(4,238,664,824)
Balance at the end of the period / year	908,587,315	903,149,814

* The movement on loans during the period includes an amount of 1.29 Billion Saudi riyals in revolving loans during the period (2023: 2.5 Billion Saudi riyals).

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10. ZAKAT

10/1 Movement summary on Zakat provision is as follows:

	30 June 2024 (Unaudited)	30 September 2023 (Audited)
Balance beginning of period / year	25,394,386	29,282,285
Add: Charge for the period / year	7,116,016	5,837,054
Reverse of zakat provision	--	(1,212,052)
Prior years differences	58,865	(67,100)
Less: payments during the period / year	(17,908,560)	(8,445,801)
Balance at the end of the period / year	14,660,707	25,394,386

10/2 Zakat position

Al Yamamah Steel Industries Company

The company submitted zakat returns for the years from the beginning of its establishment on June 26, 2006 until the year ending on September 30, 2023, according to which the company paid the due zakat and obtained a valid zakat certificate until January 30, 2025. Below are the details of the company's zakat status from the date of establishment until September 30, 2022. Which shows the value of the zakat differences resulting from the Authority's examination of the years referred to and the result of the company's objection to those differences, as well as the amounts paid by the company in exchange for the differences in examination of those years:

a) For the period from the date of incorporation from June 26, 2006 to September 30, 2007:

The company received final zakat certificate and final zakat assessment from Zakat, Tax and Customs Authority.

b) The years from 2008 to 2011:

The zakat differences for the years from 2008 to 2011 amounted to 9.9 million Saudi riyals, according to the claims of the Zakat, Tax and Customs Authority. The company objected to the differences amounting to 9.9 million Saudi riyals for these years. An amount of 2.4 million Saudi riyals was accepted for the year 2011 from the objection submitted to those differences. The company issued a letter of guarantee in the amount of 7.5 million Saudi riyals representing all differences that were not accepted by the Authority for the years 2008-2010, so that the net disputed differences due for those years amounted to 7.5 million Saudi riyals. The General Secretariat of Tax Committees took part in the appeal session held in March 19, 2024, confirming the end of the dispute between Al-Yamamah Steel Industries Company (distinctive number 3000656924) with the Zakat, Tax and Customs Authority, related to the main item in the objection, which is the non-deduction of the company's contribution to the Al-Melissa land development project from the zakat base for the years 2008 until 2010, with the Authority's acceptance of the company's requests. In this regard, it requires deducting the balance of the melissa land from the zakat base for these years, in addition to accepting the objection to the Authority adding one of the items to the zakat base, and thus accepting about 91% of the value of the objection and rejecting the other items, which represent about 9% of the value of the objection. During April 2024, the company submitted a petition to the General Secretariat of Tax Committees regarding the items that were rejected in the appeal session held on March 19, 2024.

c) The years from 2012 to 2014:

The company did not receive any assessments for those years.

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10. ZAKAT (CONTINUED)

d) The years from 2015 to 2019:

The zakat differences for the years from 2015 to 2019 amounted to 4.7 million Saudi riyals. According to the claims of the Zakat, Tax and Customs Authority, the company paid 1.4 million Saudi riyals, representing the zakat differences for the years 2016 and 2018. It objected to the amount of 3.3 million Saudi riyals for the years 2015, 2017, and 2019. The amount of 1.5 Saudi riyals was accepted from the objection submitted regarding these differences, and the company paid the amount of 1.8 million Saudi riyals, representing the total differences that were not accepted by the Authority, and thus there were no remaining zakat differences due for those years.

e) Financial year 2020:

The Zakat differences for the year 2020 amounted to 9.74 million Saudi riyals. According to the zakat assessment and the claims of the Zakat, Tax and Customs Authority, the company paid the amount of 12,589 Saudi riyals, and objected to the amount of 9.73 million Saudi riyals. The objection submitted to the Authority regarding these differences was rejected, and the company issued a bank guarantee in favor of The Authority amounted to 4.87 million Saudi riyals. The General Secretariat of Tax Committees rejected the company's objection to the Zakat assessment with the Authority, so the company filed an appeal against the decision of the General Secretariat of Tax Committees. The appeal was rejected during the session held in October 2023 and the company was required to pay an amount of 9.73 million Saudi riyals. . The company paid the amount and the petition to the concerned authorities during the month of December 2023. The First Appeals Chamber for Income Tax Violations and Disputes, emanating from the General Secretariat of Tax Committees, held its session on 01/17/2024, after reviewing Al Yamamah Steel Industries Company's petition regarding the zakat differences for the fiscal year 2020, the memorandums submitted, and the papers contained in the case file. According to documents, the appeal was rejected. During the year 2024, the company submitted another request to the concerned authorities regarding the zakat differences for the fiscal year 2020.

f) Financial years from 2021 till 2022:

During April 2024, Al Yamamah Steel Industries Company received the approval of the Zakat, Tax and Customs Authority for its zakat declaration for the year ending on September 30, 2021. It also received a zakat assessment for the year ending on September 30, 2022, which included zakat differences amounting to 1.53 million Saudi riyals, and the company has objected to it.

g) Financial year 2023:

Al Yamamah Steel Industries Company received a zakat assessment from the Zakat, Tax, and Customs Authority in July 2024 for its zakat declaration for the year ending September 30, 2023, with no discrepancies in the due zakat.

Al Yamamah Company for Reinforcing Steel Bars

The company submitted its zakat declarations for the years from the start of its operations up to the fiscal year ending September 30, 2023, and paid the due zakat for those declarations. It received a zakat certificate valid until January 30, 2025. The company has completed its zakat status with the Zakat, Tax, and Customs Authority for the years from the company's establishment until the fiscal year ending September 30, 2019.

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11. EARNINGS PER SHARE

11/1 Basic Earnings per share

The calculation of basic earnings per share has been based the distributable earnings 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.

	For the three-month period ended 30 June		For the NINE-month period ended 30 June	
	2024	2023	2024	2023
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
(loss)/earnings per share attributable to the shareholders of the company	0.13	(0.93)	1.31	(2.11)

11/2 Diluted Earnings per share

The calculation of diluted earnings per share has been based on the profit 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

12/1 As on **30 June, 2024**, 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 million 144.61 (September 30, 2023: SR 150.43 million).

12/2 As on **30 June, 2024**, the contingent liabilities against outstanding letters of credit amounted to SR 105.33 million (September 30, 2023: SR 165.11 million) which were issued in the ordinary course of the Group's business.

12/3 As on **30 June, 2024**, the capital commitments resulted from agreed contracts related to the projects under implementation (Note 5) amounted to SR 19.63 million (September 30, 2023: SR 148.76 million).

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13. RELATED PARTY TRANSACTIONS AND BALANCES

13/1 Transactions with related parties mainly represent purchases, goods, and services rendered in accordance with agreed terms, which approved by the management and approved by the General Assembly of shareholders, held on 28 Rajab 1444H corresponding to February 19, 2023, with the following entities and parties. The following are the transactions with related parties during the nine-month period ending on June 30, and the balances arising therefrom:

	<u>Nature of relationship</u>	<u>Nature of transaction</u>	<u>Transaction amount for the NINE-month period ended June 30</u>		<u>Balance as at</u>	
			<u>2024 (Unaudited)</u>	<u>2023 (Unaudited)</u>	<u>30 June 2024 (Unaudited)</u>	<u>30 September 2023 (Audited)</u>
Transactions with related parties:						
<u>Under accounts receivable (Note 8):</u>						
Abdulqader Almuhaidib & Sons Company *	Shareholder	Sales	169,953,667	134,672,742	48,759,878	37,190,007
Rashid Abdulrahman Al Rashid & Sons Company **	Shareholder	Sales	772,604	1,749,427	589,660	44,147
Al Mahana Trading Company	Shareholder	Sales	112,287,111	109,922,189	24,212,804	21,612,625
Al-Muhanna Trading Group ***	Shareholder	Sales	50,215,757	74,862,341	25,360,876	24,996,604
Madar for Building Materials Company (Previously Al Fozan Building Materials Company)	Subsidiary's shareholder	Sales	17,900,189	15,991,029	14,586,587	1,954,294
Al-Mojil Trading and Contracting Company	Shareholder	Sales	2,451,760	1,032,000	2,381,074	--
					115,890,879	85,797,677
<u>Under trade payables</u>						
Abdulqader Almuhaidib & Sons Company *	Shareholder	Purchases	536,293	172,712	2,846	4,678
Al Madar for Building Materials Company (Previously Al Fozan Building Materials Company)	Shareholder in subsidiary	Purchases	186,620	67,620	--	--
Al Mahanna Steel Group ***	Shareholder	Purchases	36,488		--	--
					2,846	4,678

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

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13. RELATED PARTY TRANSACTIONS AND BALANCES (CONTINUED)

13/2 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:

	Nature of transaction	For the three-month period ended 30 June		For the NINE-month period ended 30 June	
		2024 (Unaudited)	2023 (Unaudited)	2024 (Unaudited)	2023 (Unaudited)
Board of Directors members	Bonus	1,224,667	495,000	3,674,000	1,400,000
Key management personnel	Salaries, allowances and incentives	1,566,052	1,734,267	4,698,185	5,202,801

14. DIVIDENDS

During the period ended June 30, 2024

No dividends were distributed during the period ending June 30, 2023.

During the period ended June 30, 2023

No dividends were distributed during the period ending June 30, 2023.

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.

15/1 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.

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.

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15. FINANCIAL RISK MANAGEMENT (CONTINUED)

15/2 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.

15/2/1 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 30 June 2024 (Unaudited)	Book value as at 30 September 2023 (Audited)
<u>Variable rate instruments</u>		
Borrowings	908,587,315	903,149,814
	908,587,315	903,149,814

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.

	<u>At 30 June 2024</u>	<u>At 30 September 2023 (Audited)</u>
<u>Interest Rates</u>		
Increase in basis 100 points - (Loss)	(9,085,873)	(9,031,498)
Decrease in basis 100 points - Profit	9,085,873	9,031,498

15/2/2 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.

15/3 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.

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15. FINANCIAL RISK MANAGEMENT (CONTINUED)

15/3 Credit risk (continued)

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

	30 June 2024 (Unaudited)	30 September 2023 (Audited)
<u>Financial assets</u>		
Trade receivables	376,654,013	326,862,117
Bank balances	122,873,319	23,799,171
	499,527,332	350,661,288
<u>Financial assets</u>		
Secured *	351,341,348	222,742,345
Unsecured **	148,185,984	127,918,943
	499,527,332	350,661,288

* As of June 30, 2024, secured financial assets include bank balances amounting to 122.9 million Saudi riyals (September 30, 2023: 23.8 million Saudi riyals) and trade receivables amounting to 228.5 million Saudi riyals secured through bank guarantees (September 30, 2023: 198.9 million Saudi riyals).

** As at June 30, 2024, unsecured financial assets include trade receivables amounting to SAR 115.9 million due from related parties that have not yet passed their due dates (September 30, 2023: SAR 85.8 million).

15/4 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)

15/4 Liquidity risk (continued)

