SAUDI ARABIAN MINING COMPANY (MA’ADEN)
(A Saudi Arabian joint stock company)

Consolidated interim financial statements
for the quarter ended 31 March 2022 (Unaudited)

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Commercial registration number	1010164391	
Directors	H.E. Yaser Bin Othman Al-Rumayyan	- Chairman
	Dr. Abdulaziz bin Saleh Al-Jarbou	- Vice chairman
	H.E. Sulaiman Bin Abdulrahman Al-Gwaiz	
	H.E. Engr. Khalid Bin Saleh Al-Mudaifer	
	Dr. Mohammed Bin Yahya Al-Qahtani	
	Mr. Richard O’Brien	
	Dr. Ganesh Kishore	
	Mr. Abdullah Bin Saleh Bin Jum'ah	
	Engr. Nabilah Bint Mohammed Al-Tunisi	
	Mr. Robert Wilt*	
	Dr. Samuel Walsh**	
Registered address	Building number 395	
	Abi Bakr Asseddiq Road, South	
	Exit 6, North Ring Road	
	Riyadh 11537	
	Kingdom of Saudi Arabia	
Postal address	P.O. Box 68861	
	Riyadh 11537	
	Kingdom of Saudi Arabia	
Auditors	PricewaterhouseCoopers	
	Kingdom Tower - 21st Floor	
	King Fahad Road	
	Riyadh 11414	
	Kingdom of Saudi Arabia	

* As of 1 February 2022, the Board of Directors appointed Mr. Robert Wilt as CEO and as Executive Board Member. Mr. Robert Wilt’s appointment as Executive Board Member is subject to the General Assembly ratification.

** Dr. Samuel Walsh, Non-Executive member, resigned effective from 24 February 2022.

The following statement, which should be read in conjunction with the independent auditor's responsibilities stated in the independent auditor's review report, set out on page 4, is made with a view to distinguish the responsibilities of management and those of the independent auditor in relation to the consolidated interim financial statements of Saudi Arabian Mining Company (Ma'aden) (the "Company") and its subsidiaries (the "Group").

Management is responsible for the preparation of the consolidated interim financial statements that present fairly the consolidated interim financial position of the Group as at 31 March 2022, its financial performance, changes in equity and cash flows for the quarter then ended, in accordance with International Financial Reporting Standards ("IFRS") issued by the Saudi Organization for Chartered and Professional Accountants ("SOCPA"), as endorsed in the Kingdom of Saudi Arabia.

In preparing the consolidated interim financial statements, management is responsible for:

- selecting suitable accounting policies and applying them consistently,
- making judgments and estimates that are reasonable and prudent,
- stating whether IFRS and other standards and pronouncements that are issued by the Saudi Organization for Chartered and Professional Accountants ("SOCPA"), as endorsed in the Kingdom of Saudi Arabia, have been followed, subject to any material departures disclosed and explained in the consolidated interim financial statements, and
- preparing and presenting the consolidated interim financial statements on a going concern basis, unless it is inappropriate to presume that the Group and the companies will continue their business for the foreseeable future.

Management is also responsible for:

- designing, implementing and maintaining an effective system of internal controls throughout the Group,
- maintaining statutory accounting records in compliance with local legislation and IFRS in the respective jurisdictions in which the Group operates,
- taking steps to safeguard the assets of the Group, and
- detecting and preventing fraud and other irregularities.

The consolidated interim financial statements for the quarter ended 31 March 2022 set out on pages 5 to 139, were approved and authorized for issue by the Board of Directors on 27 April 2022 and signed on their behalf by:

H.E. Sulaiman Bin Abdulrahman Al-Gwaiz
Authorized by the Board

Mr. Robert Wilt
Chief Executive Officer

Mr. Yaser Bin Abdul Rauf Barri
Senior Vice-President
Finance and
Chief Financial Officer (A)

26 Ramadan 1443H
27 April 2022
Riyadh
Kingdom of Saudi Arabia

Report on review of Consolidated Interim Financial Statements

To the shareholders of Saudi Arabian Mining Company (Ma'aden):
(A Saudi Arabian Joint Stock Company)

Introduction

We have reviewed the accompanying consolidated interim statement of financial position of Saudi Arabian Mining Company (Ma'aden) (the "Company") and its subsidiaries (collectively referred to as the "Group") as of 31 March 2022 and the related consolidated statements of profit or loss and other comprehensive income, changes in equity and cash flows for the three-month period then ended, and notes, comprising significant accounting policies and other explanatory notes. Management is responsible for the preparation and fair presentation of these consolidated interim financial statements in accordance with International Accounting Standard 34 - "Interim Financial Reporting" ("IAS 34"), as endorsed in the Kingdom of Saudi Arabia. Our responsibility is to express a conclusion on these consolidated interim financial statements based on our review.

Scope of review

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

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying consolidated interim financial statements do not present fairly, in all material respects, the financial position of the Group as at 31 March 2022, and of its financial performance and its cash flows for the three-month period then ended in accordance with IAS 34, as endorsed in the Kingdom of Saudi Arabia.

PricewaterhouseCoopers

Bader I. Benmohareb
License Number 471

27 April 2022

(All amounts in Saudi Riyals unless otherwise stated)

	Notes	Quarter ended 31 March 2022	Quarter ended 31 March 2021	Year ended 31 December 2021
Sales	7	**8,914,080,601**	5,449,766,121	26,769,006,109
Cost of sales	8	**(5,030,016,591)**	(4,013,369,960)	(17,614,338,038)
Gross profit		**3,884,064,010**	1,436,396,161	9,154,668,071
Operating expenses				
Selling, marketing and logistic expenses	9	**(220,315,264)**	(113,753,046)	(586,477,812)
General and administrative expenses	10	**(367,632,088)**	(245,794,508)	(1,005,132,752)
Exploration and technical services expenses	11	**(33,737,353)**	(29,868,252)	(149,413,572)
Operating profit		**3,262,379,305**	1,046,980,355	7,413,643,935
Other income / (expenses)				
Income from time deposits	12	**17,382,695**	10,537,217	48,561,521
Finance cost	13	**(294,390,910)**	(310,997,576)	(1,206,611,995)
Other (expenses) / income, net	14	**(19,205,230)**	12,301,732	(59,319,617)
Share in net profit of joint ventures that have been equity accounted	21.1.3, 21.2.3	**170,749,931**	160,862,355	728,346,429
Profit before zakat and income tax		**3,136,915,791**	919,684,083	6,924,620,273
Income tax	22.1	**(57,806,157)**	(17,204,425)	(158,480,876)
Zakat expense	42.2	**(149,608,312)**	(54,623,610)	(284,774,432)
Profit for the quarter / year		**2,929,501,322**	847,856,048	6,481,364,965
Other comprehensive income / (loss)				
Items that may be reclassified to profit or loss in subsequent periods				
(Loss) / gain on exchange differences on translation	33	**(8,148,233)**	2,451,150	6,058,024
Cash flow hedge – changes in fair value and transfer to profit, net	38	**147,921,197**	42,864,221	185,381,894
Items that will not be reclassified to profit or loss in subsequent periods				
Share in other comprehensive loss of a joint venture that has been equity accounted	21.1.1	**-**	(86,249)	(835,019)
Loss attributable to the re-measurements of employees' end of service termination benefits obligation	39.1.1	**-**	-	(24,092,359)
Other comprehensive income for the quarter / year		**139,772,964**	45,229,122	166,512,540
Total comprehensive income for the quarter / year		**3,069,274,286**	893,085,170	6,647,877,505

Continued

	Notes	Quarter ended 31 March 2022	Quarter ended 31 March 2021	Year ended 31 December 2021
Profit for the quarter / year is attributable to:				
Ordinary shareholders of the parent company	15	**2,171,921,874**	761,155,755	5,227,700,464
Non-controlling interest	34.2, 34.3	**757,579,448**	86,700,293	1,253,664,501
		2,929,501,322	847,856,048	6,481,364,965
Total comprehensive income for the quarter / year is attributable to:				
Ordinary shareholders of the parent company		**2,275,177,734**	795,258,285	5,351,327,367
Non-controlling interest	34.2, 34.3	**794,096,552**	97,826,885	1,296,550,138
		3,069,274,286	893,085,170	6,647,877,505
Earnings per ordinary share (Saudi Riyals)				
Basic and diluted earnings per share from continuing operations attributable to ordinary shareholders of the parent company	15	**1.76**	0.62	4.25

Consolidated interim statement of financial position as at 31 March 2022 (Unaudited)
(All amounts in Saudi Riyals unless otherwise stated)

	Notes	31 March 2022	31 March 2021	31 December 2021
Assets				
Non-current assets				
Mine properties	16	**11,753,505,391**	10,901,866,333	11,688,407,519
Property, plant and equipment	17	**58,107,045,506**	61,140,302,243	58,940,009,154
Right-of-use assets	18	**1,315,128,832**	1,427,942,953	1,357,006,453
Capital work-in-progress	19	**6,909,061,614**	5,157,155,788	6,616,312,752
Intangible assets and goodwill	20	**277,319,623**	310,466,145	286,929,729
Investment in joint ventures	21	**1,257,392,267**	1,091,782,032	1,208,517,336
Deferred tax assets	22.2	**822,277,429**	834,025,296	824,596,191
Other investments	23	**34,716,000**	38,390,000	37,231,000
Other non-current assets	24	**925,022,042**	908,161,620	939,762,919
Total non-current assets		**81,401,468,704**	81,810,092,410	81,898,773,053
Current assets				
Other investments	23	**2,515,000**	-	-
Advances and prepayments	25	**531,134,635**	283,465,734	294,001,031
Inventories	26	**7,322,524,251**	6,044,052,516	6,831,609,698
Trade and other receivables	27	**6,917,673,123**	3,294,772,069	5,206,134,272
Time deposits	28	**2,414,312,342**	1,220,038,906	971,340,217
Cash and cash equivalents	29	**7,460,843,519**	3,975,029,136	8,135,831,282
Total current assets		**24,649,002,870**	14,817,358,361	21,438,916,500
Total assets		**106,050,471,574**	96,627,450,771	103,337,689,553
Equity and liabilities				
Equity				
Share capital	30	**12,305,911,460**	12,305,911,460	12,305,911,460
Share premium	31	**10,739,190,039**	10,739,190,039	10,739,190,039
Statutory reserve	32	**1,577,021,485**	1,054,251,439	1,577,021,485
Other reserves	33	**(120,995,088)**	(178,404,759)	(110,830,112)
Retained earnings and reserve	33	**13,422,676,441**	7,120,034,817	11,139,961,591
Equity attributable to ordinary shareholders of the parent company		**37,923,804,337**	31,040,982,996	35,651,254,463
Non-controlling interest	34.4	**8,886,413,588**	7,145,958,740	8,317,317,036
Total equity		**46,810,217,925**	38,186,941,736	43,968,571,499
Non-current liabilities				
Deferred tax liabilities	22.3	**1,057,088,051**	996,521,908	1,047,205,022
Long-term borrowings	35	**41,088,082,876**	44,463,453,618	42,467,731,504
Provision for decommissioning, site rehabilitation and dismantling obligations	36	**608,936,049**	523,170,691	625,842,158
Non-current portion of lease liabilities	37	**1,053,168,350**	1,153,086,946	1,108,982,844
Derivative financial instruments	38	**60,805,330**	351,542,560	229,266,382
Employees' benefits	39	**1,013,210,253**	862,571,097	966,685,952
Projects, trade and other payables	40	**146,260,387**	174,929,231	133,755,381
Total non-current liabilities		**45,027,551,296**	48,525,276,051	46,579,469,243
Current liabilities				
Projects, trade and other payables	40	**3,763,676,680**	3,538,024,091	3,437,317,851
Accrued expenses	41	**4,976,385,490**	2,669,554,771	4,272,454,890
Zakat and income tax payable	42	**528,521,122**	240,526,603	347,853,577
Severance fees payable	43	**253,015,634**	265,450,863	220,771,506
Current portion of long-term borrowings	35	**4,542,856,822**	3,054,248,103	4,376,353,108
Current portion of lease liabilities	37	**148,246,605**	147,428,553	134,897,879
Total current liabilities		**14,212,702,353**	9,915,232,984	12,789,648,811
Total liabilities		**59,240,253,649**	58,440,509,035	59,369,118,054
Total equity and liabilities		**106,050,471,574**	96,627,450,771	103,337,689,553
Commitments and contingent liabilities	45			

SAUDI ARABIAN MINING COMPANY (MA'ADEN)
(A Saudi Arabian joint stock company)
Consolidated interim statement of changes in equity for the quarter ended 31 March 2022 (Unaudited)
(All amounts in Saudi Riyals unless otherwise stated)

	Equity attributable to ordinary shareholders of the parent company						Non-controlling interest					
	Share capital (Note 30)	**Share premium (Note 31)**	**Statutory reserve (Note 32)**	**Other reserves (Note 33)**	**Retained earnings and reserve (Note 33)**	**Sub-total**	**Share capital**	**Payments to increase share capital***	**Other reserves (Note 33)**	**Profit attributable to non-controlling interest**	**Sub-total**	**Total equity**
1 January 2021	12,305,911,460	10,739,190,039	1,054,251,439	(174,575,062)	6,326,860,009	30,251,637,885	7,952,771,882	68,155,432	(13,263,537)	(959,531,922)	7,048,131,855	37,299,769,740
Profit for the quarter	-	-	-	-	761,155,755	761,155,755	-	-	-	86,700,293	86,700,293	847,856,048
Items of other comprehensive income / (loss) for the quarter:												
Share in other comprehensive loss of a joint venture that has been equity accounted (Note 21.1.3)	-	-	-	-	(86,249)	(86,249)	-	-	-	-	-	(86,249)
Cash flow hedge – effective portion of changes in fair value (Note 38)	-	-	-	-	32,105,302	32,105,302	-	-	-	10,758,919	10,758,919	42,864,221
Gain on exchange differences on translation	-	-	-	2,083,477	-	2,083,477	-	-	367,673	-	367,673	2,451,150
Total comprehensive income for the quarter	-	-	-	2,083,477	793,174,808	795,258,285	-	-	367,673	97,459,212	97,826,885	893,085,170
Revaluation loss on put option for non-controlling interest (Note 40.2)	-	-	-	(5,913,174)	-	(5,913,174)	-	-	-	-	-	(5,913,174)
31 March 2021	12,305,911,460	10,739,190,039	1,054,251,439	(178,404,759)	7,120,034,817	31,040,982,996	7,952,771,882	68,155,432	(12,895,864)	(862,072,710)	7,145,958,740	38,186,941,736
Profit for the remainder of the year	-	-	-	-	4,466,544,709	4,466,544,709	-	-	-	1,166,964,208	1,166,964,208	5,633,508,917
Items of other comprehensive income / (loss) for the remainder of the year:												
Share in other comprehensive loss of a joint venture that has been equity accounted (Note 21.1.3)	-	-	-	-	(748,770)	(748,770)	-	-	-	-	-	(748,770)
Cash flow hedge – effective portion of changes in fair value (Note 38)	-	-	-	-	106,745,737	106,745,737	-	-	-	35,771,936	35,771,936	142,517,673
Loss attributable to the re-measurements of employees' end of service termination benefits obligation (Note 39.1.1)	-	-	-	-	(20,571,972)	(20,571,972)	-	-	-	(3,520,387)	(3,520,387)	(24,092,359)
Gain / (loss) on exchange differences on translation	-	-	-	4,099,378	-	4,099,378	-	-	(492,504)	-	(492,504)	3,606,874
Total comprehensive income for the remainder of the year	-	-	-	4,099,378	4,551,969,704	4,556,069,082	-	-	(492,504)	1,199,215,757	1,198,723,253	5,754,792,335
Transactions with non-controlling interest (Note 40.2, Note 33)	-	-	-	36,637,841	(9,272,884)	27,364,957	-	-	-	(27,364,957)	(27,364,957)	-
Revaluation gain on put option for non-controlling interest (Note 40.2)	-	-	-	26,837,428	-	26,837,428	-	-	-	-	-	26,837,428
Transfer to statutory reserve (Note 32)	-	-	522,770,046	-	(522,770,046)	-	-	-	-	-	-	-
31 December 2021	12,305,911,460	10,739,190,039	1,577,021,485	(110,830,112)	11,139,961,591	35,651,254,463	7,952,771,882	68,155,432	(13,388,368)	309,778,090	8,317,317,036	43,968,571,499

(All amounts in Saudi Riyals unless otherwise stated)

Continued

	Equity attributable to ordinary shareholders of the parent company						Non-controlling interest					
	Share capital (Note 30)	Share premium (Note 31)	Statutory reserve (Note 32)	Other reserves (Note 33)	Retained earnings and reserve (Note 33)	Sub-total	Share capital	Payments to increase share capital*	Other reserves (Note 33)	Profit attributable to non-controlling interest	Sub-total	Total equity
31 December 2021	12,305,911,460	10,739,190,039	1,577,021,485	(110,830,112)	11,139,961,591	35,651,254,463	7,952,771,882	68,155,432	(13,388,368)	309,778,090	8,317,317,036	43,968,571,499
Profit for the quarter	-	-	-	-	2,171,921,874	2,171,921,874	-	-	-	757,579,448	757,579,448	2,929,501,322
Items of other comprehensive income / (loss) for the quarter:												
Cash flow hedge – effective portion of changes in fair value (Note 38)	-	-	-	-	110,792,976	110,792,976	-	-	-	37,128,221	37,128,221	147,921,197
Loss on exchange differences on translation	-	-	-	(7,537,116)	-	(7,537,116)	-	-	(611,117)	-	(611,117)	(8,148,233)
Total comprehensive income for the quarter	-	-	-	(7,537,116)	2,282,714,850	2,275,177,734	-	-	(611,117)	794,707,669	794,096,552	3,069,274,286
Revaluation loss on put option for non-controlling interest (Note 40.2)	-	-	-	(2,627,860)	-	(2,627,860)	-	-	-	-	-	(2,627,860)
Dividend attributable to non-controlling shareholder	-	-	-	-	-	-	-	-	-	(225,000,000)	(225,000,000)	(225,000,000)
31 March 2022	12,305,911,460	10,739,190,039	1,577,021,485	(120,995,088)	13,422,676,441	37,923,804,337	7,952,771,882	68,155,432	(13,999,485)	879,485,759	8,886,413,588	**46,810,217,925**

* These payments, to ultimately increase share capital of the applicable subsidiaries over a period of time, are treated as part of the total equity of these subsidiaries. No shares have been issued as yet, and the Commercial Registration certificate has not yet been amended, but it will be once these payments have been converted to share capital.

Consolidated interim statement of cash flows for the quarter ended 31 March 2022 (Unaudited)
(All amounts in Saudi Riyals unless otherwise stated)

	Notes	Quarter ended 31 March 2022	31 March 2021	Year ended 31 December 2021
Operating activities				
Profit before zakat and income tax		**3,136,915,791**	919,684,083	6,924,620,273
Adjustments for non-cash flow items:				
Gain on exchange differences on translation		**(5,482,400)**	(5,564,776)	(7,697,421)
Property, plant and equipment written-off	17	**-**	-	183,263,439
Mine properties written-off	16	**-**	-	133,158,805
Income from time deposits	12	**(17,382,695)**	(10,537,217)	(48,561,521)
Finance cost	13	**294,390,910**	310,997,576	1,206,611,995
Adjustment to mine properties	16	**-**	-	876,180
Depreciation of mine properties	16.1	**196,677,493**	172,261,130	705,743,639
Adjustment to property, plant and equipment	17	**-**	-	7,990,198
Loss on derecognition of property, plant and equipment	17,14	**407,888**	2,615,104	482,678
Depreciation of property, plant and equipment	17.1	**889,882,022**	904,486,128	3,644,491,764
Adjustment to right-of-use assets and the corresponding lease liabilities	18,37.1,37.2	**(913,237)**	(182,742)	71,323
Depreciation of right-of-use assets	18.1	**44,117,650**	58,802,577	221,314,744
Amortisation of intangible assets	20.1	**10,625,062**	10,347,949	45,420,430
Share in net profit of joint ventures	21.1.3, 21.2.3	**(170,749,931)**	(160,862,355)	(728,346,429)
Increase in provision for allowance for inventory obsolescence	26.1	**-**	272,559	8,840,663
ECL (reversal) / allowance on trade and other receivables	27.1	**(2,123,494)**	2,062,808	3,381,709
Adjustment to mine closure provision	36.1,14	**-**	-	-
Current service cost of employees' termination benefits	39.1	**37,022,198**	24,220,938	85,891,527
Contribution for the employees' savings plan	39.2	**46,567,010**	10,336,619	69,658,567
Provision for severance fees	43	**32,244,128**	54,657,489	222,692,578
Changes in working capital:				
Advances and prepayments	24,25	**(238,738,038)**	23,832,361	22,281,692
Inventories	24,26	**(490,914,553)**	(111,940,750)	(992,544,485)
Trade and other receivables	24,27	**(1,696,632,546)**	(299,158,791)	(2,178,634,873)
Projects and other payables – Trade	40	**499,941,983**	(210,967,719)	(247,323,835)
Accrued expenses – Trade	41	**681,426,118**	20,834,161	1,874,204,817
Derivative interest paid	38	**(52,901,947)**	(63,044,399)	(141,388,694)
Employees' termination benefits paid	39.1	**(8,954,325)**	(14,798,543)	(47,840,579)
Employees' savings plan withdrawal	39.2	**(32,991,645)**	(6,023,476)	(26,933,309)
Zakat paid	42.2	**-**	(33,863,629)	(228,667,019)
Income tax paid	42.5	**(21,007,932)**	-	(13,758,000)
Severance fees paid	43	**-**	-	(212,714,446)
Finance cost paid		**(185,839,418)**	(217,097,502)	(1,070,319,332)
Net cash generated from operating activities		**2,945,586,092**	1,381,369,583	9,416,267,078
Investing activities				
Income received from time deposits		**14,410,570**	11,819,703	48,542,696
Additions to mine properties	16	**(281,698,440)**	(403,682,620)	(1,765,548,125)
Proceeds from derecognition of property, plant and equipment	17	**2,979,483**	-	1,783,840
Additions to property, plant and equipment	17	**(41,134,524)**	(105,618,218)	(431,069,604)
Additions to capital work-in-progress	19	**(263,084,729)**	(514,696,077)	(2,250,488,974)
Additions to intangible assets	20	**(1,014,956)**	(304,035)	(1,111,223)
Dividend received from a joint venture	21.1.3	**121,875,000**	95,625,000	545,625,000
Other investments	23	**-**	-	1,159,000
(Increase) / decrease in time deposits	28	**(1,440,000,000)**	245,000,000	495,000,000
Increase in restricted cash	29	**(12,191,303)**	(4,313,143)	(42,725,258)
Projects and other payables – Projects	40	**(276,206,008)**	(100,306,225)	(165,685,685)
Accrued expenses – Projects	41	**22,504,482**	45,518,553	(204,951,984)
Net cash utilized in investing activities		**(2,153,560,425)**	(730,957,062)	(3,769,470,317)

(All amounts in Saudi Riyals unless otherwise stated)

Continued

	Notes	Quarter ended 31 March 2022	31 March 2021	Year ended 31 December 2021
Financing activities				
Transaction cost paid	31	**(38,400,000)**	-	(110,744,000)
Proceeds from long-term borrowings received	35	**480,000,000**	-	1,541,160,000
Repayment of long-term borrowings	35	**(1,764,512,173)**	(851,557,955)	(3,009,106,418)
Lease liabilities	37.1	**(43,792,560)**	(74,352,091)	(207,906,751)
Dividend paid		**(112,500,000)**	-	-
Transaction with non-controlling interest	40.2	**-**	-	(13,307,086)
Net cash utilized in financing activities		**(1,479,204,733)**	(925,910,046)	(1,799,904,255)
Net change in cash and cash equivalents		**(687,179,066)**	(275,497,525)	3,846,892,506
Unrestricted cash and cash equivalents at the beginning of the quarter / year	29	**7,957,963,418**	4,111,070,912	4,111,070,912
Unrestricted cash and cash equivalents at the end of the quarter / year	29	**7,270,784,352**	3,835,573,387	7,957,963,418
Non-cash flow transactions				
Transfer to mine properties from capital work-in-progress	16,19	**-**	-	95,840
Adjustment to the provision for decommissioning, site rehabilitation and dismantling obligation	16,36.2,36.3	**(19,923,075)**	1,192,180	90,905,155
Reversal of mine properties and corresponding accrued expenses	16,41	**-**	-	-
Transfer to property, plant and equipment from mine properties	17,16	**-**	-	-
Transfer to property, plant and equipment from capital work-in-progress	17,19	**18,222,226**	55,395,334	448,161,505
Addition to right-of-use assets and the corresponding lease liabilities	18,37.1,37.2	**2,240,029**	31,621,622	123,748,370
Borrowing cost capitalized as part of capital work-in-progress	19,13.1	**41,296,627**	30,281,320	149,872,511
Amortization of transaction cost capitalized as part of capital work-in-progress	19,35.12	**3,741,761**	2,302,027	11,753,003
Transfer to intangible assets from mine properties	20,16	**-**	518,124	518,124
Transfer to intangible assets from capital work-in-progress	20,19	**-**	1,716,198	12,445,075
Revaluation (loss) / gain on put option for non-controlling interest	40.2	**(2,627,860)**	(5,913,174)	20,924,254

1 General information

Saudi Arabian Mining Company ("Ma'aden") (the "Company") was formed as a Saudi Arabian joint stock company, following the Council of Ministers Resolution No. 179 dated 8 Zul Qaida 1417H (corresponding to 17 March 1997) and incorporated in the Kingdom of Saudi Arabia pursuant to the Royal Decree No. M/17 dated 14 Zul Qaida 1417H (corresponding to 23 March 1997) with Commercial Registration No. 1010164391, dated 10 Zul Qaida 1421H (corresponding to 4 February 2001). The Company has an authorized and issued share capital of Saudi Riyals ("SAR") 12,305,911,460 divided into 1,230,591,146 with a nominal value of SAR 10 per share (Note 30 and (Note 50).

The objectives of the Company and its subsidiaries (the "Group") are to be engaged in various projects related to all stages of the mining industry, including development, advancement and improvement of the mineral industry, mineral products and by-products. These activities exclude:

- petroleum and natural gas and materials derived there from,
- any and all hydrocarbon substances, products, by-products and derivatives and
- activities related to all stages of the oil industry and the industries associated therewith and supplementary thereto.

The Group's principal mining activities are at the Mahd Ad-Dahab, Bulghah, Al-Amar, Sukhaybarat, As Suq, Ad Duwayhi, Al-Jalamid, Al-Khabra, Az Zabirah, Al-Ghazallah and Al-Ba'itha mines. Currently, the Group mainly mines gold, phosphate rock, bauxite, low-grade bauxite, kaolin and magnesite.

In response to the spread of the Covid-19 pandemic in the GCC and other territories where the Group operates and its consequential disruption to the social and economic activities in those markets, Ma'aden's management continues to proactively assess its impacts on its operations and has taken a series of proactive and preventative measures, including activation of the crisis management committee and associated processes to:

- ensure the health and safety of its employees and contractors as well as the wider community where it is operating
- minimizing the impact of the pandemic on its operations and product supply to the market

Notwithstanding these challenges, Ma'aden was successful in maintaining stable operations while maneuvering limited demand interruptions via successfully switching to different production grades and / or different customers to maintain product flow to the market. Ma'aden's management believes that the Covid-19 pandemic, by itself, has had limited direct material effects on Ma'aden's reported results for the quarter ended 31 March 2022 and for the year ended 31 December 2021. Ma'aden's management continues to monitor the situation closely.

(All amounts in Saudi Riyals unless otherwise stated)

2 Group structure

The Company has the following subsidiaries and joint ventures:

		Effective ownership		
Subsidiaries incorporated in the Kingdom of Saudi Arabia	**Type of company**	**31 March 2022**	**31 March 2021**	**31 December 2021**
Ma'aden Gold and Base Metals Company ("MGBM")	Limited liability company	**100%**	100%	100%
Ma'aden Infrastructure Company ("MIC")	Limited liability company	**100%**	100%	100%
Industrial Minerals Company ("IMC")	Limited liability company	**100%**	100%	100%
Ma'aden Fertilizer Company ("MFC")	Limited liability company	**100%**	100%	100%
Ma'aden Marketing and Distribution Company ("MMDC")	Limited liability company	**100%**	100%	100%
Ma'aden Rolling Company ("MRC")	Limited liability company	**100%**	100%	100%
Ma'aden Aluminium Company ("MAC")	Limited liability company	**74.9%**	74.9%	74.9%
Ma'aden Bauxite and Alumina Company ("MBAC")	Limited liability company	**74.9%**	74.9%	74.9%
Ma'aden Phosphate Company ("MPC")	Limited liability company	**70%**	70%	70%
Ma'aden Wa'ad Al-Shamal Phosphate Company ("MWSPC")	Limited liability company	**60%**	60%	60%
Joint ventures incorporated in the Kingdom of Saudi Arabia				
Ma'aden Barrick Copper Company ("MBCC")	Limited liability company	**50%**	50%	50%
Sahara and Ma'aden Petrochemicals Company ("SAMAPCO")	Limited liability company	**50%**	50%	50%
Subsidiaries incorporated outside the Kingdom of Saudi Arabia				
Ma'aden RE Limited ("MRL") – Incorporated in Dubai, United Arab Emirates	Limited liability company	**100%**	-	100%
MMDC has the following subsidiaries in which Ma'aden has an indirect ownership:				
Maaden Marketing Services India Private Limited ("MMSIL") – Incorporated in India	Limited liability company	**100%**	-	100%

(All amounts in Saudi Riyals unless otherwise stated)

2 Group structure (continued)

		Effective ownership		
Subsidiaries incorporated outside the Kingdom of Saudi Arabia	**Type of company**	**31 March 2022**	**31 March 2021**	**31 December 2021**
Incorporated in Mauritius:				
Meridian Consolidated Investments Limited ("MCIL") – Incorporated in Mauritius	Limited liability company	**92.5%**	85%	92.5%
MCIL has the following subsidiaries in which Ma'aden has an indirect ownership:				
Agroserve S.A.	Limited liability company	**92.5%**	85%	92.5%
MCFI (Africa) Ltd	Limited liability company	**92.5%**	85%	92.5%
Meridian Commodities Limited	Limited liability company	**92.5%**	85%	92.5%
Meridian Group Services Limited	Limited liability company	**92.5%**	85%	92.5%
V & M Grain Mauritius Limited	Limited liability company	**92.5%**	85%	92.5%
Meridian CRV Limited	Public Company Limited	**92.5%**	-	92.5%
Incorporated in Malawi:				
Farmers World Holdings Limited	Limited liability company	**92.5%**	85%	92.5%
Agora Limited	Limited liability company	**92.5%**	85%	92.5%
Farmers World Limited	Limited liability company	**92.5%**	85%	92.5%
Grain Securities Limited	Limited liability company	**92.5%**	85%	92.5%
Liwonde Property Investment Limited	Limited liability company	**46.25%**	42.5%	46.25%
Malawi Fertilizer Company Limited	Limited liability company	**92.5%**	85%	92.5%
Optichem (2000) Limited	Limited liability company	**92.5%**	85%	92.5%
Incorporated in Mozambique:				
Mozambique Fertilizer Company Limited	Limited liability company	**92.5%**	85%	92.5%
Transalt Limitada	Limited liability company	**92.5%**	85%	92.5%
Transcargo Limitada	Limited liability company	**92.5%**	85%	92.5%
MozGrain Limitada	Limited liability company	**92.5%**	85%	92.5%
Incorporated in Seychelles:				
African Investment Group Limited	Limited liability company	**92.5%**	85%	92.5%
Incorporated in South Africa:				
MG Administration Services Proprietary Limited	Limited liability company	**92.5%**	85%	92.5%
Incorporated in Zambia:				
Fert, Seed and Grain Limited	Limited liability company	**92.5%**	85%	92.5%
Incorporated in Zimbabwe:				
Ferts, Seed and Grain (Private) Limited	Limited liability company	**92.5%**	85%	92.5%

The financial year end of all the subsidiaries and joint ventures incorporated inside the Kingdom of Saudi Arabia coincide with that of the parent company ("Ma'aden"), whereas the financial year end of all the subsidiaries incorporated outside the Kingdom of Saudi Arabia is 31st March except MRL for which year end is 31st December.

2 Group structure (continued)

2.1 MGBM

The company was incorporated on 9 August 1989 in the Kingdom of Saudi Arabia, which is also its principal place of business.

The objectives of the company are:

- the exploration and mining of gold and associated minerals within their existing mining lease areas by way of drilling, mining and concentrating and
- construct, operate and maintain all mines, buildings, highways, pipelines, refineries, treatment plants, communication systems, power plants and other facilities necessary or suitable for the purposes of the leases.

2.2 MIC

The company was incorporated on 18 August 2008 in the Kingdom of Saudi Arabia, which is also its principal place of business.

The objectives of the company are to:

- manage the infrastructure projects to develop, construct and operate the infrastructure and
- provide services to Ras Al-Khair area and other mining and industrial locations in the Kingdom of Saudi Arabia.

2.3 IMC

The company was incorporated on 31 March 2009 in the Kingdom of Saudi Arabia, which is also its principal place of business.

The objectives of the company are:

- the exploitation of industrial minerals within the existing mining lease areas by way of drilling, mining, concentrating, smelting and refining and
- extract, refine, export and sell such minerals in their original or refined form.

The company currently operates a kaolin and low grade bauxite mine in the central zone of Az Zabirah and a high grade magnesite mine at Al-Ghazallah and the processing plants at Al-Madinah Al-Munawarah. The Multiple Hearth Furnace "(MHF)" processing plant is fully operational and the Vertical Shaft Kiln "(VSK)" plant commenced commercial production on 1 August 2017.

2.4 MFC

The company was incorporated on 12 February 2019 in the Kingdom of Saudi Arabia, which is also its principal place of business.

The objectives of the company are:

- production of fertilizers, including phosphate and natural potassium minerals,
- mine minerals containing nitrogen and potassium,
- manufacture phosphate fertilizers, potassium fertilizers, Urea and phosphate and potassium and
- produce nitric acid, ammonia and potassium nitrate.

2.5 MMDC

The company was incorporated on 13 February 2019 in the Kingdom of Saudi Arabia, which is also its principal place of business.

The objectives of the company are:

- to be a vehicle for Ma'aden to build a fertilizer distribution business in the most important global fertilizer markets.

On 18 April 2019 MMDC signed an agreement to acquire 85% of Meridian Consolidated Investments Limited ("MCIL") (Meridian Group or Meridian), a leading fertilizer distribution company operating in East and Southern Africa. Meridian already sells close to half a million tonnes of fertilizer every year through its network of facilities including fertilizer granulation and blending plants, warehouses and port facilities across Malawi, Zimbabwe, Zambia and Mozambique.

On 8 August 2019, acquisition of 85% of Meridian was completed after obtaining all the necessary regulatory and legal approvals. In accordance with the shareholders' agreement between Ma'aden and Meridian, on 13 October 2021 and 6 December 2021, Ma'aden acquired additional cumulative 7.5% of Meridian which resulted in its percentage of holding to 92.5% (Note 40.2).

2.6 MRC

The company was incorporated on 10 October 2010 in the Kingdom of Saudi Arabia, which is also its principal place of business.

The objectives of the company are the production of:

- can body sheets,
- can ends stock and
- automotive heat treated and non-heat treated sheets.

The company declared commercial production for the flat rolled products on 9 December 2018, however, the automotive sheet project commenced commercial production on 1 September 2019.

2 Group structure (continued)

2.7 MAC

The company was incorporated on 10 October 2010 in the Kingdom of Saudi Arabia, which is also its principal place of business and is owned:

- 74.9% by Saudi Arabian Mining Company ("Ma'aden") and
- 25.1% by Alcoa Saudi Smelting Inversiones S.L. ("ASSI"), a foreign shareholder, a company wholly owned by Alcoa Corporation, which is accounted for as a non-controlling interest in these consolidated interim financial statements (Note 34.1).

The objectives of the company are the production of primary aluminium products:

- Ingots,
- T shape ingots,
- slabs and
- billets.

2.8 MBAC

The company was incorporated on 22 January 2011 in the Kingdom of Saudi Arabia, which is also its principal place of business and is owned:

- 74.9% by Saudi Arabian Mining Company ("Ma'aden") and
- 25.1% by AWA Saudi Limited ("AWA"), a foreign shareholder, which is owned 60% by Alcoa Corporation and 40% by Alumina Limited, an unrelated third party, which is accounted for as a non-controlling interest in these consolidated interim financial statements (Note 34.1).

The objectives of the company are to:

- exploit the Al-Ba'itha bauxite deposits,
- produce and refine bauxite and
- produce alumina.

2.9 MPC

The company was incorporated on 1 January 2008 in the Kingdom of Saudi Arabia, which is also its principal place of business and is owned:

- 70% by Saudi Arabian Mining Company ("Ma'aden") and
- 30% by Saudi Basic Industries Corporation ("SABIC"), which is accounted for as a non-controlling interest in these consolidated interim financial statements (Note 34.1).

The objectives of the company are to:

- exploit the Al-Jalamid phosphate deposits,
- utilize local natural gas and sulphur resources to manufacture Phosphate fertilizers at the processing facilities at Ras Al-Khair and
- produce ammonia as a raw material feed stock for the production of fertilizer with the excess ammonia exported or sold domestically.

2.10 MWSPC

The company was incorporated on 27 January 2014 in the Kingdom of Saudi Arabia, which is also its principal place of business and is owned:

- 60% by Saudi Arabian Mining Company ("Ma'aden"),
- 25% by Mosaic Phosphate B.V., a foreign shareholder, a limited liability company registered in Netherlands wholly owned by The Mosaic Company ("Mosaic"), which is accounted for as a non-controlling interest in these consolidated interim financial statements (Note 34.1) and
- 15% by Saudi Basic Industries Corporation ("SABIC"), which is accounted for as a non-controlling interest in these consolidated interim financial statements (Note 34.1).

The objectives of the Company are the production of:

- di-ammonium and mono-ammonium phosphate fertilizer,
- ammonia,
- purified phosphoric acid,
- phosphoric acid,
- sulphuric acid and
- sulphate of potash

The company declared commercial production on 2 December 2018, except for the ammonia plant for which commercial production was declared on 1 January 2017.

2 Group structure (continued)

2.11 MBCC

The company was incorporated on 2 November 2014 in the Kingdom of Saudi Arabia, which is also its principal place of business and is owned:

- 50% by Saudi Arabian Mining Company ("Ma'aden") (Note 21.1.3) and
- 50% by Barrick Middle East (Pty) Limited ("Barrick"), a foreign shareholder.

MBCC is a joint venture project and is accounted for as an investment in a joint venture under the equity method of accounting in these consolidated interim financial statements.

The objectives of the company are the production of copper concentrate and associated minerals within their existing mining lease area by way of drilling, mining and concentrating.

2.12 SAMAPCO

The company was incorporated on 14 August 2011 in the Kingdom of Saudi Arabia, which is also its principal place of business and is owned:

- 50% by Saudi Arabian Mining Company ("Ma'aden") (Note 21.2.3) and
- 50% by Sahara Petrochemical Company.

SAMAPCO is a joint venture project and is accounted for as an investment in a joint venture under the equity method of accounting in these consolidated interim financial statements.

The objectives of the company are the production of:

- concentrated caustic soda,
- chlorine and
- ethylene dichloride.

The operations of the company include the production and supply of:

- Concentrated caustic soda (CCS) feedstock to the alumina refinery at MBAC and to sell any excess production not taken up by Ma'aden in the wholesale and retail market and
- Ethylene dichloride (EDC) in the wholesale and retail market.

2.13 MRL

The company was incorporated on 18 November 2021 in Dubai, United Arab Emirates, which is also its principal place of business and is owned 100% by Ma'aden:

The objectives of the company are:
- Carrying out contracts of insurance,
- Effecting contracts of insurance.

3 Basis of preparation

Statement of compliance

The consolidated interim financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") and other standards and pronouncements that are issued by the Saudi Organization for Chartered and Professional Accountants (SOCPA), as endorsed in the Kingdom of Saudi Arabia for financial reporting.

The Group has prepared a complete set of consolidated interim financial statements for its interim financial reporting, as allowed under **IAS 34 - *"Interim financial reporting"***. Accordingly, these consolidated interim financial statements conform to the requirements of **IAS 1 - *"Presentation of financial statements"***, relating to a complete set of financial statements.

The consolidated interim financial statements have been prepared on the historical cost basis except where IFRS requires other measurement basis as disclosed in the applicable accounting policies in Note 4 – Summary of significant accounting policies.

The financial statements of a Group's subsidiary, Ferts, Seed and Grain (Private) Limited ("FSG Zimbabwe") have been prepared under the hyper-inflation convention and are adjusted for the measuring unit current at the end of the reporting date.

These consolidated interim financial statements are presented in SAR which is both the functional and reporting currency of the Group.

3 Basis of preparation (continued)

***Statement of compliance* (continued)**

New IFRS standards, amendments to standards and interpretations not yet adopted

Certain new accounting standards, amendments to standards and interpretations have been published by the International Accounting Standards Board ("IASB") that are not mandatory for 31 March 2022 reporting periods and have not been early adopted by the Group. These standards are not expected to have a material impact on the Group in the current or future reporting periods and on foreseeable future transactions.

New and amended IFRS standards adopted by the Group

There are no new standards applicable to the Group, however, the Group has applied the following amendments to the standards for the first time for their reporting periods commencing on or after 1 January 2022:

Property, Plant and Equipment: Proceeds before intended use – Amendments to IAS 16:

The amendment to IAS 16 Property, Plant and Equipment (PP&E) prohibits an entity from deducting from the cost of an item of PP&E any proceeds received from selling items produced while the entity is preparing the asset for its intended use. Entities are required to disclose separately the amounts of proceeds and costs relating to items produced that are not an output of the entity's ordinary activities.

Refer Note 4.9 for amended accounting policies. No retrospective adjustments were required as a result of this change in accounting policy.

A number of other amended standards became applicable for the current reporting period. The Group did not have to change its accounting policies or make retrospective adjustments as a result of adopting these amended standards.

4 Summary of significant accounting policies

The significant accounting policies applied in the preparation of these consolidated financial statements are set out below. These policies have been consistently applied to all years presented.

4.1 Basis of consolidation and equity accounting

Subsidiaries

The consolidated financial statements of the Group incorporate the financial statements of the Company and its subsidiaries. Subsidiaries are entities controlled by the Group. Controls exists when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee.

Specifically, the Group controls an investee if, and only if, the Group has all of the following three elements:

- power over the investee (i.e., existing rights that give it the current ability to direct the relevant activities of the investee),
- exposure, or rights, to variable returns from its involvement with the investee and
- the ability to use its power over the investee to affect its returns.

Subsidiaries are consolidated from the date on which control is transferred to the Group. They are de-consolidated from the date that control ceases.

Intra-group investments, transactions, balances and unrealized gains or losses on transactions between Group companies are eliminated. The accounting policies of the subsidiaries are consistent with those adopted by the Group.

Non-controlling interests in the results and equity of not wholly owned subsidiaries are shown separately in the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of financial position, respectively.