	Undiscounted contractual cash flows					Total Carrying value
	1 year or less	1 year to 3 years)	3 years or More	Interest accruals for future periods	Total contractual maturity	
30 June 2024 (Unaudited)						
<u>Non-derivative financial liabilities</u>						
Loans	801,734,284	1,488,022	105,365,009	16,905,738	925,493,054	908,587,315
Trade payables	121,835,987	--	--	--	121,835,987	121,835,987
Dividends payables	567,612	--	--	--	567,612	567,612
Accrued expenses and other payables	40,578,947	--	--	--	40,578,947	40,578,947
Lease liabilities	2,047,164	4,814,396	21,763,702	16,650,854	45,276,116	28,625,262
	<u>966,763,994</u>	<u>6,302,418</u>	<u>127,128,711</u>	<u>33,556,592</u>	<u>1,133,751,716</u>	<u>1,100,195,123</u>
 30 September 2023 (Audited)						
<u>Non-derivative financial liabilities</u>						
Loans	822,930,223	--	80,219,591	24,797,802	927,947,616	903,149,814
Trade payables	87,645,701	--	--	--	87,645,701	87,645,701
Dividends payables	567,852	--	--	--	567,852	567,852
Accrued expenses and other payables	41,280,341	--	--	--	41,280,341	41,280,341
Lease liabilities	2,280,795	5,766,193	22,669,464	17,940,011	48,656,463	30,716,452
	<u>954,704,912</u>	<u>5,766,193</u>	<u>102,889,055</u>	<u>42,737,813</u>	<u>1,106,097,973</u>	<u>1,063,360,160</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)

15/5 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:

	30 June 2024 (Unaudited)	30 September 2023 (Audited)
Total liabilities	1,179,446,066	1,170,531,348
Less: Cash and cash equivalents	(122,873,319)	(23,799,171)
Net obligations	1,056,572,747	1,146,732,177
Total equity	687,841,582	620,361,935
Adjusted shareholders' equity	687,841,582	620,361,935
Net obligations to equity	1.54	1.85

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 June 2024 (Unaudited)					
	Carrying value		Fair value			
Financial Assets	Amortized cost	Total	Level 1	Level 2	Level 3	Total
Trade receivables	376,654,013	376,654,013	--	--	--	--
Financial assets at fair value through profit or loss statement	--	--	628,001	--	--	628,001
Cash and cash equivalents	122,873,319	122,873,319	--	--	--	--
	499,527,332	499,527,332	628,001	--	--	628,001
Financial liabilities						
Loans and facilities	908,587,315	908,587,315	--	--	--	--
Dividends payable	567,612	567,612	--	--	--	--
Trade payables	121,835,987	121,835,987	--	--	--	--
Accrued expenses and other payables	40,578,947	40,578,947	--	--	--	--
Zakat provision	14,660,707	14,660,707	--	--	--	--
	1,086,230,568	1,086,230,568	--	--	--	--

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15. FINANCIAL RISK MANAGEMENT (CONTINUED)

15/5 Capital management (continued)

	30 September 2023(Audited)					
	Carrying value		Fair value			
	Amortized cost	Total	Level 1	Level 2	Level 3	Total
Financial Assets						
Trade receivables	326,862,117	326,862,117	--	--	--	--
Financial assets at fair value through profit or loss statement	--	--	1,997,328	--	--	1,997,328
Cash and cash equivalents	23,799,171	23,799,171	--	--	--	--
	<u>350,661,288</u>	<u>350,661,288</u>	<u>1,997,328</u>	<u>--</u>	<u>--</u>	<u>1,997,328</u>
Financial liabilities						
Loans and facilities	903,149,814	903,149,814	--	--	--	--
Trade payables	87,645,701	87,645,701	--	--	--	--
Dividends payables	567,852	567,852	--	--	--	--
Accrued expenses and other payables	41,280,341	41,280,341	--	--	--	--
Zakat provision	25,394,386	25,394,386	--	--	--	--
	<u>1,058,038,094</u>	<u>1,058,038,094</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>

16. SUBSEQUENT EVENTS

Management believes that there are no significant subsequent events since the end of the period that may affect the group's financial position or the disclosures in the financial statements.

17. COMPARATIVE FIGURES

Some comparative figures have been reclassified to consist with current period figures.

18. APPROVAL OF THE FINANCIAL STATEMENTS

The consolidated financial statements were authorized for issue by the Board of Directors on 4 Safar 1446H, corresponding to 8 August 2024.