Business combinations

The Group accounts for business combinations using the acquisition method when control is transferred to the Group.The Group measures goodwill as the fair value of the consideration transferred including the recognized amount of any non-controlling interest in the acquiree, less the fair value of the identifiable assets acquired and liabilities and contingent liabilities assumed, all measured as of the acquisition date. When the excess is negative, a bargain purchase gain is recognized immediately directly in retained earnings in the consolidated statement of changes in equity.

Non-controlling interest is measured at their proportionate share of the acquiree’s identifiable net assets at the date of acquisition. If the business combination is achieved in stages, the carrying value of the Group’s previously held equity interest in the acquiree is remeasured to fair value at the acquisition date. Any gains or losses arising from such remeasurement are recognised in the consolidated statement of profit or loss and other comprehensive income. Intra-group balances and transactions, and any unrealised income and expenses arising from intra-group transactions, are eliminated. Accounting policies of subsidiaries are aligned, where necessary, to ensure consistency with the policies adopted by the Group.

Transaction costs that the Company incurs in connection with a business combination are expensed as incurred.

Non-controlling interest put option

Written put options in respect of which the Group does not have an unconditional right to avoid the delivery of cash, are recognised as financial liabilities. Under this method, the non-controlling interest is not derecognised when the financial liability in respect of the put option is recognised, as the noncontrolling interest still has present access to the economic benefits associated with the underlying ownership interest. Non-controlling interest put options are initially recognised at the present value of redemption amount and reduction to controlling interest equity. All subsequent changes in liability are recognised within controlling interest equity.

***Joint* ventures**

A joint venture exists where the Group has a contractual arrangements (rights and obligations) in place, with one or more parties, to undertake activities typically, however not necessarily, through a legal entity that is subject to joint control.

Interests in joint ventures are accounted for using the equity method of accounting. The investments are initially recognised at cost and adjusted thereafter to recognise the Group’s share of:

- the post-acquisition profits or losses of the investee in the consolidated statement of profit or loss and
- the movements in other comprehensive income of the investee in the consolidated statement of other comprehensive income.

4 Summary of significant accounting policies (continued)

4.1 Basis of consolidation and equity accounting (continued)

The Group's share of the results of joint ventures is based on the financial statements prepared up to consolidated statement of financial position date, adjusted to conform with the accounting policies of the Group, if any.

Dividends received or receivable from joint ventures are recognised as a reduction in the carrying amount of the investment when the right to receive a dividend is established.

When the Group's share of losses in an equity-accounted investment equals or exceeds its interest in the entity, including any other unsecured long-term receivables, the Group does not recognise any further losses, unless it has incurred obligations or made payments on behalf of the other entity.

Unrealised gains on transactions between the Group and its joint ventures are eliminated to the extent of the Group's interest in these entities. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of equity accounted investees have been changed, where necessary, to ensure consistency with the policies adopted by the Group.

The carrying amount of equity-accounted investments is tested for impairment in accordance with the policy described in Note 4.11.

4.2 Foreign currency translation

Foreign currency transactions are translated into SAR at the rate of exchange prevailing at the date the transaction first qualifies for recognition and are initially recorded by each entity in the Group.

Monetary assets and liabilities denominated in foreign currencies at the reporting date are translated into Saudi Riyals at the rate of exchange prevailing at the reporting date. Gains and losses from settlement and translation of foreign currency transactions are included in the consolidated statement of profit or loss.

The financial statements of the Group's subsidiary functioning in a hyperinflationary economy are restated in terms of the measuring unit current at the end of the reporting period. The restatements are based on a conversion factor derived from the general price index issued by the regulatory authorities of the country in which such subsidiary is functioning.

As the presentation currency of the Group is that of a non-hyperinflationary economy, therefore, the adjustments resulting from restating non-monetary items of the subsidiary operating in hyperinflationary environment and then by translating those balances using the general price index as at the end of the current reporting period, is recognised in the other comprehensive income as a foreign currency translation adjustment of the current period.

4.3 Revenue recognition

Revenue comprises of sales to third parties and is measured based on the considerations specified in contracts with customers and excludes rebates and amounts, if any, collected on behalf of third parties. Revenue is recognised, when (or as) the Group satisfies the performance obligations as specified in the contract with the customer (buyer), when the seller has transferred to the customer (buyer) control over the promised goods and services, either:

- at a point in time or
- over a time basis equivalent to the stage of completion of the service.

The Group recognizes revenue from the following main sources:

a) Sale of the following goods directly to the customers:
    - Phosphate fertilizer, ammonia and industrial minerals
    - Alumina, primary aluminium products and flat rolled products
    - Gold bullion (including by-products like copper, zinc and silver concentrate)

b) Rendering of the following services directly to the customers:
    - Transportation of goods

The timing and measurement of revenue recognition for the above-mentioned main sources of revenue i.e. sales of goods and rendering of services directly to customers are as follows:

Sales of phosphate fertilizer, ammonia and industrial minerals

The Group, as principal, sells phosphate fertilizer, ammonia and industrial minerals products directly to customers and also through two marketing agents SABIC and The Mosaic Company, acting as agents, for the sale of phosphate fertilizer and ammonia.

4 Summary of significant accounting policies (continued)

4.3 Revenue recognition (continued)

The Group sells a significant proportion of its goods on Cost and freight ocean transport ("CFR") International Commercial terms ("Incoterms") and therefore, the Group is responsible for providing shipping services after the date at which control over the promised goods have passed to the customer at the loading port. The Group is therefore, responsible for the satisfaction of two performance obligations under its CFR contracts with the customers and recognizes revenue as follows:

- sale and delivery of goods at the loading port resulting in the transfer of control over such promised goods to the customer and recognizing the related revenue at a point in time basis and
- shipping services for the delivery of the promised goods to the customer's port of destination and recognizing the related revenue over a time basis, equivalent to the stage of completion of the services.

At the loading port, quality and quantity control of the promised goods are carried out by independent internationally accredited consultants before the loading of the vessel, in accordance with the specifications contained in the contract. The physical loading of the approved promised goods on the vessel, satisfies the Group's performance obligation and triggers the recognition of revenue at a point in time.

Ma'aden has full discretion over the price to sell the goods. The selling price includes revenue generated from the sale of goods and transportation services depending on the Incoterms contained in the contract with the customer. The selling price is therefore unbundled or disaggregated into these two performance obligations, being:

- the sale of the promised goods and
- the transportation thereof and it is being disclosed separately.

The Group recognizes a trade receivable for the sale and delivery of the promised goods when the goods, delivered to the loading port, are loaded on to the vessel as this represents the point in time at which the right to consideration becomes unconditional, as only the passage of time is required before payment is due. However, the trade receivable related to the transportation service are recognized over time, if material, based on the stage of completion of service which is assessed at the end of each reporting period. The disaggregation between separate performance obligations is done based on the standalone selling price.

All shipping and handling costs incurred by the Group, in relation to the satisfaction of performance obligation for the transportation of the promised goods, under CFR contracts with the customers, are recognized as cost of sales in the consolidated statement of profit or loss.

Sale of alumina, primary aluminium products and flat rolled products

The Group, as principal, sells alumina, primary aluminium products and flat rolled products directly to customers and in accordance with the contract, the promised goods are provisionally priced. The sales price is not settled until a predetermined future date and is based on the market price at a time or over a pre-defined period of time. Revenue on these sales is initially recognized (when all the above criteria are met), at a provisional price based on the pricing mechanism as specified in the contract. Provisionally priced sales are marked-to-market at each reporting date using the forward price for the period equivalent to that outlined in the contract and in the carrying amount of the outstanding trade receivable.

Sale of gold bullion and concentrates

The Group, as principal, sells gold bullion and by-products like copper, zinc and silver concentrate directly to customers under contract, which vary in tenure and pricing mechanisms. The Group's primary product is gold and the concentrates produced as part of the extraction process are considered to be by-products arising from the production of gold. Revenues from by-product sales are insignificant and are credited to production cost applicable to gold bullion sales as a by-product credit.

- **Gold bullion sales**

The Group primarily sells gold bullion in the spot market. The selling price is fixed on the date of sale based on the gold spot price and the revenue and related trade receivable is recognized, at a point in time basis, when the gold bullion is delivered to the airport, which is also the date, the place and the time that the control over the gold bullion is transferred to the customer.

Sales revenue is commonly subject to a quantity adjustment based on a fire assay of the gold bullion upon arrival at the refinery of the customer.

The sales revenue of a bullion bar is based on provisionally invoiced quantities. The Group uses the "expected value method" to recognize revenue on provisionally invoiced quantities. The revenue recognized is based on probability of gold content and includes a range of possible consideration amounts.

4 Summary of significant accounting policies (continued)

4.3 Revenue recognition (continued)

- **Metal concentrate sales**

Revenue from the sale of metal concentrates (copper, zinc and silver) is based on selling prices that are provisionally set, for a specified future date after shipment, based on ruling market prices. Sales revenue and the related trade receivable is recognized, at a point in time basis, at the time of shipment, which is also the date that the control transfers to the customer.

The final selling price on such concentrates is settled within a predetermined future date and is based on the ruling market price at that time or over a quotation period stipulated in the contract. Revenue for provisionally priced metal concentrates is initially recognized at the current market price. However, subsequently at each reporting date, such provisionally priced sales are marked-to-market using the relevant forward market prices for the period stipulated in the contract. This marked-to-market adjustment is directly recognized in sales and in the carrying amount of the outstanding trade receivable.

Contract liabilities

A contract liability is recognised if a payment is received or a payment is due (whichever is earlier) from a customer before the Group transfers the related goods or services. Contract liabilities are recognised as revenue when the Group performs under the contract (i.e., transfers control of the related goods or services to the customer).

Income from time deposits

Investment income on time deposits is accrued on a time basis, by reference to the principal outstanding and at the applicable effective interest rate.

4.4 Selling, marketing and logistic expenses

Selling, marketing and logistic expenses comprise of all costs for selling, marketing and transportation of the Group's products and include expenses for advertising, marketing fees, other sales related. Allocation between selling, marketing and logistic expenses and cost of sales are made on a consistent basis, when required.

4.5 General and administrative expenses

General and administrative expenses include direct and indirect costs not specifically part of cost of sales or the selling, marketing and logistics activity of the Group. Allocation between general and administrative expenses and cost of sales are made on a consistent basis, when required.

4.6 Earnings per share

Basic and diluted earnings per share from continuing operations is calculated by dividing:

- the profit from continuing operations attributable to ordinary shareholders of the parent company
- by the weighted average number of ordinary shares outstanding during the financial year.

The Group has not issued any potential ordinary shares, therefore the basic and diluted earnings per share are the same.

4.7 Mine properties and property, plant and equipment

Mine properties and property, plant and equipment

Freehold land is carried at historical cost and is not depreciated.

Mine properties and property, plant and equipment are carried at historical cost less accumulated depreciation and impairment losses. Cost includes expenditure that is directly attributable to the acquisition and development of the asset and includes:

- the purchase price,
- costs directly attributable to bring the asset to its location and condition necessary for it to be capable of operating in the manner intended by management,
- the initial estimate of any mine closure, rehabilitation and decommissioning obligation and
- for qualifying assets, that take a substantial period of time to get ready for their intended use, the applicable borrowing costs.

Mine properties are depreciated using the unit of production ("UOP") method, where the assets used for run-of-mine activity are depreciated using tonnes of ore extracted, while the assets used for post run-of-mine activity are depreciated using the recoverable output produced, based on economically recoverable proven and probable ore reserves of the mine concerned, except in the case of those mining assets whose economic useful life is shorter than the life-of-mine ("LOM"), in which case the straight line method is applied.

4 Summary of significant accounting policies (continued)

4.7 Mine properties and property, plant and equipment (continued)

Property, plant and equipment are carried at cost less accumulated depreciation. Depreciation is charged to the consolidated statement of profit or loss using the straight line method. Significant components of an item of mine properties and property, plant and equipment are separately identified and depreciated using the economic useful life of the component.

Buildings and items of plant and equipment for which the consumption of economic benefit is linked primarily to utilization or to throughput rather than production, are depreciated at varying rates on a straight line method over their economic useful lives or the LOM, whichever is the shorter.

Depreciation is charged to the consolidated statement of profit or loss to allocate the costs of the related assets less their residual values over the following estimated economic useful lives:

Categories of assets	Number of years
• Mine properties	Using UOP method over the economically recoverable proven and probable reserves or straight line method over the economic useful life, whichever is shorter
• Civil works	4 – 50
• Buildings	9 – 40
• Heavy equipment	5 – 40
• Other equipment including mobile and workshop equipment, laboratory and safety equipment and computer equipment	4 – 40
• Fixed plant	4 – 40
• Office equipment	4 – 10
• Furniture and fittings	4 – 10
• Motor vehicles	4

Subsequent costs are included in the asset’s carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognised when replaced. All other repairs and maintenance are charged to the consolidated statement of profit or loss during the reporting period in which they are incurred. Maintenance and normal repairs which do not extend the estimated economic useful life of an asset or increase the production output are charged to the consolidated statement of profit or loss as and when incurred.

The assets’ residual values and estimated economic useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

An asset’s carrying amount is written down immediately to its recoverable amount if the asset’s carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing proceeds with the carrying amount and are included in the consolidated statement of profit or loss.

Exploration and evaluation assets

Exploration expenditures relates to the costs incurred in the initial search for mineral deposits with economic potential or in the process of obtaining more information about existing mineral deposits. Exploration expenditures typically include costs associated with:

- acquisition of the exploration rights to explore,
- topographical, geological, geochemical and geophysical studies,
- exploration drilling,
- trenching,
- sampling and
- activities in relation to evaluating the technical feasibility and commercial viability of extracting a mineral resource.

4 Summary of significant accounting policies (continued)

4.7 Mine properties and property, plant and equipment (continued)

Exploration and evaluation assets **(continued)**

Evaluation expenditures relates to the costs incurred to establish the technical and commercial viability of developing mineral deposits identified through exploration activities or by acquisition. Evaluation expenditures include the cost of:

- establishing the volume and grade of deposits through drilling of core samples, trenching and sampling activities in an ore body that is classified as either a mineral resource or a proven and probable reserve,
- determining the optimal methods of extraction and metallurgical and treatment processes,
- studies related to surveying, transportation and infrastructure requirements in relation to both production and shipping,
- permitting activities and
- economic evaluations to determine whether development of the mineralized material is commercially justified, including scoping, prefeasibility and final feasibility study.

All exploration and evaluation costs are expensed until prospective mineral exploration project is identified as having economic development potential. The information used to make that determination depends on the level of exploration as well as the degree of confidence in the ore body. Exploration and evaluation expenditures are capitalised as a tangible asset, if management determines that future economic benefits could be generated as a result of these expenditures.

Exploration and evaluation expenditure relating to extensions of mineral deposits which are already being mined or developed, including expenditure on the definition of mineralization of such mineral deposits, is capitalised as mine development cost following the completion of an economic evaluation equivalent to a feasibility study.

All exploration and evaluation costs incurred after management has concluded that economic benefit is more likely to be realized than not, i.e. “probable” and are capitalised as “Exploration and evaluation assets” only until the technical feasibility and commercial viability of extracting of the mineral resource are demonstrable. Once the technical feasibility and commercial viability is demonstrable i.e. economic benefit will or will not be realised, the asset is tested for impairment and any impairment loss is recognised.

Exploration and evaluation assets are carried at historical cost less impairment. Exploration and evaluation assets are not depreciated.

For the purposes of exploration and evaluation assets only, one or more of the following facts and circumstances are considered for identifying whether or not exploration and evaluation assets may be impaired. These include the following:

- the period for which the entity has the right to explore in the specific area has expired during the period or will expire in the near future, and is not expected to be renewed,
- substantive expenditure on further exploration and evaluation of mineral resources in the specific area is neither budgeted nor planned,
- exploration for and evaluation of mineral resources in the specific area have not led to the discovery of commercially viable quantities of mineral resources and the entity has decided to discontinue such activities in the specific area and
- sufficient data exist to indicate that, although a development in the specific area is likely to proceed, the carrying amount of the exploration and evaluation asset is unlikely to be recovered in full from successful development or by sale.

Once it has been identified that an exploration and evaluation asset may be impaired, the entity performs impairment on exploration and evaluation assets as specified in Note 4.11. Based on the final technical scope, receipt of mining license and commercial feasibility, if the economic benefit will be realized and management intends to develop and execute the mine, the exploration and evaluation asset is transferred to “Mine under construction”.

Once the commissioning phase is successfully completed and the declaration of commercial production stage has been reached, the capitalized “Mine under construction” is reclassified as “Operating mines”.

Cash flows attributable to capitalized exploration and evaluation assets are classified as investing activities in the consolidated statement of cash flows.

4 Summary of significant accounting policies (continued)

4.7 Mine properties and property, plant and equipment (continued)

Stripping activity asset and stripping activity expense

Ma'aden incurs stripping (waste removal) costs during the development and production stages of its open pit mining operations.

Stripping costs incurred during the development stage of an open pit mine in order to access the underlying ore deposit are capitalised prior to the commencement of commercial production. Such costs are then amortised over the remaining life of the ore body (for which access has improved), using the unit of production ("UOP") method over economically recoverable proven and probable reserves.

Stripping activities during production stage generally creates two types of benefits being as follows:

- production of inventory or
- improved access to a component of the ore body to be mined in the future.

Where the benefits are realized in the form of inventory produced in the period under review, the production stripping costs are accounted for as part of the cost of producing those inventories.

Where the benefits are realized in the form of improved access to a component of the ore body to be mined in the future, the costs are recognized as a non-current asset, referred to as a 'Stripping activity asset', provided that all the following conditions are met:

- it is probable that the future economic benefits associated with the stripping activity will be realized,
- the component of the ore body for which the access has been improved can be identified and
- the costs relating to the stripping activity associated with the improved access can be reliably measured.

If all of the conditions are not met, the production stripping costs are charged to the consolidated statement of profit or loss, as production costs of inventories as they are incurred.

The stripping activity asset is initially measured at cost, being the directly attributable cost for mining activity which improves access to the identified component of the ore body, plus an allocation of directly attributable overhead costs. Incidental operations occurring at the same time as the production stripping activity which are not necessary for the production stripping activity to continue as planned are not included in the cost of the stripping activity asset.

The stripping activity asset is accounted for as an addition to, or an enhancement of, an existing mining asset, being a tangible asset (based upon the nature of existing asset) as part of mine properties in the consolidated statement of financial position. This forms part of the total investment in the relevant cash generating unit(s), which is reviewed for impairment if events or changes of circumstances indicate that the carrying value may not be recoverable.

The stripping activity asset is subsequently depreciated using the UOP method over the life of the identified component of the ore body that became more accessible as a result of the stripping activity. Economically recoverable proven and probable reserves are used to determine the expected useful life of the identified component of the ore body. The stripping activity asset is then carried at cost less accumulated depreciation and any impairment losses.

4.8 Right-of-use assets and lease liabilities

The Group assesses whether a contract is or contains a lease, at inception of a contract. The Group recognises a right-of-use asset and a corresponding lease liability with respect to all lease agreements in which it is the lessee, except for short-term leases (defined as leases with a lease term of 12 months or less) and leases of low-value assets. For these leases, the Group recognises the lease payments as an operating expense on a straight-line basis over the term of the lease unless another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed.

4 Summary of significant accounting policies (continued)

4.8 Right-of-use assets and lease liabilities (continued)

Right-of-use assets (RoU)

The right-of-use assets comprise the initial measurement of the corresponding lease liability, lease payments made at or before the commencement day and any initial direct costs. They are subsequently measured at cost less accumulated depreciation and impairment losses.

Whenever the Group incurs an obligation for costs to dismantle and remove a leased asset, restore the site on which it is located or restore the underlying asset to the condition required by the terms and conditions of the lease, a provision is recognised and measured under IAS 37. The costs are included in the related right-of-use asset, unless those costs are incurred to produce inventories.

Right-of-use assets are depreciated over the shorter period of the lease term or the economic useful life of the underlying asset. If a lease transfers ownership of the underlying asset or the cost of the right-of-use asset reflects that the Group expects to exercise a purchase option, the related right-of-use asset is depreciated over the economic useful life of the underlying asset. The depreciation starts at the commencement date of the lease.

The right-of-use assets are presented as a separate line in the consolidated statement of financial position.

The Group applies **IAS 36 - *Impairment of assets*** to determine whether a right-of-use asset is impaired and accounts for any identified impairment loss as described in Note 4.11.

Variable rents that do not depend on an index or rate are not included in the measurement the lease liability and the right-of-use asset. The related payments are recognised as an expense in the period in which the event or condition that triggers those payments occurs and are included in the line “other expenses” in the consolidated statement of profit or loss.

Lease liabilities

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted by using the rate implicit in the lease. If this rate cannot be readily determined, the Group uses its incremental borrowing rate.

Lease payments included in the measurement of the lease liability comprise:

- fixed lease payments (including in-substance fixed payments), less any lease incentives;
- variable lease payments that depend on an index or rate, initially measured using the index or rate at the commencement date;
- the amount expected to be payable by the lessee under residual value guarantees;
- the exercise price of purchase options, if the lessee is reasonably certain to exercise the options; and
- payments of penalties for terminating the lease, if the lease term reflects the exercise of an option to terminate the lease.

The lease liability is presented as a separate line in the consolidated statement of financial position.

The lease liability is subsequently measured by increasing the carrying amount to reflect interest on the lease liability (using the effective interest rate method) and by reducing the carrying amount to reflect the lease payments made.

The Group remeasures the lease liability (and makes a corresponding adjustment to the related right-of-use asset) whenever:

- the lease term has changed or there is a change in the assessment of exercise of a purchase option, in which case the lease liability is remeasured by discounting the revised lease payments using a revised discount rate.
- the lease payments change due to changes in an index or rate or a change in expected payment under a guaranteed residual value, in which cases the lease liability is remeasured by discounting the revised lease payments using the initial discount rate (unless the lease payments change is due to a change in a floating interest rate, in which case a revised discount rate is used).
- a lease contract is modified and the lease modification is not accounted for as a separate lease, in which case the lease liability is remeasured by discounting the revised lease payments using a revised discount rate.

4 Summary of significant accounting policies (continued)

4.9 Capital work-in-progress

Assets in the course of construction or development are capitalised in the capital work-in-progress account. The mine under construction or the asset under construction or development is transferred to the appropriate category in mine properties or property, plant and equipment or intangible assets (depending on the nature of the project), once the asset is in a location and / or condition necessary for it to be capable of operating in the manner intended by management.

The cost of an item of capital work-in-progress comprises its purchase price, construction / development cost and any other cost directly attributable to the construction or acquisition of an item intended by management. Proceeds from the sale of any production during the commissioning period and related production costs (prior to its being available for use) are recognized separately in profit or loss for the period.

Borrowing costs related to qualifying assets are capitalised as part of the cost of the qualified assets until the commencement of commercial production.

Capital work-in-progress is measured at cost less any recognized impairment.

Capital work-in-progress is not depreciated.

Depreciation only commences when the assets are capable of operating in the manner intended by management, at which point they are transferred to the appropriate asset category.

4.10 Intangible assets and goodwill

Intangible assets acquired separately are initially recognised and measured at cost. Following initial recognition, intangible assets are measured at cost less accumulated amortisation and impairment losses, where applicable.

Internally generated intangibles, excluding capitalised development costs, are not capitalised. Instead, the related expenditure is recognised in the consolidated statement of profit or loss in the period in which the expenditure is incurred.

The useful lives of intangible assets are assessed as either finite or indefinite.

Intangible assets with finite lives are amortised over their respective economic useful lives, using the straight-line method and assessed for impairment whenever there is an indication that the intangible asset may be impaired. Amortisation methods, residual values and estimated economic useful lives are reviewed at least annually. The amortisation expense of intangible assets with finite lives is recognised in the consolidated statement of profit or loss within the expense category that is consistent with the function of the intangible assets. The Group amortizes intangible assets with a limited useful life using the straight-line method over the following years:

Categories of intangible assets	Number of years
• Internally developed software (ERP System)	4 - 10
• Technical development	5 - 7
• Software and licenses (mine related)	Over life-of-mine using straight line method

The Group tests an intangible asset with an indefinite useful life for impairment by comparing its recoverable amount with its carrying amount either annually or whenever there is an indication that the intangible asset may be impaired.

Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the consolidated statement of profit or loss when the asset is derecognized.

4 Summary of significant accounting policies (continued)

4.10 Intangible assets and goodwill (continued)

Goodwill

Goodwill arising on acquisition of a business is included in intangible assets.

Goodwill arising on acquisition of a business is carried at cost as at the acquisition date. Goodwill is not amortised but it is tested for impairment annually, or more frequently if events or changes in circumstances indicate that it might be impaired, and is carried at cost less impairment losses.

For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to the cash-generating units ("CGU") that are expected to benefit from the synergies of the combination and represents the lowest level at which goodwill is monitored for internal management purposes. A CGU to which goodwill has been allocated is tested for impairment annually, or more frequently if events or changes in circumstances indicate that it might be impaired. If the recoverable amount of the CGU is less than its carrying amount, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the CGU and then to the other assets of the CGU on pro-rata based on the carrying amount of each asset in the CGU.

Any impairment loss is recognized immediately in the consolidated statement of profit or loss and other comprehensive income. Impairment of goodwill is not subsequently reversed.

Customer relationships and non-core contracts

Customer relationships and non-core contracts acquired in a business combination are recognized at fair value at the acquisition date. They have a finite useful life and are subsequently carried at cost less accumulated amortisation and impairment losses, where applicable.

Categories of intangible assets	**Number of years**
• customer relationships	10
• non-core contracts	4
• Goodwill	Not amortised but tested for impairment

4.11 Impairment of mine properties, property, plant and equipment, right-of-use assets, capital work-in-progress and intangible assets excluding goodwill

At each reporting date, the Group reviews the carrying amounts of its mine properties, property, plant and equipment, right-of-use assets, capital work-in-progress and intangible assets to determine whether there is any indication that those assets are impaired. If such an indication exists, the recoverable amount of the asset is estimated in order to determine the extent of any impairment. Where the asset does not generate cash flows that are independent from other assets, the Group estimates the recoverable amount of the cash generating unit ("CGU") to which the asset belongs. An intangible asset with an indefinite useful life is tested for impairment annually or whenever there is an indication that the asset may be impaired.

Recoverable amount is the higher of fair value less costs of disposal ("FVLCD") or value-in-use ("VIU"). In assessing VIU, the estimated future cash flows are discounted to their present value using a discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset or CGU is estimated to be less than its carrying amount, the carrying amount of the asset or CGU is reduced to its recoverable amount. An impairment loss is recognized in the operating section of the consolidated statement of profit or loss.

Assets or CGUs (other than the goodwill component) for which an impairment loss had been previously recorded, could reverse the impairment loss allocated if, and only if, there has been a change in the estimates used in determining the asset's or CGU's recoverable amount since the last impairment loss was recognised.

Where an impairment loss subsequently reverses, the carrying amount of the asset or CGU is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment been recognized for the asset or CGU. A reversal of an impairment loss is recognized in the operating section of the consolidated statement of profit or loss.

4 Summary of significant accounting policies (continued)

4.12 Inventories

Finished goods

Saleable finished goods are measured at the lower of unit cost of production for the period or net realizable value. The unit cost of production is determined as the total cost of production for the period divided by the saleable unit output for the period.

Cost assigned to saleable inventories on hand at the reporting date, arising from the conversion process, is determined by the unit cost of production and comprises of:

- labor costs, materials and contractor expenses which are directly attributable to the extraction and processing of ore,
- the depreciation of mining properties, plant and equipment and right-of-use assets used in the extraction and processing of ore and the amortisation of any stripping activity assets,
- variable and fixed production overheads, the latter being allocated on the basis of normal operating capacity, and
- the revenue generated from the sale of by-products is credited against production costs.

Net realizable value is the estimated selling price in the ordinary course of business, less the costs of completion and selling expenses.

By-products are valued at net realizable value, with reference to the spot price of the commodities ruling at the reporting date.

Work-in-process

The cost of work-in-process is determined using unit cost of production for the period based on the percentage of completion at the applicable stage and the estimated recoverable content:

- labor costs, materials and contractor expenses which are directly attributable to the extraction and processing of ore, and production activities,
- the depreciation of mining properties and right-of-use assets used in the extraction and processing of ore, and the amortisation of any deferred stripping assets and
- direct production overheads.

Net realizable value is the estimated selling price in the ordinary course of business using the same percentage of completion at the applicable stage, the estimated recoverable content less any selling expense.

Ore stockpiles

Ore stockpiles represent ore that has been extracted from the mine, and considered to be of future economic benefits under current prices and is available for further processing. If the ore stockpiles is not expected to be processed in the next 12 months after the reporting date, it is included in non-current assets. Cost of ore stockpiles is determined by using the weighted average cost method. If the ore is considered not to be economically viable it is expensed immediately.

If there is significant uncertainty as to when the stockpiled ore will be processed, the cost is expensed as incurred. Where the future processing of this ore can be predicted with confidence because it exceeds the mine’s cut-off grade and is economically viable, it is valued at the lower of cost of production or net realizable value. Quantities and grades of stockpiles and work-in-process are assessed primarily through surveys and assays.

Spares and consumables

Spares and consumable inventory are valued at lower of cost or net realizable value. Cost is determined on the weighted average cost method. An allowance for obsolete and slow moving items, if any, is estimated at each reporting date.

Net realizable value is the estimated selling price less selling expenses.

Raw materials

Raw materials are valued at the lower of cost or net realizable value. Cost is determined on the weighted average cost method.

Net realizable value is the estimated selling price less selling expenses.

4 Summary of significant accounting policies (continued)

4.13 Trade and other receivables

Trade receivables

Trade receivables are recognized initially at fair value and subsequently measured at either amortized cost using the effective interest method less expected credit loss (“ECL”) allowance, if any, or at fair value through profit and loss. See Note 4.16 for a description of the Group’s impairment policies.

Trade receivables that do not meet the criteria for amortized cost or fair value through other comprehensive income (“FVOCI”) are measured at fair value through profit or loss (“FVTPL”). Any gain or loss arising on such trade receivables, if material, is recognized in the consolidated statement of profit or loss and other comprehensive income and presented within revenue.

Employees’ home ownership program receivable

Certain companies of the Group have established an employees’ home ownership program (HOP) that offers eligible employees the opportunity to buy housing units constructed by the company through a series of payments over a particular number of years. Ownership of the housing unit is transferred to the employee upon completion of the full payment (Note 4.21).

Under the HOP, the housing units are classified under other non-current assets as long-term employees’ home ownership program receivable upon signing of the sales contract with the eligible employees. The monthly installments paid by the employee towards the housing unit are repayable back to the employee in case the employee discontinues employment to the extent of the amounts paid in addition to the monthly housing allowance and the house is returned back to the company.

4.14 Time deposits

Time deposits include placements with banks and other short term highly liquid investments, with original maturities of more than three months but not more than one year from the date of acquisition. Time deposits are placed with financial institutions with investment grade rating, which are considered to have low credit risk, hence a provision is recognised at an amount equal to 12 month’s ECL, unless there is evidence of significant increase in credit risk of the counter party.

4.15 Cash and cash equivalents

Cash and cash equivalents comprise of cash on hand, cash held at banks and time deposits with an original maturity of three months or less at the date of acquisition, which are readily convertible into known amounts of cash and that are subject to an insignificant risk of changes in value.

Restricted cash and cash equivalents that are not available for use by the Group and are excluded from cash and cash equivalents for the purposes of the consolidated statement of cash flows. Restricted cash and cash equivalents are related to the employees’ savings plan program, see Notes 4.21 and 29.

4.16 Financial instruments, financial assets and financial liabilities

The Group recognizes a financial asset or a financial liability in its consolidated statement of financial position when, and only when, the Group becomes party to the contractual provisions of the instrument. The Group recognizes all of its contractual rights and obligations under derivatives in its consolidated statement of financial position as assets and liabilities.

Derivative financial instruments

The Group utilizes derivative financial instruments to manage certain market risk exposures. The Group does not use derivative financial instruments for speculative purposes, however it may choose not to designate certain derivatives as hedges for accounting purposes.

The use of derivative instruments is subject to limits and the positions are regularly monitored and reported to senior management.

4 Summary of significant accounting policies (continued)

4.16 Financial instruments, financial assets and financial liabilities (continued)

Interest rate swap contracts

The Group uses interest rate swap contracts to manage its exposure to interest rate movements on its long term-borrowings (Note 46.1.2).

In respect of financial assets, the Group's policy is to invest free cash at floating rates of interest and to maintain cash reserves in time deposits (less than one year) in order to maintain liquidity.

Other financial liabilities (excluding long term-borrowings and obligations under leases) are primarily non-interest bearing.

Forward exchange contracts

Foreign currency exchange risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of movements in foreign currency exchange rates. The Saudi Riyal is pegged at SAR 3.75 : USD 1, therefore the Group is not exposed to any risks from USD denominated financial instruments (Note 46.1.1).

The Group's transactions are principally in SAR and US Dollars. Virtually all commodity sales contracts are with international customers (Note 6.3) and are USD priced and equally so is the bulk of the procurement and capital expenditure contracts.

The Group does not use forward exchange contracts.

Commodity contracts

The Group's earnings are exposed to movements in the prices of the commodities it produces (Note 46.1.3).

The Group's policy is to sell its products at prevailing market prices and not to hedge commodity price risk.

Provisional price contracts

Certain of the Group's sales are provisionally priced, meaning that the final selling price is determined normally 30 to 180 days after the delivery to the customer, based on the quoted market price stipulated in the contract and as a result are susceptible to future commodity price movements.

At each reporting date, subsequent to the initial sale, the provisionally priced trade receivables are marked-to-market using the relevant forward market prices for the period stipulated in the contract. This exposure to the commodity price causes such trade receivables to fail the solely payment of principal and interest ("SPPI") test. As a result, these receivables are measured at fair value through profit or loss ("FVTPL") from the date of recognition of the corresponding sale, with subsequent marked-to-market adjustments recognized in fair value gains / (losses) on provisionally priced products and the carrying amount of the outstanding trade receivable, if material. Such fair value gains (losses) on provisionally priced products are presented within revenue.

Financial assets

The Group's principal financial assets include:

- joint ventures (equity accounted for) - (Accounting policy 4.1),
- other investment in securities, where the Group's intention is to hold it to maturity,
- derivative financial instruments,
- trade and other receivables – excluding pre-payments and zakat / tax receivables - (Accounting policy 4.13),
- time deposits (Accounting policy 4.14) and
- cash and cash equivalents (Accounting policy 4.15)

They are derived directly from the Group's operations.

4 Summary of significant accounting policies (continued)

4.16 Financial instruments, financial assets and financial liabilities (continued)

Initial recognition of financial assets

Financial assets are initially recognized at fair value on the trade date, including directly attributable transaction costs.

A trade receivable without a significant financing component is recognized initially at its transaction price.

Regular way purchases and sales of financial assets are recognized on trade-date, the date on which the Group commits to purchase or sell the asset.

Subsequently, financial assets are carried at fair value or at amortized cost less impairment.

Classification of financial assets

Financial assets are classified into one of the following three categories, based on the business model in which the financial asset and its contractual cash flow characteristics are managed:

- measured at amortized cost (“AC”),
- fair value through profit or loss (“FVTPL”) and
- fair value through other comprehensive income (“FVOCI”).

Derivatives embedded in contracts where the host is a financial asset is never bifurcated and the whole hybrid instrument is assessed for classification.

Impairment and uncollectibility of financial assets

At each reporting date, the Group measures the loss allowance for a financial asset (using the Expected credit loss (“ECL”) model) at an amount equal to the lifetime expected credit losses, if the credit risk on that financial asset has increased significantly since initial recognition.

However, if at the reporting date, the credit risk on that financial asset has not increased significantly since initial recognition, the Group measures the loss allowance for the financial asset at an amount equal to lifetime expected credit losses.

Impairment losses on financial assets carried at amortized cost are reversed in subsequent periods if the amount of the loss decreases and the decrease can be objectively related to an event occurring after the impairment was recognized.

Regardless of the change in credit risk, loss allowances on trade receivables that do not contain a significant financing component are calculated at an amount equal to lifetime expected credit losses.

Such impairment losses are recognized in the consolidated statement of profit or loss.

Derecognition of financial assets

The Group derecognizes financial assets only when the contractual rights to receive cash flows from the financial assets have expired, or when it transfers the financial assets and substantially all the associated risks and rewards of ownership to another entity.

Gains and losses arising on derecognition of financial assets are recognized in the consolidated statement of profit or loss.

Financial liabilities

The Group’s principal financial liabilities comprise of:

- long-term borrowings (Accounting policy 4.17),
- lease liabilities (Accounting policy 4.8),
- derivative financial instruments,
- projects, trade and other payables – excluding zakat / tax liabilities and employees’ end of service termination benefits obligations - (Accounting policy 4.21) and
- accrued expenses (Accounting policy 4.21)

The main purpose of these financial liabilities is to finance the Group’s operations and to guarantees support for the operations.

4 Summary of significant accounting policies (continued)

4.16 Financial instruments, financial assets and financial liabilities (continued)

Initial recognition of financial liabilities

Financial liabilities are initially recognized at the fair value of the consideration received net of any directly attributable transaction costs, as appropriate. Subsequently, financial liabilities are carried at amortized cost.

Long-term borrowings are initially recognized at the fair value (being proceeds received, net of eligible transaction costs incurred, if any).

Subsequent to initial recognition long-term borrowings are measured at amortized cost using the effective interest rate method. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognized in the consolidated statement of profit or loss over the period of the long-term borrowings using the effective interest rate method.

Classification of financial liabilities

Financial liabilities are classified and subsequently measured at amortized cost except for the following:

- financial liabilities that arise when a transfer of a financial asset does not qualify for de-recognition or when the continuing involvement approach applies,
- financial guarantee contracts which are measured at the higher of the amount of loss allowance and the amount initially recognized and
- commitments to provide a loan at below market interest rate which shall be measured at the higher of the amount of loss allowance, the amount initially recognized and the contingent consideration in case of a business combination.

Derecognition of financial liabilities

The Group derecognizes financial liabilities only when its obligations under the financial liabilities are discharged, cancelled or expired. The difference between the carrying amount of the financial liability derecognized and the consideration paid and payable, including any non-cash assets transferred or liabilities assumed, is recognized as a gain or a loss in the consolidated statement of profit or loss.

Long-term borrowings are derecognized from the consolidated statement of financial position when the obligation specified in the contract is discharged, cancelled or expired. In case of any modification to the financial liability, management considers both quantitative and qualitative factors in determination of modification or extinguishment of such financial liability. The difference between the carrying amount of a financial liability that has been extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognized as a gain in consolidated statement of profit or loss as other income or finance cost.

Offsetting a financial asset and a financial liability

A financial asset and a liability is offset and the net amount reported in the consolidated financial statements, when the Group has a legally enforceable right to set-off the recognized amounts and intends either to settle on a net basis, or to realize the asset and liability simultaneously.

4.17 Long-term borrowings

Long-term borrowings are initially recognised at their fair value (being proceeds received, net of eligible transaction costs incurred, if any). Subsequent to initial recognition long-term borrowings are measured at amortised cost using the effective interest rate method. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in the consolidated statement of profit or loss over the period of the long-term borrowings using the effective interest rate method.

Up-front fees paid on the establishment of the loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw down occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalised as a prepayment for liquidity services and amortised over the period of the facility to which it relates.

Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the reporting period.

4 Summary of significant accounting policies (continued)

4.17 Long-term borrowings (continued)

General and specific borrowing costs that are directly attributable to the acquisition, construction or production of qualifying assets are capitalised during the period of time that is required to complete and prepare the qualifying asset for its intended use or sale. Qualifying assets are assets that necessarily take a substantial period of time to get ready for their intended use or sale. Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalization.

Other borrowing costs are expensed in the period in which they are incurred in the consolidated statement of profit or loss.

4.18 Provisions

Provisions are recognised when the Group has:

- a present legal or constructive obligation as a result of a past event,
- it is probable that an outflow of economic resources will be required to settle the obligation in the future and
- a reliable estimate can be made of the amount of the obligation

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects time value of money, where appropriate and the risks specific to the liability. Where discounting is used, the increase in the provision due to the passage of time is recognized as part of the finance cost in the consolidated statement of profit or loss.

4.19 Provision for decommissioning, site rehabilitation and dismantling obligations

The mining, extraction and processing activities of the Group normally give rise to obligations for mine closure, decommissioning, site rehabilitation and plant dismantling (collectively referred to as “decommissioning site rehabilitation and dismantling obligations”). Decommissioning and site restoration work can include:

- facility decommissioning and dismantling of plant and buildings,
- removal or treatment of waste materials and
- site and land rehabilitation.

The extent of the work required and the associated costs are dependent on the requirements of current laws and regulations.

The full estimated future cost is discounted to its present value and capitalised as part of “Mine under construction” and once it has been transferred to “Mine properties” it is then depreciated as an expense over the expected life-of-mine using the UOP method.

Costs included in the provision includes all decommissioning obligations expected to occur over the life-of-mine and at the time of closure in connection with the mining activities being undertaken at the reporting date. Costs arising from unforeseen circumstances, such as the contamination caused by unplanned discharges, are recognised as an expense when the event gives rise to an obligation which is probable and capable of reliable estimation. The timing of the actual decommissioning expenditure is dependent upon a number of factors such as:

- the life-of-mine,
- developments in technology,
- the operating license conditions,
- the environment in which the mine operates and
- changes in economic sustainability.

Adjustments to the estimated amount and timing of future decommissioning cash flows are a normal occurrence in light of the significant judgments and estimates involved. Such adjustments are recorded as an increase in liability and a corresponding increase in the mine related asset. Factors influencing those adjustments include:

- revisions to estimated ore reserves, mineral resources and lives of mines,
- developments in technology,
- regulatory requirements and environmental management strategies,
- changes in the estimated extent and costs of anticipated activities, including the effects of inflation and
- changes in economic sustainability.

4 Summary of significant accounting policies (continued)

4.20 Employees' benefits

Employees' savings plan program

In accordance with Article 145 of the Labor Regulations, and in furtherance to Article 76 of the Company's Internal Work Regulation, approved by resolution No. 424 dated 6th of Rabi II 1420H (corresponding to 19 July 1999), issued by His Highness the Minister of Labor and Social Affairs, a Savings Plan Program was introduced to encourage the Saudi employees of the Group to save and invest their savings in areas more beneficial to them, to secure their future and as an incentive for them to continue working with the Group.

Participation in the Savings Plan Program is restricted to Saudi Nationals only and optional with employees required to contribute a monthly minimum installment of 1% to a maximum of 15% of their basic salary subject to a minimum of SAR 300 per month.

This is a defined contribution plan, where the Group will contribute an amount equaling 10% of the monthly savings of each member per year for the first year and increase it by 10% per year in the years there after until it reaches 100% in the 10th year and continue contributing 100% from year 11 onwards, which will in turn be credited to the savings accounts of the employee. The Group's portion is charged to consolidated statement of profit or loss on a monthly basis. The Group's portion will only be paid to the employee after the expiry of 10 years upon termination or resignation.

Other short-term obligations

Liabilities for wages and salaries, including non-monetary benefits that are expected to be settled in full, within 12 months after the end of the period in which the employees render the related service are recognised in respect of employees' services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled. The liabilities are presented as current employee benefit obligations in the consolidated statement of financial position.

Employees' home ownership program

The program has three categories:

Housing project

Certain companies within the Group have established employees' home ownership program (HOP) that offer eligible employees the opportunity to buy housing units constructed by these subsidiaries through a series of payments over a particular number of years. Ownership of the housing unit is transferred upon completion of full payment.

Under the HOP, the housing units are classified under other non-current assets as long-term employees' receivable upon signing of the sales contract with the eligible employees. The monthly installments paid by the employee towards the housing unit are repayable back to the employee in case the employee discontinues employment to the extent of the amounts paid in addition to the monthly housing allowance and the house is returned back to the Group.

Home loan

Certain companies within the Group provides an interest free loan to an eligible employee to purchase or build his own house by mortgaging the property in the company's name as a security. The repayment of the loan is deducted from the employee's salary in monthly installments.

The interest cost associated with the funding of the acquisition or construction of the employee's house is borne by the Company in accordance with the approved HOP and expensed as part of finance cost.

HOP furniture loan

Certain companies within the Group provides a furniture loan to an eligible employee which is to be written-off equally over a 5-year period. In case the employee resigns, or his services is terminated for any reason before completion of the stated period, the employee will be required to pay the remaining balance of the furniture loan.

4 Summary of significant accounting policies (continued)

4.20 Employees' benefits (continued)

Employees' end-of-service termination benefits obligation

The liability recognized in the consolidated statement of financial position, in respect of the defined end-of-service-benefits obligation, is the present value of the employees' end-of-service termination benefits obligation at the end of the reporting period. The employees' end of service termination benefits obligation is calculated annually by independent actuaries using the projected unit credit method.

Since the Kingdom of Saudi Arabia has no deep market in high-quality corporate bonds, the market rates of high-quality corporate bonds of the United States of America are used to present value the employees' end of service termination benefits obligation by discounting the estimated future cash outflows.

The net finance cost is calculated by applying the discount rate to the net balance of the employees' end-of-service termination benefits obligation. This cost is included in employee benefit expense in the consolidated statement of profit or loss.

Changes in the present value of the employees' end-of-service termination benefits obligation resulting from plan amendments or curtailments are recognized immediately in the consolidated statement of profit or loss as past service costs.

Re-measurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognized in the period in which they occur, directly in the consolidated statement of other comprehensive income.

4.21 Projects, other payables and accrued expenses

Liabilities in respect of contract costs for capital projects (including trade payables) are recognised at amounts to be paid for goods and services received. The amount recognised is discounted to the present value of the future obligations using the respective entity's incremental borrowing rate; unless they are due in less than one year.

Liabilities in respect of other payables are recognised at amounts expected to be paid for goods and services received.

4.22 Zakat, income tax, withholding tax and deferred tax

Companies with only Saudi shareholders

The Company is subject to zakat in accordance with the regulations of the Zakat, Tax and Customs Authority (the "ZATCA"). A provision for zakat for the Company and zakat related to the Company's wholly owned subsidiaries is estimated at the end of each reporting period and charged to the consolidated statement of profit or loss. Differences, if any, at the finalization of final assessments are accounted for when such amounts are determined.

Mixed companies with foreign shareholders

The subsidiaries with foreign shareholders are subject to zakat for their Saudi shareholders and income tax for their foreign shareholders in accordance with the regulations of the ZATCA. A provision for zakat and income tax for the mixed companies is charged to the consolidated statement of profit or loss. Differences, if any, at the finalization of final assessments are accounted for when such amounts are determined.

Zakat and income tax related to the minority shareholders in certain subsidiaries is included in their share of non-controlling interest in the consolidated statement of profit or loss.

The tax expense includes the current tax and deferred tax charge recognized in the consolidated statement of profit or loss.

Current tax payable is based on the taxable profit for the year. Taxable profit differs from net profit as reported in the consolidated statement of profit or loss because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are not taxable or deductible. The Group's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting date.

Deferred tax is recognized in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the tax amounts used for taxation purposes. Deferred tax liabilities are generally recognized for all taxable temporary differences and deferred tax assets are recognized to the extent that it is probable that future taxable profits will be available against which the deductible temporary differences can be utilized. Such assets and liabilities are not recognized if the temporary differences arise from the initial recognition of goodwill or of an asset or liability in a transaction (other than in a business combination) that affects neither taxable profit nor accounting profit.

(All amounts in Saudi Riyals unless otherwise stated)

4 Summary of significant accounting policies (continued)

4.22 Zakat, income tax, withholding tax and deferred tax (continued)

Deferred tax liabilities are recognized for taxable temporary differences arising on investments in subsidiaries, joint arrangements and associates except where the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future.

The carrying amount of deferred tax assets is reviewed at each reporting date and is adjusted to the extent that it is no longer probable that sufficient future taxable profit will be available to allow all or part of the asset to be recovered.

Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realized, based on the laws that have been enacted or substantively enacted by the reporting date. Deferred tax is charged or credited to the consolidated statement of profit or loss, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also taken directly to equity.

The Group withholds taxes on certain transactions with non-resident parties in the Kingdom of Saudi Arabia as required under Saudi Arabian Income Tax Law.

4.23 Severance fees

Effective from 1 January 2021 onwards, as per Article No.111 of the Saudi Mining Investment Code issued based on the Royal Decree No. 140/M dated 19 Shawwal 1441H (corresponding to 11 June 2020), the Group is required to pay to the Government of Saudi Arabia severance fee representing equivalent of 20% of hypothetical income in addition to a specified percentage of the net value of the minerals upon extraction. This supersedes the Royal Decree No. 47/M dated 20 Sha'aban 1425H (corresponding to 4 October 2004), which required the Company to pay to the Government of Saudi Arabia severance fee representing 25% of the annual net income per mining license or the equivalent of 20% of hypothetical income, whichever was lower. The Zakat due shall be deducted from gross severance fee and the net severance fee amount is shown as part of cost of sales in the consolidated statement of profit or loss (Notes 8 and 43).

However, the minimum severance fee payable for a small mine license based on sales is:

Minerals	**Basis**	**Rate**
Low grade bauxite	Actual metric tonnes sold	SAR 2.50 per metric tonne
Kaolin	Actual metric tonnes sold	SAR 3.25 per metric tonne
Magnesia / Dead burned magnesia / Monolithic / Raw ore magnesia	Actual metric tonnes sold	SAR 5.00 per metric tonne

The minimum severance fee payable is SAR 90,000 if the minimum mining capacity is not achieved. Provision for severance fees is charged to the cost of sales in the consolidated statement of profit or loss and is not included in the valuation of inventory.

In mixed companies with foreign shareholders, only the Saudi shareholders are liable for paying severance fees on their share of the net profit attributable to the particular mining license. The Saudi shareholder can deduct the zakat due by them from their severance fee liability. The foreign shareholders are exempt from paying severance fees on their share of net profit attributable to the particular mining license, however, they pay income tax at a rate of 20%.

5 Critical accounting judgments, estimates and assumptions

The preparation of consolidated financial statements in conformity with IFRS and other standards and pronouncements that are issued by SOCPA, as endorsed in the Kingdom of Saudi Arabia, requires the Group's management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying accounting disclosures, and the disclosures of contingent liabilities at the reporting date of the consolidated financial statements.

Estimates and assumptions are continually evaluated and are based on management's historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The Group makes estimates and assumptions concerning the future. The accounting estimates will, by definition, seldom equal the related actual results.

However, as explained in Note 1, Management, through the crisis management committee, continues to proactively assess the potential of the Covid-19 pandemic for any further regulatory and government restrictions both locally and in the market in which the Group operates that could adversely affect our supply chain and our production capabilities, demand of our products, as well as our sales distribution network that could cause a negative impact on our financial performance. Management has concluded that the critical accounting judgements, estimates and assumptions remain appropriate under the current circumstances.

5.1 Critical accounting judgements in applying accounting standards

The following critical judgements have the most significant effect on the amounts recorded in the consolidated financial statements:

- identification of CGUs
- right-of-use assets and lease liabilities
- exploration and evaluation expenditure
- stripping costs
- commercial production start date

Identification of CGUs

The classification of assets into CGUs requires significant judgement and interpretations with respect to the integration between assets, generation of independent cash flows by the assets, the existence of active markets and external users.

Right-of-use assets and lease liabilities

Extension and termination options are included in a number of leases across the Group. These are used to maximise operational flexibility in terms of managing the assets used in the Group's operations.

In determining the lease term, management considers all facts and circumstances that create an economic incentive to exercise an extension option, or not to exercise a termination option. Extension options (or periods after termination options) are only included in the lease term if the lease is reasonably certain to be extended (or not terminated).

The lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be readily determined, which is generally the case for leases in the Group, the lessee's incremental borrowing rate is used, being the rate that the individual lessee would have to pay to borrow the funds necessary to obtain an asset of similar value to the right-of-use asset in a similar economic environment with similar terms, security and conditions.

Exploration and evaluation expenditure

The application of the Group's accounting policy for exploration and evaluation expenditure requires judgement to determine whether future economic benefits are likely to be derived from either future exploitation or sale, or whether activities have not reached a stage that permits a reasonable assessment of the existence of reserves.

In addition to applying judgement to determine whether future economic benefits are likely to arise from the Group's exploration and evaluation assets or whether activities have not reached a stage that permits a reasonable assessment of the existence of reserves, the Group has to apply a number of estimates and assumptions.

Stripping costs

Significant judgement is required to distinguish between development stripping and production stripping and to distinguish between the production stripping that relates to the extraction of inventory and that which relates to giving access to a component of the ore body to be mined in the future, which then give rise to the creation of a stripping activity asset.

5 Critical accounting judgments, estimates and assumptions (continued)

5.1 Critical accounting judgements in applying accounting standards (continued)

Stripping costs (continued)

Once the Group has identified its production stripping for each surface mining operation, it identifies the separate components of the ore bodies for each of its mining operations.

An identifiable component is a specific volume of the ore body that is made more accessible by the stripping activity. Significant judgement is required to identify and define these components, and also to determine the expected volumes (e.g., in tonnes) of waste to be stripped and ore to be mined in each of these components. These assessments are undertaken for each individual mining operation based on the information available in the mine plan. The mine plans and, therefore, the identification of components, will vary between mines for a number of reasons. These include, but are not limited to, the type of commodity, the geological characteristics of the ore body, the geographical location and/or financial considerations.

Judgement is also required to identify a suitable production measure to be used to allocate production stripping costs between inventory and any stripping activity asset(s) for each component. The Group considers that the ratio of the expected volume (e.g., in tonnes) of waste to be stripped for an expected volume (e.g., in tonnes) of ore to be mined for a specific component of the ore body, is the most suitable production measure.

Commercial production start date

Commercial production is achieved when assets are capable of operating in the manner envisaged by the entity's management which is generally when the related assets are capable of operating continuously at a nominated percentage of design capacity.

The decision on when commercial production for mining related assets is achieved is however judgmental and should be based after discussions between the accountants, engineers and metallurgists. Consideration should be taken of the following list of non-exhaustive factors, such as:

- a nominated percentage of design capacity for a mine or a mill,
- mineral recoveries at or near expected levels,
- achievement of continuous production and
- the level of future capital expenditure still to be incurred.

Various aspects of the mining / production process (e.g. mine, mill, refinery, processing plant, etc.) needs to be considered separately when concluding on when commercial production has commenced, especially if one aspect of the process has commenced production in advance of the others. Once the mine is capable of commercial production, depreciation should commence.

5.2 Key sources of estimation uncertainty

The following are the key sources of estimation uncertainty that have a significant risk of causing a material adjustment to the carrying amounts of the assets and liabilities within the next financial year:

- impairment testing of goodwill
- impairment and the reversal of impairment of tangible assets
- economic useful lives of mine properties, property, plant and equipment
- zakat and income tax
- mineral resource and ore reserve estimates,
- mine decommissioning obligation,
- allowances for obsolete and slow moving spare parts,
- non-controlling interest put options and
- contingencies.

Impairment testing of goodwill

The Group's management tests, on an annual basis, whether goodwill arising on consolidation has suffered any impairment. This requires an estimation of the recoverable amounts of the CGU to which goodwill has been allocated. The recoverable amount is most sensitive to the discount rate used for the discounted cash flow model as well as the expected future cash inflows and the growth rate used in computation of terminal value. The key assumptions used in determining the recoverable amounts are set out in Note 20.

5 Critical accounting judgments, estimates and assumptions (continued)

5.2 Key sources of estimation uncertainty (continued)

Impairment and the reversal of impairment of tangible assets

The Group reviews the carrying amounts of its tangible assets i.e. mine properties, property, plant and equipment, right-of-use assets, capital work-in-progress to determine whether there is any indication that those assets are impaired or whether there is any indicator that an impairment loss recognized in previous years may no longer exist or may have decreased.

Economic useful lives of mine properties, property, plant and equipment

The Group's assets, classified within mine properties, are depreciated / amortized on a UOP basis over the economically recoverable proven and probable ore reserves of the mine concerned, except in the case of those mining assets whose economic useful life is shorter than the life-of-mine, in which case the straight line method is applied. When determining the life-of-mine, assumptions that were valid at the time of estimation, may change when new information becomes available.

The factors that could affect estimation of the life-of-mine include the following:

- changes in proven and probable ore reserves,
- the grade of ore reserves varying significantly from time to time,
- differences between actual commodity prices and commodity price assumptions used in the estimation and classification of ore reserves,
- unforeseen operational issues at mine sites and
- changes in capital, operating, mining, processing and reclamation costs, discount rates could possibly adversely affect the economic viability of ore reserves.

Any of these changes could affect prospective depreciation of mine properties and their carrying value. The economic useful lives of non-mining property, plant and equipment is reviewed by management periodically. The review is based on the current condition of the assets and the estimated period during which they will continue to bring economic benefit to the Group.

The Group's assets, classified within property, plant and equipment, are depreciated on a straight line basis over their economic useful lives.

Zakat and income tax

The Company and its wholly owned subsidiaries are subject to zakat, whereas, the subsidiaries with foreign shareholders are subject to zakat for their Saudi shareholders and income tax for their foreign shareholders in accordance with the regulations of the ZATCA.

A provision for zakat and income tax is estimated at the end of each reporting period in accordance with the regulations of the ZATCA and on a yearly basis zakat and income tax returns are submitted to the ZATCA. Differences, if any, at the finalization of final assessments are accounted for when such amounts are determined.

Mineral resource and ore reserve estimates

There is a degree of uncertainty involved in the estimation and classification of mineral resource and ore reserve and corresponding grades being mined or dedicated to future production. Until mineral resource and ore reserve are actually mined and processed, the quantity of mineral resource and ore reserve grades must be considered as estimates only. Further, the quantity of mineral resource and ore reserve may vary depending on, amongst other things, metal prices and currency exchange rates.

The ore reserve estimates of the Group have been determined based on long-term commodity price forecasts and cut-off grades. Any material change in the quantity of reserves, grades or stripping ratio may affect the economic viability of the properties. In addition, there can be no assurance that gold recoveries or other metal recoveries in small scale laboratory tests will give the same result in larger scale tests under on-site conditions or during production.

Fluctuation in commodity prices, the results of drilling, metallurgical testing and production and the evaluation of mine plans subsequent to the date of any estimate may require estimates to be revised. The volume and grade of ore reserves mined and processed and recovery rates may not be the same as currently anticipated. Any material reductions in estimates of ore reserves and mineral resources, or of the Group's ability to extract these mineral contents, could have a material adverse effect on the Group's business, prospects, financial condition and operating results.

5 Critical accounting judgments, estimates and assumptions (continued)

5.2 Key sources of estimation uncertainty (continued)

Mine decommissioning obligation

The Group's mining and exploration activities are subject to various environmental laws and regulations. The Group estimates environmental obligations based on management's understanding of the current legal requirements in the Kingdom of Saudi Arabia, terms of the license agreements and engineering estimates. Provision is made for decommissioning as soon as the obligation arises. Actual costs incurred in future years could differ materially from the amounts provided. Additionally, future changes to environmental laws and regulations and life-of-mine estimates could affect the carrying amount of this provision.

Allowances for obsolete and slow moving spare parts

The Group also creates an allowance for obsolete and slow-moving spare parts. At 31 March 2022, the allowance for obsolete slow-moving items amounted to SAR 106,211,788 (31 March 2021: SAR 97,643,684 and 31 December 2021: SAR 106,211,788). These estimates take into consideration fluctuations of price or cost directly relating to events occurring subsequent to the consolidated statement of financial position date to the extent that such events confirm conditions existing at the end of the year (Note 26.1).

Non-controlling interest put options

The fair value of non-controlling interest put options are recognized at the present value of redemption amount based on the discounted cash flow analysis. The Group estimates the non-controlling interest put options price at each reporting period in accordance with the formula defined in the shareholder's agreement between Ma'aden and Meridian. Further details are explained in Note 40.2 of these consolidated financial statements.

Contingencies

By their nature, contingencies will only be resolved when one or more future events occur or fail to occur. The assessment of such contingencies inherently involves the exercise of significant judgement and estimates of the outcome of future events.

6 Segmental information

Segment reporting

Operating business segments are reported in a manner consistent with the internal reporting provided to the Chief Operating Decision Maker (CODM). Segment performance is evaluated based on sale of goods and services to external customers and earnings before interest, tax, depreciation and amortisation ("EBITDA").

The Group has appointed a committee (the Management Committee) which assesses the financial performance and position of the Group and makes strategic decisions. The Management Committee comprises the Chief Executive Officer and other senior management personnel.

6.1 Business segment

A business segment is a component of the Group:

- that engages in business activities from which it may earn revenues and incur expenses,
- the results of its operations are continuously analyzed by management in order to make decisions related to resource allocation and performance assessment and
- for which discrete financial information is available.

Transactions between segments are carried out at arm's length and are eliminated on consolidation. The revenue from external parties is measured in the same way as in the consolidated statement of profit or loss.

The accounting policies used by the Group in reporting business segments internally are the same as those contained in Note 4 of the consolidated financial statements.

6 Segmental information (continued)

6.1 Business segment (continued)

The Group's operations consist of the following business segments:

- **Phosphate Strategic Business Unit Segment,** consist of operations related to:
  - ***MPC*** – the mining and beneficiation of phosphate concentrated rock at Al-Jalamid. The utilization of natural gas and sulphur to produce phosphate fertilizers as well as ammonia products at Ras-Al-Khair.
  - ***IMC*** – the mining of industrial minerals at a kaolin and low grade bauxite mine in the central zone of Az-Zabirah and a high grade magnesite mine at Al-Ghazallah, Multiple Hearth Furnace (MHF) processing plant and a Vertical Shaft Kiln (VSK) processing plant at Al-Madinah Al Munawarah.
  - ***MWSPC*** – the development of a mine to exploit the Al-Khabra phosphate deposit. The company declared commercial production on 2 December 2018, except for the ammonia plant for which commercial production was declared on 1 January 2017.
  - ***MMDC*** – a vehicle for Ma'aden to build a fertilizer distribution business in the most important global fertilizer markets.
  - ***Phosphate and Industrial Minerals division under Corporate*** – related cost and exploration expenses in Ma'aden Corporate has been allocated to this segment.
  - ***MIC*** – is responsible for the development, construction and delivery of services to Ma'aden entities in the Ras Al Khair area and other mining and industrial locations in the Kingdom of Saudi Arabia. Therefore, a 33% proportionate share of MIC's revenues, costs and assets have been allocated to this segment.
- **Aluminium Strategic Business Unit Segment**, consists of the operations related to:
  - ***MBAC*** – the mining of bauxite at the Al-Ba'itha mine and the transportation thereof to its refinery at Ras Al Khair. The alumina from MBAC is then processed at MAC. The refinery declared commercial production on 1 October 2016.
  - ***MAC*** – operates the smelter at Ras-Al-Khair and it currently processes the alumina feedstock that it purchases from MBAC and produces primary aluminium products. MAC declared commercial production on 1 September 2014.
  - ***MRC*** – the construction of the rolling mill has been completed and the company has declared commercial production on 9 December 2018. MRC also include automotive sheet project which comprise of automotive heat treated and non-treated sheet, building and construction sheet and foil stock sheet. The project commenced commercial production on 1 September 2019.
  - ***SAMAPCO*** – a joint venture that produces and supply concentrated caustic soda (CCS) feedstock to the alumina refinery at MBAC and ethylene dichloride (EDC) in the wholesale and retail market.
  - ***Aluminium division under Corporate*** – related cost and external sales revenue have been allocated to this segment.
  - ***MIC*** – is responsible for the development, construction and delivery of services to Ma'aden entities in the Ras Al Khair area and other mining and industrial locations in the Kingdom of Saudi Arabia. Therefore, a 67% proportionate share of MIC's revenues, costs and assets have been allocated to this segment.
- **Precious and Base Metals Strategic Business Unit Segment**, consists of operations related to:
  - ***MGBM*** – that operates five gold mines, i.e. Mahd Ad-Dahab, Al-Amar, Bulghah, As-Suq and Ad-Duwayhi and a processing plant at Sukhaybarat which are located in different geographical areas in the Kingdom of Saudi Arabia.
  - ***MBCC*** – a joint venture that produces copper concentrate and associated minerals located in the southeast of Al Madinah Al Munawarah. MBCC started commercial production on 1 July 2016.
  - ***Precious and base metals division under Corporate*** – related cost and exploration expenses in Ma'aden Corporate has been allocated to this segment.
- **Corporate**
  - Is responsible for effective management and governance including funding of subsidiaries and joint ventures that carry out various projects related to all stages of the mining industry, including development, advancement and improvement of the mineral industry, mineral products and by-products. The presentation of Corporate information does not represent an operating segment.

(All amounts in Saudi Riyals unless otherwise stated)

6 Segmental information (continued)

6.2 Business segment financial information

	Notes	Phosphate	Aluminium	Precious and base metals	Corporate	Total
Quarter ended 31 March 2022						
Sales of goods and services to external customers	6.3,7	5,535,531,129	2,796,622,484	581,926,988	-	8,914,080,601
Gross profit		2,832,697,145	842,202,671	209,164,194	-	3,884,064,010
Net profit / (loss) before zakat and income tax		2,398,594,632	580,558,182	279,037,495	(121,274,518)	3,136,915,791
Less: Income from time deposits	12	(3,262,376)	(4,356,250)	-	(9,764,069)	(17,382,695)
Add: Finance cost	13	133,044,517	150,445,816	1,432,985	9,467,592	294,390,910
Net profit / (loss) before net finance income / (cost), zakat and income tax		2,528,376,773	726,647,748	280,470,480	(121,570,995)	3,413,924,006
Operating special items and re-measurements:						
Add: Non-operating other (expense) / income, net	14	11,843,732	6,135,440	1,536,000	(309,942)	19,205,230
Less: Share in net profit of joint ventures	21.1.3, 21.2.3	-	(23,800,000)	(146,949,931)	-	(170,749,931)
Underlying EBIT		2,540,220,505	708,983,188	135,056,549	(121,880,937)	3,262,379,305
Add: Depreciation and amortization		604,365,643	406,819,596	124,101,121	6,015,867	1,141,302,227
Underlying EBITDA		3,144,586,148	1,115,802,784	259,157,670	(115,865,070)	4,403,681,532
Net profit / (loss) attributable to ordinary shareholders of the parent company		1,660,146,035	421,167,332	273,485,822	(182,877,315)	2,171,921,874
Mine properties	16	5,419,265,954	1,328,080,660	5,006,158,777	-	11,753,505,391
Property, plant and equipment	17	29,584,689,764	28,421,622,842	-	100,732,900	58,107,045,506
Right-of-use assets	18	171,637,291	1,057,132,241	83,458,229	2,901,071	1,315,128,832
Capital work-in-progress	19	6,205,446,411	581,385,137	23,916,869	98,313,197	6,909,061,614
Intangible assets and goodwill	20	220,896,101	27,267,566	2,089,159	27,066,797	277,319,623
Investment in joint ventures	21	-	272,172,000	985,220,267	-	1,257,392,267
Total assets		53,533,207,842	40,480,395,532	7,082,446,439	4,954,421,761	106,050,471,574
Long-term borrowings	35	26,144,842,662	17,970,341,514	1,315,065,317	-	45,430,249,493
Lease liabilities	37	118,477,267	993,563,998	86,392,026	2,981,664	1,201,414,955
Total liabilities		32,226,050,417	22,634,560,306	2,795,011,230	1,584,631,696	59,240,253,649

(All amounts in Saudi Riyals unless otherwise stated)

6 Segmental information (continued)

6.2 Business segment financial information (continued)

	Notes	Phosphate	Aluminium	Precious and base metals	Corporate	Total
Quarter ended 31 March 2021						
Sales of goods and services to external customers	6.3,7	2,696,717,415	2,112,855,639	640,193,067	-	5,449,766,121
Gross profit		585,807,899	565,265,533	285,322,729	-	1,436,396,161
Net profit / (loss) before zakat and income tax		293,420,186	314,279,959	377,603,326	(65,619,388)	919,684,083
Less: Income from time deposits	12	(160,611)	(2,667,434)	-	(7,709,172)	(10,537,217)
Add: Finance cost	13	134,998,411	163,728,110	1,762,157	10,508,898	310,997,576
Net profit / (loss) before net finance income / (cost), zakat and income tax		428,257,986	475,340,635	379,365,483	(62,819,662)	1,220,144,442
Operating special items and re-measurements:						
Add: Non-operating other (income) / expenses, net	14	(12,136,566)	(751,977)	(23,915)	610,726	(12,301,732)
Less: Share in net profit of joint ventures	21.1.3, 21.2.3	-	(15,100,000)	(145,762,355)	-	(160,862,355)
Underlying EBIT		416,121,420	459,488,658	233,579,213	(62,208,936)	1,046,980,355
Add: Depreciation and amortization		602,767,675	420,554,130	98,426,959	24,149,020	1,145,897,784
Underlying EBITDA		1,018,889,095	880,042,788	332,006,172	(38,059,916)	2,192,878,139
Net profit / (loss) attributable to ordinary shareholders of the parent company		229,368,970	232,806,628	370,783,806	(71,803,649)	761,155,755
Mine properties	16	5,667,049,907	1,335,321,720	3,899,494,706	-	10,901,866,333
Property, plant and equipment	17	31,388,671,447	29,643,563,264	96,270	107,971,262	61,140,302,243
Right-of-use assets	18	256,410,290	1,075,217,589	93,390,196	2,924,878	1,427,942,953
Capital work-in-progress	19	4,433,564,807	603,331,888	10,325,244	109,933,849	5,157,155,788
Intangible assets and goodwill	20	232,354,392	39,038,585	4,466,687	34,606,481	310,466,145
Investment in joint ventures	21	-	105,258,000	986,524,032	-	1,091,782,032
Total assets		48,812,614,204	39,312,848,511	5,751,269,800	2,750,718,256	96,627,450,771
Long-term borrowings	35	26,699,096,210	20,003,236,553	645,456,580	-	47,347,789,343
Lease liabilities	37	203,738,852	998,148,697	95,628,664	2,999,286	1,300,515,499
Total liabilities		31,542,781,915	23,948,588,081	1,939,006,451	1,010,132,588	58,440,509,035

(All amounts in Saudi Riyals unless otherwise stated)

6 Segmental information (continued)

6.2 Business segment financial information (continued)

	Notes	Phosphate	Aluminium	Precious and base metals	Corporate	Total
Year ended 31 December 2021						
Sales of goods and services to external customers	6.3,7	14,582,617,392	9,889,870,631	2,296,518,086	-	26,769,006,109
Gross profit		4,851,834,199	3,425,143,210	877,690,662	-	9,154,668,071
Net profit / (loss) before zakat and income tax		3,450,005,967	2,576,007,981	1,216,652,887	(318,046,562)	6,924,620,273
Less: Income from time deposits	12	(725,545)	(11,315,454)	-	(36,520,522)	(48,561,521)
Add: Finance cost	13	527,995,496	633,709,265	6,198,727	38,708,507	1,206,611,995
Net profit / (loss) before net finance income / (cost), zakat and income tax		3,977,275,918	3,198,401,792	1,222,851,614	(315,858,577)	8,082,670,747
<u>Operating special items and re-measurements</u>:						
Add: Non-operating other expenses / (income), net	14	66,949,266	(7,475,248)	(172,641)	18,240	59,319,617
Less: Share in net profit of joint ventures	21.1.3, 21.2.3	-	(158,214,000)	(570,132,429)	-	(728,346,429)
Underlying EBIT		4,044,225,184	3,032,712,544	652,546,544	(315,840,337)	7,413,643,935
Add: Depreciation and amortization		2,487,544,160	1,692,639,810	409,466,821	27,319,786	4,616,970,577
Underlying EBITDA		6,531,769,344	4,725,352,354	1,062,013,365	(288,520,551)	12,030,614,512
Net profit / (loss) attributable to ordinary shareholders of the parent company		2,413,312,037	2,011,736,879	1,191,641,593	(388,990,045)	5,227,700,464
Mine properties	16	5,440,905,710	1,342,852,269	4,904,649,540	-	11,688,407,519
Property, plant and equipment	17	30,041,996,129	28,796,035,950	(497,984)	102,475,059	58,940,009,154
Right-of-use assets	18	191,926,201	1,068,434,753	93,442,541	3,202,958	1,357,006,453
Capital work-in-progress	19	5,982,352,052	531,637,585	19,377,062	82,946,053	6,616,312,752
Intangible assets and goodwill	20	223,021,295	30,094,013	2,631,542	31,182,879	286,929,729
Investment in joint ventures	21	-	248,372,000	960,145,336	-	1,208,517,336
Total assets		51,875,574,068	40,390,594,565	6,830,645,846	4,240,875,074	103,337,689,553
Long-term borrowings	35	26,396,294,916	19,010,919,270	1,311,323,556	-	46,718,537,742
Lease liabilities	37	136,945,800	1,007,390,484	96,261,464	3,282,975	1,243,880,723
Total liabilities		31,863,478,790	23,365,637,478	2,668,269,770	1,471,732,016	59,369,118,054

(All amounts in Saudi Riyals unless otherwise stated)

6 Segmental information (continued)

6.3 Geographical segment

A geographical segment is a group of assets, operations or entities engaged in revenue producing activities within a particular economic environment that are subject to risks and returns different from those operating in other economic environments. The Group's operations are conducted in the Kingdom of Saudi Arabia and East Africa (Note 2) and therefore all the non-current assets of the Group are located within the Kingdom of Saudi Arabia and East Africa.

The Group's geographical distribution of revenue generation by destination for the quarter / year ended is as follows:

	Notes	Phosphate	Aluminium	Precious and base metals	Corporate	Total
31 March 2022						
International						
Indian subcontinent		**1,919,117,175**	**-**	**-**	**-**	**1,919,117,175**
Japan		**-**	**343,173,817**	**-**	**-**	**343,173,817**
United States of America		**486,339,948**	**214,394,580**	**-**	**-**	**700,734,528**
Europe		**-**	**761,081,183**	**581,926,988**	**-**	**1,343,008,171**
Australia		**457,245,331**	**-**	**-**	**-**	**457,245,331**
Brazil		**502,762,498**	**-**	**-**	**-**	**502,762,498**
Africa		**1,025,278,616**	**1,583,064**	**-**	**-**	**1,026,861,680**
GCC		**-**	**389,617,774**	**-**	**-**	**389,617,774**
Others		**973,751,891**	**194,947,025**	**-**	**-**	**1,168,698,916**
Sub-total		**5,364,495,459**	**1,904,797,443**	**581,926,988**	**-**	**7,851,219,890**
Domestic		**171,035,671**	**891,825,040**	**-**	**-**	**1,062,860,711**
Total	6.2,7	**5,535,531,130**	**2,796,622,483**	**581,926,988**	**-**	**8,914,080,601**
31 March 2021						
International						
Indian subcontinent		541,496,797	-	-	-	541,496,797
Japan		-	197,989,787	-	-	197,989,787
United States of America		555,443,533	294,748,821	-	-	850,192,354
Europe		3,433,440	556,036,350	640,193,067	-	1,199,662,857
Australia		206,927,796	-	-	-	206,927,796
Brazil		58,356,766	-	-	-	58,356,766
Africa		857,344,765	26,309,986	-	-	883,654,751
GCC		-	278,017,735	-	-	278,017,735
Others		383,705,720	170,963,375	-	-	554,669,095
Sub-total		2,606,708,817	1,524,066,054	640,193,067	-	4,770,967,938
Domestic		90,008,598	588,789,585	-	-	678,798,183
Total	6.2,7	2,696,717,415	2,112,855,639	640,193,067	-	5,449,766,121

(All amounts in Saudi Riyals unless otherwise stated)

6 Segmental information (continued)

6.3 Geographical segment (continued)

	Notes	Phosphate	Aluminium	Precious and base metals	Corporate	Total
31 December 2021						
International						
Indian subcontinent		6,286,359,079	-	-	-	6,286,359,079
Japan		-	1,273,464,252	-	-	1,273,464,252
United States of America		1,462,593,549	1,253,049,848	7,154,407	-	2,722,797,804
Europe		20,375,077	2,719,130,905	1,942,428,101	-	4,681,934,083
Australia		642,615,591	-	341,683,051	-	984,298,642
Brazil		1,639,810,582	-	-	-	1,639,810,582
Africa		2,466,500,197	112,683,074	-	-	2,579,183,271
GCC		-	1,281,953,573	-	-	1,281,953,573
Others		1,628,606,153	878,650,420	5,252,527	-	2,512,509,100
Sub-total		14,146,860,228	7,518,932,072	2,296,518,086	-	23,962,310,386
Domestic		435,757,164	2,370,938,559	-	-	2,806,695,723
Total	6.2,7	14,582,617,392	9,889,870,631	2,296,518,086	-	26,769,006,109

The Group's geographical distribution of external revenue by major customers and by destination for the quarter / year ended are as follows:

	Phosphate	Aluminium	Precious and base metals	Corporate	Total
31 March 2022					
Customer No. 1 – Europe	**-**	**-**	**581,926,988**	**-**	**581,926,988**
Customer No. 2 – Spain	**-**	**412,409,646**	**-**	**-**	**412,409,646**
Customer No. 3 – Indian subcontinent	**487,500,000**	**-**	**-**	**-**	**487,500,000**
31 March 2021					
Customer No. 1 – Europe	-	-	640,193,067	-	640,193,067
Customer No. 2 – Spain	-	283,359,491	-	-	283,359,491
Customer No. 3 – Indian subcontinent	221,250,000	-	-	-	221,250,000

(All amounts in Saudi Riyals unless otherwise stated)

6 Segmental information (continued)

6.3 Geographical segment (continued)

	Phosphate	Aluminium	Precious and base metals	Corporate	Total
31 December 2021					
Customer No. 1 – Europe	-	-	1,942,428,101	-	1,942,428,101
Customer No. 2 – Indian subcontinent	1,470,000,000	-	-	-	1,470,000,000
Customer No. 3 – Spain	-	1,354,007,841	-	-	1,354,007,841

The Group's revenue generation by product for the quarter / year ended are as follows:

	Notes	Phosphate	Aluminium	Precious and base metals	Corporate	Total
31 March 2022						
Ammonia phosphate fertilizer and ammonia		**5,354,996,923**	**-**	**-**	**-**	**5,354,996,923**
Low grade bauxite, caustic calcined magnesia, dead burned magnesia and monolithic		**53,367,136**	**-**	**-**	**-**	**53,367,136**
Primary aluminium		**-**	**1,596,411,919**	**-**	**-**	**1,596,411,919**
Alumina		**-**	**59,877,296**	**-**	**-**	**59,877,296**
Flat rolled products		**-**	**1,140,325,731**	**-**	**-**	**1,140,325,731**
Gold		**-**	**-**	**581,926,988**	**-**	**581,926,988**
Infrastructure (rendering of services)		**3,713**	**7,537**	**-**		**11,250**
Others		**127,163,358**	**-**	**-**	**-**	**127,163,358**
Total	6.2,7	**5,535,531,130**	**2,796,622,483**	**581,926,988**	**-**	**8,914,080,601**

(All amounts in Saudi Riyals unless otherwise stated)

6 Segmental information (continued)

6.3 Geographical segment (continued)

	Notes	Phosphate	Aluminium	Precious and base metals	Corporate	Total
31 March 2021						
Ammonia phosphate fertilizer and ammonia		2,531,815,050	-	-	-	2,531,815,050
Low grade bauxite, caustic calcined magnesia, dead burned magnesia and monolithic		48,450,633	-	-	-	48,450,633
Primary aluminium		-	1,155,414,052	-	-	1,155,414,052
Alumina		-	44,988,040	-	-	44,988,040
Flat rolled products		-	912,446,010	-	-	912,446,010
Gold		-	-	640,193,067	-	640,193,067
Infrastructure (rendering of services)		3,713	7,537	-	-	11,250
Others		116,448,019	-	-	-	116,448,019
Total	6.2,7	2,696,717,415	2,112,855,639	640,193,067	-	5,449,766,121

	Notes	Phosphate	Aluminium	Precious and base metals	Corporate	Total
31 December 2021						
Ammonia phosphate fertilizer and ammonia		13,920,050,588	-	-	-	13,920,050,588
Low grade bauxite, caustic calcined magnesia, dead burned magnesia and monolithic		155,257,111	-	-	-	155,257,111
Primary aluminium		-	5,647,953,222	-	-	5,647,953,222
Alumina		-	394,786,441	-	-	394,786,441
Flat rolled products		-	3,847,100,818	-	-	3,847,100,818
Gold		-	-	2,296,518,086	-	2,296,518,086
Infrastructure (rendering of services)		14,850	30,150	-	-	45,000
Others		507,294,843	-	-	-	507,294,843
Total	6.2,7	14,582,617,392	9,889,870,631	2,296,518,086	-	26,769,006,109

All the subsidiaries and joint venture entities listed in Notes 2 and 6.1, are incorporated in the Kingdom of Saudi Arabia and East Africa.

(All amounts in Saudi Riyals unless otherwise stated)

7 Sales

	Notes	Quarter ended 31 March 2022	Quarter ended 31 March 2021	Year ended 31 December 2021
Phosphate segment				
Ammonia phosphate fertilizer and ammonia				
• Sale of goods		**5,055,500,974**	2,434,782,041	13,155,318,121
Movement in provisional product prices during the quarter / year		**126,016,109**	(21,636,180)	95,135,284
		5,181,517,083	2,413,145,861	13,250,453,405
• Rendering of transportation services		**173,479,840**	118,669,189	669,597,183
		5,354,996,923	2,531,815,050	13,920,050,588
Industrial minerals				
• Sale of goods		**51,726,424**	47,786,611	149,581,870
• Rendering of transportation services		**1,640,712**	664,022	5,675,241
		53,367,136	48,450,633	155,257,111
Sub-total		**5,408,364,059**	2,580,265,683	14,075,307,699
Aluminium segment				
Primary aluminium				
• Sale of goods		**1,576,281,149**	1,149,905,667	5,604,626,141
Movement in provisional product prices during the quarter / year		**(1,650,933)**	1,499,557	6,919,338
		1,574,630,216	1,151,405,224	5,611,545,479
• Rendering of transportation services		**21,781,703**	4,008,828	36,407,743
		1,596,411,919	1,155,414,052	5,647,953,222
Alumina				
• Sale of goods		**59,877,296**	44,988,040	394,786,441
Flat rolled products				
• Sale of goods		**1,138,435,734**	908,155,924	3,835,054,093
• Rendering of transportation services		**1,889,997**	4,290,086	12,046,725
		1,140,325,731	912,446,010	3,847,100,818
Sub-total		**2,796,614,946**	2,112,848,102	9,889,840,481
Precious and base metals segment				
Gold				
• Sale of goods		**569,960,404**	640,193,067	2,299,344,998
Movement in provisional product prices during the quarter / year		**11,966,584**	-	(2,826,912)
Sub-total		**581,926,988**	640,193,067	2,296,518,086
Infrastructure				
Rendering of services		**11,250**	11,250	45,000
Others		**127,163,358**	116,448,019	507,294,843
Total	6.2,6.3, 7.1	**8,914,080,601**	5,449,766,121	26,769,006,109

(All amounts in Saudi Riyals unless otherwise stated)

7 Sales (continued)

	Note	Quarter ended 31 March 2022	31 March 2021	Year ended 31 December 2021
7.1 Timing of revenue recognition				
At a point in time				
- sale of goods		**8,714,832,012**	5,322,122,746	26,043,232,220
- rendering of services		**11,250**	11,250	498,789
Sub-total		**8,714,843,262**	5,322,133,996	26,043,731,009
Over a period of time				
- rendering of transportation and personnel services		**199,237,339**	127,632,125	725,275,100
Total	7	**8,914,080,601**	5,449,766,121	26,769,006,109
Gold sales analysis				
Quantity of gold ounces (Oz) sold		**83,229**	95,540	340,353
Average realized price per ounce (Oz) in:				
US$		**1,865**	1,787	1,799
Saudi Riyals (equivalent)		**6,992**	6,701	6,747

7.2 Contract balances

	Notes	31 March 2022	31 March 2021	31 December 2021
Trade receivables	27	**5,570,515,169**	2,817,392,257	4,403,789,046
Contract liabilities	40	**8,061,616**	14,959,790	20,228,891

No material changes were noted to contract liabilities balance.

Set out below is the amount of revenue recognised from:

	31 March 2022	31 March 2021	31 December 2021
Amounts included in contract liabilities at the beginning of the quarter / year	**12,167,275**	7,733,710	27,615,435
Performance obligations satisfied in previous years	**-**	-	-

(All amounts in Saudi Riyals unless otherwise stated)

8 Cost of sales

	Notes	Quarter ended 31 March 2022	Quarter ended 31 March 2021	Year ended 31 December 2021
Salaries and staff related benefits		**538,710,914**	396,678,023	1,709,530,269
Contracted services		**418,684,679**	363,108,011	1,631,705,005
Repairs and maintenance		**21,632,919**	37,836,250	84,080,107
Consumables		**268,563,072**	228,301,796	905,472,424
Overheads		**289,404,726**	184,130,264	868,616,889
Raw material and utilities consumed		**2,418,843,136**	1,515,026,392	7,367,304,013
Sale of by-products	8.1	**(30,285,773)**	(22,161,927)	(108,653,640)
Allowance for inventory obsolescence, net	26.1	**-**	272,559	8,840,663
Severance fees	43	**32,244,128**	54,657,489	222,692,578
Total cash operating costs		**3,957,797,801**	2,757,848,857	12,689,588,308
Depreciation of mine properties	16.1	**196,677,493**	172,261,130	705,743,639
Mine properties written-off	16	**-**	-	133,158,805
Depreciation of property, plant and equipment	17.1	**871,984,100**	895,042,951	3,577,056,528
Plant and equipment written-off	17	**-**	-	183,263,439
Depreciation of right-of-use assets	18.1	**41,693,835**	58,570,148	210,763,733
Amortisation of intangible assets	20.1	**5,499,981**	5,772,325	24,621,290
Total operating costs		**5,073,653,210**	3,889,495,411	17,524,195,742
Increase in inventory	24,26	**(242,337,431)**	(3,757,576)	(633,584,594)
Total cost of goods sold		**4,831,315,779**	3,885,737,835	16,890,611,148
Cost of rendering transportation services		**198,700,812**	127,632,125	723,726,890
Total		**5,030,016,591**	4,013,369,960	17,614,338,038

8.1 Sale of by-products by MGBM comprise of the following commodities:

	Notes	Quarter ended 31 March 2022	Quarter ended 31 March 2021	Year ended 31 December 2021
Zinc		**17,251,879**	11,555,683	44,833,316
Copper		**9,124,831**	6,601,828	48,285,688
Silver		**3,909,063**	4,004,416	15,534,636
Total	8	**30,285,773**	22,161,927	108,653,640

9 Selling, marketing and logistic expenses

	Quarter ended 31 March 2022	Quarter ended 31 March 2021	Year ended 31 December 2021
Salaries and staff related benefits	**15,553,439**	4,394,624	41,124,894
Contracted services	**8,517,465**	195,412	8,569,693
Freight and overheads	**130,284,331**	57,726,625	241,931,050
Warehouse and storage	**3,107,342**	5,699,888	30,407,697
Consumables	**121,014**	334,268	1,177,872
Marketing fees and deductibles	**57,464,891**	36,518,255	206,559,152
Other selling expenses	**5,266,782**	8,883,974	56,707,454
Total	**220,315,264**	113,753,046	586,477,812

(All amounts in Saudi Riyals unless otherwise stated)

10 General and administrative expenses

	Notes	Quarter ended 31 March 2022	31 March 2021	Year ended 31 December 2021
Salaries and staff related benefits		**140,177,959**	86,648,459	338,100,541
Contracted services		**130,826,865**	69,070,582	352,461,052
Overheads and other		**65,035,682**	71,018,760	204,847,392
Consumables		**5,780,425**	922,249	3,886,818
Repair parts		**2,583,669**	2,138,885	4,451,832
Depreciation of property, plant and equipment	17.1	**17,831,527**	9,154,153	66,771,021
Depreciation of right-of-use assets	18.1	**2,423,815**	232,429	10,551,011
Amortisation of intangible assets	20.1	**5,095,640**	4,546,183	20,681,376
ECL (reversal) / allowance on trade and other receivables	27.1	**(2,123,494)**	2,062,808	3,381,709
Total		**367,632,088**	245,794,508	1,005,132,752

11 Exploration and technical services expenses

	Notes	Quarter ended 31 March 2022	31 March 2021	Year ended 31 December 2021
Salaries and staff related benefits		**14,106,427**	7,479,410	24,554,030
Contracted services		**17,741,402**	21,173,191	113,208,031
Overheads and other		**880,554**	236,123	7,959,819
Consumables		**870,772**	619,542	2,473,453
Repair parts		**42,362**	41,521	436,260
Depreciation of property, plant and equipment	17.1	**66,395**	289,024	664,215
Amortisation of intangible assets	20.1	**29,441**	29,441	117,764
Total		**33,737,353**	29,868,252	149,413,572

12 Income from time deposits

	Notes	Quarter ended 31 March 2022	31 March 2021	Year ended 31 December 2021
Income from time deposits – measured at amortised cost	6.2	**17,382,695**	10,537,217	48,561,521

(All amounts in Saudi Riyals unless otherwise stated)

13 Finance cost

	Notes	Quarter ended 31 March 2022	31 March 2021	Year ended 31 December 2021
Public Investment Fund		**32,333,212**	33,474,802	130,471,931
Commercial		**3,848,320**	6,839,243	26,207,482
Wakala		**11,858,172**	11,179,925	44,612,263
Saudi Industrial Development Fund		**29,334,673**	24,932,500	113,187,989
Public Pension Agency		**30,459,890**	29,263,124	114,221,193
Riyal Murabaha facility		**108,398,410**	122,379,760	467,632,155
Sukuk facility		**21,409,101**	19,882,993	78,927,213
Revolving credit facility		**4,687,500**	4,687,500	18,750,000
Others		**8,597,366**	6,111,236	23,083,241
Sub-total		**250,926,644**	258,751,083	1,017,093,467
Amortization of revolving loan transaction cost	24	**3,562,500**	3,562,500	14,250,000
Amortization of transaction cost on long-term borrowings	35.12	**34,623,924**	25,874,189	123,755,051
Accretion of provision for mine decommissioning obligations	36.1,36.2, 36.3,36.4	**3,016,966**	3,522,426	14,096,558
Accretion of finance cost under lease liabilities	37.2	**10,056,109**	14,909,848	50,513,938
Derivative interest	38	**32,362,092**	31,575,475	130,161,265
Finance cost on employees' end of service termination benefits obligation	39.1	**4,881,063**	5,385,402	18,367,230
Sub-total	6.2,13.1	**339,429,298**	343,580,923	1,368,237,509
Less: Borrowing cost / amortization of transaction cost capitalised as part of qualifying assets in capital work-in-progress during the quarter / year	13.1	**(45,038,388)**	(32,583,347)	(161,625,514)
Total		**294,390,910**	310,997,576	1,206,611,995

13.1 Summary of finance cost

	Notes	Quarter ended 31 March 2022	31 March 2021	Year ended 31 December 2021
Expensed during the quarter / year	13	**294,390,910**	310,997,576	1,206,611,995
Borrowing cost capitalised as part of qualifying assets in capital work-in-progress during the quarter / year	13,19	**41,296,627**	30,281,320	149,872,511
Amortization of transaction cost capitalized as part of qualifying assets in capital work-in-progress during the quarter / year	19,35.12	**3,741,761**	2,302,027	11,753,003
Total		**339,429,298**	343,580,923	1,368,237,509

(All amounts in Saudi Riyals unless otherwise stated)

14 Other (expenses) / income, net

	Notes	Quarter ended 31 March 2022	Quarter ended 31 March 2021	Year ended 31 December 2021
Loss on derecognition of property, plant and equipment	17	**(407,888)**	(2,615,104)	(482,678)
(Loss) / gain on exchange difference, net	46.1.1	**(5,925,005)**	1,578,493	(63,254,995)
Gain from supply of power to Saudi Ports Authority and RCJY		**897,350**	811,470	2,426,150
Others, net		**(13,769,687)**	12,526,873	1,991,906
Total	6.2	**(19,205,230)**	12,301,732	(59,319,617)

15 Earnings per ordinary share

	Note	Quarter ended 31 March 2022	Quarter ended 31 March 2021	Year ended 31 December 2021
Earnings attributable to ordinary shareholders of the parent company		**2,171,921,874**	761,155,755	5,227,700,464
Weighted average number of ordinary shares used as the denominator in calculating basic and diluted earnings per share	30	**1,230,591,146**	1,230,591,146	1,230,591,146
Basic and diluted earnings per ordinary share from continuing operations		**1.76**	0.62	4.25

Basic and diluted earnings / (loss) per ordinary share is calculated by dividing the profit / (loss) attributable to the ordinary shareholders of the parent company by the weighted average number of ordinary shares in issue during the quarter / year (Note 30).

(All amounts in Saudi Riyals unless otherwise stated)

16 Mine properties

				---------- Operating mines ----------								
	Notes	**Exploration and evaluation assets**	**Mines under construction**	**Fixed plant and heap leaching**	**Mine infrastructure / buildings**	**Civil works**	**Heavy equipment**	**Others**	**Mine closure and rehabilitation provision**	**Stripping activity asset**	**Mining capital work-in-progress**	**Total**
Cost												
1 January 2021		267,894,406	-	6,958,223,211	2,437,845,642	1,813,440,908	415,075,238	481,097,723	375,241,667	585,490,218	1,900,241,063	15,234,550,076
Additions during the quarter		40,889,702	297,782,185	-	-	-	-	-	-	35,531,754	29,478,979	403,682,620
Transfers within mine properties		-	1,431,903,076	3,968,260	5,019,121	-	2,845,272	1,061,216	-	-	(1,444,796,945)	-
Transfer to intangible assets	20	-	-	-	-	-	-	-	-	-	(518,124)	(518,124)
Decrease in mine closure and rehabilitation provision	36.2	-	-	-	-	-	-	-	(1,192,180)	-	-	(1,192,180)
Written-off during the quarter		-	-	-	-	-	-	-	-	(18,704,693)	-	(18,704,693)
31 March 2021		308,784,108	1,729,685,261	6,962,191,471	2,442,864,763	1,813,440,908	417,920,510	482,158,939	374,049,487	602,317,279	484,404,973	15,617,817,699
Additions during the remainder of the year		120,008,799	1,107,329,776	-	2,388,372	-	-	-	-	39,698,314	92,440,244	1,361,865,505
Transfers within mine properties		-	129,774,011	10,817,369	25,307,790	-	708,800	3,555,555	-	-	(170,163,525)	-
Transfer to intangible assets	20	-	-	-	-	-	-	-	-	-	-	-
Transfer from capital work-in-progress	19	-	-	-	95,840	-	-	-	-	-	-	95,840
Increase in mine closure and rehabilitation provision	36.2	-	-	-	-	-	-	-	92,097,335	-	-	92,097,335
Written-off during the remainder of the year*		-	-	(154,912,010)	-	-	-	-	-	-	-	(154,912,010)
Adjustments		-	-	(8,123,846)	-	-	-	(638,438)	-	-	-	(8,762,284)
31 December 2021		428,792,907	2,966,789,048	6,809,972,984	2,470,656,765	1,813,440,908	418,629,310	485,076,056	466,146,822	642,015,593	406,681,692	16,908,202,085
Additions during the quarter		42,623,416	210,306,274	-	-	-	-	-	-	2,108,130	26,660,620	281,698,440
Transfers within mine properties		-	-	-	-	-	2,094,379	939,562	-	-	(3,033,941)	-
Decrease in mine closure and rehabilitation provision	36.2	-	-	-	-	-	-	-	(19,923,075)	-	-	(19,923,075)
31 March 2022		**471,416,323**	**3,177,095,322**	**6,809,972,984**	**2,470,656,765**	**1,813,440,908**	**420,723,689**	**486,015,618**	**446,223,747**	**644,123,723**	**430,308,371**	**17,169,977,450**

(All amounts in Saudi Riyals unless otherwise stated)

16 Mine properties (continued)

	Notes	Exploration and evaluation assets	Mines under construction	Fixed plant and heap leaching	Mine infrastructure / buildings	Civil works	Heavy equipment	Others	Mine closure and rehabilitation provision	Stripping activity asset	Mining capital work-in-progress	Total
				Operating mines								
Accumulated depreciation												
1 January 2021		-	-	2,452,573,333	1,009,468,165	181,628,468	248,422,877	310,841,984	72,790,547	286,669,555	-	4,562,394,929
Charge for the quarter	16.1	-	-	99,957,449	31,929,034	17,246,025	9,225,223	9,846,589	3,527,113	529,697	-	172,261,130
Written-off during the quarter*		-	-	-	-	-	-	-	-	(18,704,693)	-	(18,704,693)
31 March 2021		-	-	2,552,530,782	1,041,397,199	198,874,493	257,648,100	320,688,573	76,317,660	268,494,559	-	4,715,951,366
Charge for the reminder of the year	16.1	-	-	285,963,151	83,654,492	51,837,127	22,892,194	27,101,307	11,531,307	50,502,931	-	533,482,509
Written-off during the remainder of the year *		-	-	(21,753,205)	-	-	-	-	-	-	-	(21,753,205)
Adjustments		-	-	(8,260,575)	-	-	115,502	258,969	-	-	-	(7,886,104)
31 December 2021		-	-	2,808,480,153	1,125,051,691	250,711,620	280,655,796	348,048,849	87,848,967	318,997,490	-	5,219,794,566
Charge for the quarter	16.1	-	-	96,462,728	27,368,119	13,525,456	7,936,164	8,032,448	4,572,758	38,779,820	-	196,677,493
31 March 2022		**-**	**-**	**2,904,942,881**	**1,152,419,810**	**264,237,076**	**288,591,960**	**356,081,297**	**92,421,725**	**357,777,310**	**-**	**5,416,472,059**
Net book value as at												
31 March 2021	6.2	308,784,108	1,729,685,261	4,409,660,689	1,401,467,564	1,614,566,415	160,272,410	161,470,366	297,731,827	333,822,720	484,404,973	10,901,866,333
31 December 2021	6.2	428,792,907	2,966,789,048	4,001,492,831	1,345,605,074	1,562,729,288	137,973,514	137,027,207	378,297,855	323,018,103	406,681,692	11,688,407,519
31 March 2022	6.2	**471,416,323**	**3,177,095,322**	**3,905,030,103**	**1,318,236,955**	**1,549,203,832**	**132,131,729**	**129,934,321**	**353,802,022**	**286,346,413**	**430,308,371**	**11,753,505,391**

*During 2021, the Group has written-off mine properties having carrying amount of SAR 133.2 million. These assets written-off, relating to phosphate segment, are attributable to Beneficiation plant at MWSPC. These represented redundant assets which needed to be completely replaced during 2021 due to certain performance issues. The write-off loss was recognized and included in the cost of sales in the consolidated statement of profit or loss and other comprehensive income for the year ended 31 December 2021.

16 Mine properties (continued)

Initial recognition at cost

Exploration and evaluation asset

Expenditure is transferred from “Exploration and evaluation assets” to “Mines under construction” which is a sub-category of “Mine properties” once the work completed to date supports the future development of the property and such development receives appropriate approvals.

Mines under construction

After transfer of the exploration and evaluation assets, all subsequent expenditure on the construction, installation or completion of infrastructure facilities is capitalized in “Mines under construction”. Development expenditure is net of proceeds from the sale of ore extracted during the development phase to the extent that it is considered integral to the development of the mine.

Any costs incurred in testing the assets to determine if they are functioning as intended, are capitalized, net of any proceeds received from selling any product produced while testing. Where these proceeds exceed the cost of testing, any excess is recognized in the consolidated statement of profit or loss and other comprehensive income. After production starts, all assets included in “Mines under construction” are then transferred to “Producing mines” which is also a sub-category of “Mine properties”.

Mine closure and rehabilitation provision

Mine closure and rehabilitation provision includes the following restoration activities:

- dismantling and removing structures,
- rehabilitating mines and tailing dams,
- dismantling operating facilities,
- closing plant and waste sites and
- restoring, reclaiming and revegetating affected areas.

The obligation generally arises when the asset is installed or the ground environment is disturbed at the mining operations location. When the liability is initially recognized, the present value of the estimated cost is capitalized by increasing carrying amount of the related mining assets to the extent that is was incurred as a result of the development/construction of the mine.

Operating mines

Upon completion of the “Mine under construction” phase, the assets are transferred into “Mine properties” or “Property, plant and equipment”. Items of property, plant and equipment and producing mine are stated at cost, less accumulated depreciation and impairment losses.

The initial cost of an asset comprises its purchases price or construction cost, any costs directly attributable to bringing the asset into operation, the initial estimate of the rehabilitation obligation, and, for qualifying assets (where relevant), borrowing costs. The purchase price or construction cost is the aggregate amount paid and the fair value of any other consideration given to acquire the asset.

Stripping activity asset

As part of its mining operations, the Group incurs stripping (waste removal) costs both during the development phase and production phase of its operations. Stripping costs incurred in the development phase of mine, before the production phase commences (development stripping), are capitalized as part of the cost of constructing the mine and subsequently amortized over the life-of-mine using a UOP method. The capitalization of developing stripping costs ceases when the mine / component is commissioned and ready for use as intended by management.

Stripping activities undertaken during the production phase of a surface mine (production stripping) is generally considered to create two benefits:

- the production of inventory or
- improved access to the ore to be mined in the future. Where the benefits are realized in the form of inventory produced in the period, the production stripping costs are accounted for as part of the cost of producing those inventories. Where the benefits are realized in the form of improved access to ore to be mined in the future, the costs are recognized as a non-current asset, referred to as a “stripping activity asset”.

(All amounts in Saudi Riyals unless otherwise stated)

16 Mine properties (continued)

***Stripping activity asset* (continued)**

The stripping activity asset is accounted for as an addition to, or an enhancement of, an existing asset, being the mine asset, and is presented as part of “Mine properties” in the consolidated statement of financial position. This forms part of the total investment in the relevant cash generating unit(s), which is reviewed for impairment if events or changes of circumstances indicate that the carrying value may not be recoverable.

The stripping activity asset is subsequently depreciated using the UOP method over the life of the identified component of the ore body that became more accessible as a result of the stripping activity. Economically recoverable reserves, which comprise proven and probable reserves, are used to determine the expected useful life of the identified component of the ore body. The stripping activity asset is then carried at cost less depreciation and any impairment losses.

Mining capital work-in-progress

It is normal industry practice for producing mines to embark on major capital expenditure projects to enhance or improve the existing flow sheet and are accounted for as “Capital work-in-progress” until its completion for intended use, when it is transferred at cost to the producing mine and put into use, from which point onwards it is being depleted.

Depreciation and impairment

Exploration and evaluation assets

Exploration and evaluation assets are not being depreciated, but are tested annually for impairment in accordance with IFRS 6.

Mines under construction

“Mines under construction” are not depreciated until construction is completed and the assets are available for their intended use. This is signified by the formal commissioning of the mine for commercial production.

Mine closure and rehabilitation provision, operating mines and stripping activity asset

The carrying values of mine closure and rehabilitation provision, producing mines and stripping activity assets are depleted on a systematic basis and are tested for impairment on an annual basis and when impairment indicators have been identified.

Mining capital work-in-progress

Mining capital work-in-progress are not depreciated until the construction is completed and the assets are available for their intended use. Mining capital work-in-progress are tested for impairment annually and when impairment indicators have been identified.

16.1 Allocation of depreciation charge for the quarter / year to:

		Quarter ended		Year ended
	Notes	31 March 2022	31 March 2021	31 December 2021
Expensed through profit or loss				
Cost of sales	8,16	**196,677,493**	172,261,130	705,743,639

16.2 Mining properties pledged as security

Mine properties with a net book value at 31 March 2022 of SAR 3,401,445,674 (31 March 2021: SAR 4,394,592,040 and 31 December 2021: SAR 4,199,041,808) are pledged as security to lenders under the Common Term Agreements (Note 35.13).

(All amounts in Saudi Riyals unless otherwise stated)

17 Property, plant and equipment

	Notes	Non-mining assets									
		Land	Civil works	Buildings	Heavy equipment	Other equipment	Fixed plant	Office equipment	Furniture and fittings	Motor vehicles	Total
Cost											
1 January 2021		61,550,000	12,055,732,981	16,779,462,549	1,090,996,071	2,877,207,158	47,655,714,886	114,322,814	90,803,477	44,342,057	80,770,131,993
Addition during the quarter		-	-	1,721,794	-	176,516	102,667,245	295,886	162,263	594,514	105,618,218
Transfer from capital work-in-progress during the quarter	19	-	102,160	1,802,443	-	21,368,288	32,122,443	-	-	-	55,395,334
Written-off during the quarter		-	-	-	-	(17,343,464)	(699,610,466)	-	-	-	(716,953,930)
Foreign currency translation adjustments		-	-	2,714,426	-	(31,088)	320,186	(207,686)	(49,373)	(35,235)	2,711,230
Adjustments		-	-	(1,049,055)	-	(2,600,002)	(3,366,207)	234,788	378,240	(450,522)	(6,852,758)
31 March 2021		61,550,000	12,055,835,141	16,784,652,157	1,090,996,071	2,878,777,408	47,087,848,087	114,645,802	91,294,607	44,450,814	80,210,050,087
Addition during the remainder of the year		-	-	3,793,129	(8,989,445)	445,892	323,469,367	1,802,106	526,877	4,403,460	325,451,386
Transfer from capital work-in-progress during the remainder of the year	19	-	206,341,618	22,808,724	429,999	71,761,573	87,526,262	3,897,995	-	-	392,766,171
Written-off during the remainder of the year*		-	-	-	-	(39,952,351)	(289,768,142)	-	-	-	(329,720,493)
Foreign currency translation adjustments		-	-	8,950,867	-	(14,754)	1,805,376	71,221	72,061	1,076,304	11,961,075
Adjustments		-	-	2,144,300	-	(721,571)	(6,566,283)	28,354	(345,237)	(1,338,981)	(6,799,418)
31 December 2021		61,550,000	12,262,176,759	16,822,349,177	1,082,436,625	2,910,296,197	47,204,314,667	120,445,478	91,548,308	48,591,597	80,603,708,808
Addition during the quarter		-	-	5,259,302	-	315,700	34,990,147	358,989	73,009	137,377	41,134,524
Transfer from capital work-in-progress during the quarter	19	-	-	13,240,208	-	3,505,921	1,474,311	1,786	-	-	18,222,226
Foreign currency translation adjustments		-	-	5,067,031	-	(37,291)	(542,993)	(299,637)	(66,250)	(202,563)	3,918,297
Adjustments / Disposal		-	-	(3,143,971)	-	-	(1,142,904)	(169,080)	(227,252)	-	(4,683,207)
31 March 2022		**61,550,000**	**12,262,176,759**	**16,842,771,747**	**1,082,436,625**	**2,914,080,527**	**47,239,093,228**	**120,337,536**	**91,327,815**	**48,526,411**	**80,662,300,648**

(All amounts in Saudi Riyals unless otherwise stated)

17 Property, plant and equipment (continued)

		Non-mining assets									
	Notes	**Land**	**Civil works**	**Buildings**	**Heavy equipment**	**Other equipment**	**Fixed plant**	**Office equipment**	**Furniture and fittings**	**Motor vehicles**	**Total**
Accumulated depreciation											
1 January 2021		-	1,590,718,445	2,394,563,960	229,472,198	1,227,114,872	13,254,125,084	78,363,583	72,079,765	39,210,047	18,885,647,954
Charge for the quarter	17.1	-	95,568,842	119,748,965	19,545,366	77,897,608	587,092,242	2,533,739	1,480,911	618,455	904,486,128
Written-off during the quarter		-	-	-	-	(17,343,464)	(699,610,466)	-	-	-	(716,953,930)
Foreign currency translation adjustments		-	-	1,018,961	-	(31,211)	236,576	(170,377)	(67,309)	(181,294)	805,346
Adjustment		-	-	(3,709,819)	-	-	(505,403)	27,274	(34,245)	(15,461)	(4,237,654)
31 March 2021		-	1,686,287,287	2,511,622,067	249,017,564	1,287,637,805	13,141,338,033	80,754,219	73,459,122	39,631,747	19,069,747,844
Charge for the remainder of the year	17.1	-	286,755,444	361,791,885	49,634,928	230,391,390	1,797,606,287	8,002,184	4,312,705	1,510,813	2,740,005,636
Written-off during the remainder of the year		-	-	-	-	(39,952,351)	(106,504,703)	-	-	-	(146,457,054)
Foreign currency translation adjustments		-	-	1,525,275	-	194,152	(845,780)	(97,197)	(58,556)	1,109,658	1,827,552
Adjustment		-	-	2	-	(134,114)	498,035	(226,511)	(367,439)	(1,194,297)	(1,424,324)
31 December 2021		-	1,973,042,731	2,874,939,229	298,652,492	1,478,136,882	14,832,091,872	88,432,695	77,345,832	41,057,921	21,663,699,654
Charge for the quarter	17.1	-	98,620,842	120,575,756	19,534,710	65,328,843	581,339,443	2,025,926	1,419,478	1,037,024	889,882,022
Foreign currency translation adjustments		-	-	3,675,509	-	(329,746)	855,745	(297,828)	(103,156)	(831,222)	2,969,302
Adjustment / Disposal		-	-	(657,450)	-	25,808	(561,583)	(90,221)	(12,390)	-	(1,295,836)
31 March 2022		**-**	**2,071,663,573**	**2,998,533,044**	**318,187,202**	**1,543,161,787**	**15,413,725,477**	**90,070,572**	**78,649,764**	**41,263,723**	**22,555,255,142**
Net book value											
31 March 2021	6.2	61,550,000	10,369,547,854	14,273,030,090	841,978,507	1,591,139,603	33,946,510,054	33,891,583	17,835,485	4,819,067	61,140,302,243
31 December 2021	6.2	61,550,000	10,289,134,028	13,947,409,948	783,784,133	1,432,159,315	32,372,222,795	32,012,783	14,202,476	7,533,676	58,940,009,154
31 March 2022	6.2	**61,550,000**	**10,190,513,186**	**13,844,238,703**	**764,249,423**	**1,370,918,740**	**31,825,367,751**	**30,266,964**	**12,678,051**	**7,262,688**	**58,107,045,506**

(All amounts in Saudi Riyals unless otherwise stated)

17 Property, plant and equipment (continued)

*During 2021, the Group has written-off property, plant and equipment having carrying amount of SAR 183.2 million. These assets written-off, relating to phosphate segment, are attributable to assets relating to:

a) Ammonia plant at MPC having carrying amount of SAR 40.5 million. The Ammonia plant was damaged by a limited fire which was fully controlled. The damaged parts of the Ammonia plant were damaged beyond repair and were written down to their recoverable value of Nil.

The Group has filed claims with the insurance company to recover the loss due to the fire incident as mentioned above. The matter is under discussion with the insurance company and management believes that a favourable outcome is probable. However, the contingent asset has not been recognised as a receivable at 31 March 2022 as receipt of the amount is dependent on the outcome of the insurance claim process.

b) Sulphuric Acid plant at MWSPC having carrying amount of SAR 142.7 million. These represented redundant assets which needed to be completely replaced during 2021 due to certain performance issues.

The write-off loss was recognized and included in the cost of sales in the consolidated statement of profit or loss and other comprehensive income for the year ended 31 December 2021.

17.1 Allocation of depreciation charge for quarter / year to:

		Quarter ended		Year ended
	Notes	31 March 2022	31 March 2021	31 December 2021
Expensed through profit or loss				
Cost of sales	8	**871,984,100**	895,042,951	3,577,056,528
General and administrative expenses	10	**17,831,527**	9,154,153	66,771,021
Exploration and technical services expenses	11	**66,395**	289,024	664,215
Total	17	**889,882,022**	904,486,128	3,644,491,764

17.2 Property, plant and equipment pledged as security

Property, plant and equipment with a net book value at 31 March 2022 of SAR 19,537,724,085 (31 March 2021: SAR 20,717,813,203 and 31 December 2021: SAR 19,840,569,857) are pledged as security to lenders under the Common Term Agreement (Note 35.13).

17.3 Impairment of rolling mill, automotive sheet and MWSPC CGUs

Impairment of rolling mill CGU

As at 31 March 2022, management of the company performed an impairment assessment of the rolling mill CGU due to lower than budgeted results. The methodology used by management for the impairment assessment is the discounted cash flow analysis. Key assumptions used in this analysis include:

- a pretax discount rate of 8.50% (31 December 2021: 8.00%) per annum which was calculated using a Capital Asset Pricing Model (CAPM) methodology;
- for the calculation of the terminal value, the Gordon Growth Method was adopted which included a growth rate assumption of 3.10% (31 December 2021: 3.10%) which has been estimated based on third party consultant's forecasts for the industry; and
- The sales growth in the forecast period has been estimated to be compound annual growth rate of 15.18% (31 December 2021: 14.73%).

Management concluded that the recoverable amount for the capital work-in-progress, property plant and equipment, right-of-use assets and intangible assets of the rolling mill CGU is higher than the carrying value of such assets. The estimated recoverable amount was based on approved five years business plan. The calculation involved an in-depth review of each key element of rolling mill CGU income and costs (including sales volume and prices, operating costs and capital expenditure) and included a review of historical results and also a review of third party forecasts of the aluminium market prices.

(All amounts in Saudi Riyals unless otherwise stated)

17 Property, plant and equipment (continued)

17.3 Impairment of rolling mill, automotive sheet and MWSPC CGUs (continued)

Impairment of rolling mill CGU **(continued)**

The recoverable amount of the rolling mill CGU would equal its carrying amount if the following key assumptions were to change as follows:

	31 March 2022		31 December 2021	
	From	To	From	To
Discount rate	8.50%	11.63%	8.00%	11.25%
Sales growth	15.18%	10.64%	14.73%	10.90%

The above sensitivity analyses are based on a change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur, and changes in some of the assumptions may be correlated. Due to certain sensitive variables, as explained above, no reversal of impairment was made as of 31 March 2022.

Management of the company has considered and assessed reasonably possible changes for other key assumptions and has not identified any instances that could cause the carrying amount of the CGU to exceed its recoverable amount.

Impairment of automotive sheet CGU

As at 31 March 2022, management of the company performed an impairment assessment of the automotive sheet CGU due to lower than budgeted results. The methodology used by management for the impairment assessment is the discounted cash flow analysis. Key assumptions used in this analysis include:

- a pretax discount rate of 8.50% (31 December 2021: 8.00%) per annum which was calculated using a Capital Asset Pricing Model (CAPM) methodology;
- for the calculation of the terminal value, the Gordon Growth Method was adopted which included a growth rate assumption of 3.10% (31 December 2021: 3.10%) which has been estimated based on third party consultant's forecasts for the industry; and
- The sales growth in the forecast period has been estimated to be compound annual growth rate of 18.00% (31 December 2021: 17.00%).

Management concluded that the recoverable amount for the capital work-in-progress, property plant and equipment, right-of-use assets and intangible assets of automotive sheet CGU is higher than carrying value of such assets. The estimated recoverable amount was based on approved five years business plan. The calculation involved an in-depth review of each key element of automotive sheet CGU income and costs (including sales volume and prices, operating costs and capital expenditure) and included a review of historical results and also a review of third-party forecasts of the aluminium automotive market.

The recoverable amount of the automotive sheet CGU would equal its carrying amount if the following key assumptions were to change as follows:

	31 March 2022		31 December 2021	
	From	To	From	To
Discount rate	8.50%	13.00%	8.00%	13.56%
Sales growth	18.00%	9.00%	17.00%	9.00%

The above sensitivity analyses are based on a change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur, and changes in some of the assumptions may be correlated. Due to certain sensitive variables, as explained above, no reversal of impairment was made as of 31 March 2022.

Management of the company has considered and assessed reasonably possible changes for other key assumptions and has not identified any instances that could cause the carrying amount of the CGU to exceed its recoverable amount.

(All amounts in Saudi Riyals unless otherwise stated)

17 Property, plant and equipment (continued)

17.3 Impairment of rolling mill, automotive sheet and MWSPC CGUs (continued)

Impairment of MWSPC CGU

As at 31 March 2022, management of the company performed an impairment assessment of the MWSPC CGU, due to lower than budgeted results. The impairment assessment resulted in no impairment. The value-in-use of MWSPC's assets, was based on a discounted cash flow analysis which utilized the most recent five-year approved business plan.

Key assumptions used in this analysis included:

- a pre-tax discount rate of 9.18% (31 December 2021: 8.50%) per annum which was calculated using a Capital Asset Pricing Model (CAPM) methodology;
- for the calculation of the terminal value, the Gordon Growth Method was adopted which included a growth rate of 4.00% (31 December 2021: 4.00%) which has been estimated based on third party consultant's forecasts for the industry; and
- Commodities prices – which have been estimated based on third parties' forecasts for the industry.

Management concluded that the recoverable amount for the capital work-in-progress, property plant and equipment, right-of-use assets and mine properties of MWSPC is higher than the carrying value of such assets. The estimated recoverable amount was based on approved five years business plan. The calculation involved an in-depth review of each key element of MWSPC income and costs (including sales volume and prices, operating costs and capital expenditure) and included a review of historical results.

The recoverable value of this CGU would equal it's carrying amount if the following key assumption was to change as follows:

	31 March 2022		31 December 2021	
	From	To	From	To
Discount rate	9.18%	11.21%	8.50%	11.50%

Further, a decrease of 9.54% (31 December 2021: 13.63%) in the commodities prices will result in the recoverable value of the CGU to be equal to its carrying amount.

The above sensitivity analyses are based on a change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur, and changes in some of the assumptions may be correlated.

Management of the company has considered and assessed reasonably possible changes for other key assumptions and have not identified any instances that could cause the carrying amount of CGU to exceed its recoverable amount.

(All amounts in Saudi Riyals unless otherwise stated)

18 Right-of-use assets

	Notes	Heavy equipment	Fixed plant	Motor vehicles	Land	Infra-structure	Vessels	Total
Cost								
1 January 2021		1,139,259,105	152,389,833	134,905,454	116,307,638	299,316,979	230,914,223	2,073,093,232
Additions during the quarter	37.1,37.2	17,940,758	-	10,237,160	3,443,704	-	-	31,621,622
Adjustments		(11,166,676)	-	(7,028,282)	-	-	-	(18,194,958)
31 March 2021		1,146,033,187	152,389,833	138,114,332	119,751,342	299,316,979	230,914,223	2,086,519,896
Additions during the remainder of the year	37.1,37.2	-	32,424,879	59,137,922	563,947	-	-	92,126,748
Adjustments		(14,162,362)	-	(20,410,344)	-	-	-	(34,572,706)
31 December 2021		1,131,870,825	184,814,712	176,841,910	120,315,289	299,316,979	230,914,223	2,144,073,938
Additions during the quarter	37.1,37.2	-	-	-	2,240,029	-	-	2,240,029
Adjustments		-	-	-	(969,457)	-	-	(969,457)
31 March 2022		**1,131,870,825**	**184,814,712**	**176,841,910**	**121,585,861**	**299,316,979**	**230,914,223**	**2,145,344,510**
Accumulated depreciation								
1 January 2021		144,108,026	129,143,337	88,090,291	11,864,571	111,658,762	124,453,563	609,318,550
Charge for the quarter	18.1	18,647,164	7,001,877	11,235,692	2,296,879	2,218,517	17,402,448	58,802,577
Adjustments		(5,783,732)	-	(3,760,452)	-	-	-	(9,544,184)
31 March 2021		156,971,458	136,145,214	95,565,531	14,161,450	113,877,279	141,856,011	658,576,943
Charge for the remainder of the year	18.1	63,125,989	16,820,991	26,851,778	5,118,739	6,566,397	44,028,273	162,512,167
Adjustments		(14,162,362)	-	(19,859,263)	-	-	-	(34,021,625)
31 December 2021		205,935,085	152,966,205	102,558,046	19,280,189	120,443,676	185,884,284	787,067,485
Charge for the quarter	18.1	26,379,438	4,909,557	2,244,675	(506,792)	2,084,784	9,005,988	44,117,650
Adjustments		-	415,841	(415,841)	(969,457)	-	-	(969,457)
31 March 2022		**232,314,523**	**158,291,603**	**104,386,880**	**17,803,940**	**122,528,460**	**194,890,272**	**830,215,678**
Net book value								
31 March 2021	6.2	989,061,729	16,244,619	42,548,801	105,589,892	185,439,700	89,058,212	1,427,942,953
31 December 2021	6.2	925,935,740	31,848,507	74,283,864	101,035,100	178,873,303	45,029,939	1,357,006,453
31 March 2022	6.2	**899,556,302**	**26,523,109**	**72,455,030**	**103,781,921**	**176,788,519**	**36,023,951**	**1,315,128,832**

(All amounts in Saudi Riyals unless otherwise stated)

18 Right-of-use assets (continued)

Right-of-use assets for infrastructure comprises the infrastructure and support services assets at Ras Al-Khair that were transferred to the Royal Commission of Jubail and Yanbu ("RCJY") as stated in the Implementation Agreement signed between Ma'aden and RCJY. The cost of the assets comprises of its construction cost and any other costs directly attributable to bringing such assets to working condition for their intended use. Such assets were carried at historical cost less accumulated amortisation, however, these assets have been recognized as right-of-use assets upon adoption of IFRS 16 on 1 January 2019 and depreciation is provided over the remaining period of LUSA (Land Usage and Service Agreement) term.

18.1 Allocation of depreciation charge for the quarter / year to:

		Quarter ended		Year ended
	Notes	31 March 2022	31 March 2021	31 December 2021
Expensed through profit or loss				
Cost of sales	8	**41,693,835**	58,570,148	210,763,733
General and administrative expenses	10	**2,423,815**	232,429	10,551,011
Total	18	**44,117,650**	58,802,577	221,314,744

(All amounts in Saudi Riyals unless otherwise stated)

19 Capital work-in-progress

	Notes	Non-mining assets		
		Property, plant and equipment	Ammonia project 3 *	Total
1 January 2021		1,793,117,256	2,873,758,282	4,666,875,538
Additions during the quarter		220,281,742	326,997,682	547,279,424
Transfer to property, plant and equipment	17	(55,395,334)	-	(55,395,334)
Transfer to intangible assets	20	(1,716,198)	-	(1,716,198)
Foreign currency translation adjustments		112,358	-	112,358
31 March 2021	6.2	1,956,399,824	3,200,755,964	5,157,155,788
Additions during the remainder of the year		1,300,562,095	562,006,451	1,862,568,546
Transfer to mine properties	16	(95,840)	-	(95,840)
Transfer to property, plant and equipment	17	(392,766,171)	-	(392,766,171)
Transfer from intangible assets	20	(10,728,877)	-	(10,728,877)
Foreign currency translation adjustments		179,306	-	179,306
31 December 2021	6.2	2,853,550,337	3,762,762,415	6,616,312,752
Additions during the quarter		269,029,746	39,093,371	308,123,117
Transfer to property, plant and equipment	17	(18,222,226)	-	(18,222,226)
Transfer to intangible assets	20	-	-	-
Foreign currency translation adjustments		2,847,971	-	2,847,971
31 March 2022	6.2	**3,107,205,828**	**3,801,855,786**	**6,909,061,614**

* During the quarter, the Group has initiated the commissioning activities of Ammonia project 3. The revenue from sales of good produced during such commissioning activities amounted to SAR 87 million which has been recognized in profit or loss under sales. Further, the related cost of production amounting to SAR 4 million has been recognized in profit or loss under cost of sales.

(All amounts in Saudi Riyals unless otherwise stated)

19 Capital work-in-progress (continued)

The Group has capitalized the following as part of capital work-in-progress during the quarter / year:

	Notes	Quarter ended 31 March 2022	Quarter ended 31 March 2021	Year ended 31 December 2021
Net borrowing cost attributable to qualifying assets, using a capitalization rate ranging from 1.86% to 3.3% per annum (31 March 2021: 2.6% to 3.55% per annum and 31 December 2021: 1.92% to 4.23% per annum)	13.1	**41,296,627**	30,281,320	149,872,511
Amortization of transaction cost on long-term borrowings	13.1, 35.12	**3,741,761**	2,302,027	11,753,003
Total		**45,038,388**	32,583,347	161,625,514

19.1 Capital work-in-progress pledged as security

At 31 March 2022, the net book value of SAR 1,862,808,747 (31 March 2021: SAR 895,438,650 and 31 December 2021: SAR 1,721,051,594) are pledged as security to the lenders (Note 35.13).

(All amounts in Saudi Riyals unless otherwise stated)

20 Intangible assets and goodwill

	Notes	Internally developed software	Technical development	Software and licenses	Goodwill	Customer relationships	Non-core contracts	Total
Cost								
1 January 2021		24,369,462	17,705,112	265,418,552	159,465,843	75,375,000	10,500,000	552,833,969
Additions during the quarter		-	-	304,035	-	-	-	304,035
Transfer from mine properties during the quarter	16	-	-	518,124	-	-	-	518,124
Transfer from capital work-in-progress during the quarter	19	-	524,563	1,191,635	-	-	-	1,716,198
Adjustments		(11,988,681)	-	(23,929,635)	-	-	-	(35,918,316)
31 March 2021		12,380,781	18,229,675	243,502,711	159,465,843	75,375,000	10,500,000	519,454,010
Additions during the remainder of the year		-	-	807,188	-	-	-	807,188
Transfer from mine properties during the remainder of the year	16	-	-	-	-	-	-	-
Transfer from capital work-in-progress during the remainder of the year	19	-	-	10,728,877	-	-	-	10,728,877
Adjustments		-	-	-	-	-	-	-
31 December 2021		12,380,781	18,229,675	255,038,776	159,465,843	75,375,000	10,500,000	530,990,075
Additions during the quarter		-	-	1,014,956	-	-	-	1,014,956
Transfer from mine properties during the quarter	16	-	-	-	-	-	-	-
Transfer from capital work-in-progress during the quarter	19	-	-	-	-	-	-	-
31 March 2022		**12,380,781**	**18,229,675**	**256,053,732**	**159,465,843**	**75,375,000**	**10,500,000**	**532,005,031**

(All amounts in Saudi Riyals unless otherwise stated)

20 Intangible assets and goodwill (continued)

	Notes	Internally developed software	Technical development	Software and licenses	Goodwill	Customer relationships	Non-core contracts	Total
Accumulated amortisation								
1 January 2021		24,294,908	15,302,275	180,564,174	-	10,678,125	3,718,750	234,558,232
Charge for the quarter	20.1	30,743	681,927	7,094,654	-	1,884,375	656,250	10,347,949
Adjustments		(11,988,681)	-	(23,929,635)	-	-	-	(35,918,316)
31 March 2021		12,336,970	15,984,202	163,729,193	-	12,562,500	4,375,000	208,987,865
Charge for the remainder of the year	20.1	43,811	1,901,849	25,504,946	-	5,653,125	1,968,750	35,072,481
31 December 2021		12,380,781	17,886,051	189,234,139	-	18,215,625	6,343,750	244,060,346
Charge for the quarter	20.1	-	26,228	8,058,209	-	1,884,375	656,250	10,625,062
31 March 2022		**12,380,781**	**17,912,279**	**197,292,348**	**-**	**20,100,000**	**7,000,000**	**254,685,408**
Net book value								
31 March 2021	6.2	43,811	2,245,473	79,773,518	159,465,843	62,812,500	6,125,000	310,466,145
31 December 2021	6.2	-	343,624	65,804,637	159,465,843	57,159,375	4,156,250	286,929,729
31 March 2022	6.2	**-**	**317,396**	**58,761,384**	**159,465,843**	**55,275,000**	**3,500,000**	**277,319,623**

*Customer relationships and non-core contracts were acquired in a business combination.

(All amounts in Saudi Riyals unless otherwise stated)

20 Intangible assets and goodwill (continued)

20.1 Allocation of amortisation charge for the quarter / year to:

	Notes	Quarter ended 31 March 2022	Quarter ended 31 March 2021	Year ended 31 December 2021
Expensed through profit or loss				
Cost of sales	8	**5,499,981**	5,772,325	24,621,290
General and administrative expenses	10	**5,095,640**	4,546,183	20,681,376
Exploration and technical services expenses	11	**29,441**	29,441	117,764
Total	20	**10,625,062**	10,347,949	45,420,430

20.2 Goodwill

Goodwill is attributable to fertilizer distribution network and assembled workforce that cannot be assigned to any other determinable and separate intangible asset.

The Group tests whether goodwill has suffered any impairment on an annual basis. For the impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or CGUs. At 31 December 2021, the recoverable amount of fertilizer distribution companies which was considered as single group of cash generating units was determined based on value-in-use calculations which require the use of assumptions. The calculations used cash flow projections based on financial budgets approved by management covering a five-years period. Cash flows beyond the five-years period were extrapolated using the estimated growth rate stated below. This growth rate was consistent with forecasts included in industry reports specific to the industry in which the group of CGUs operate. Goodwill is allocated to the fertilizer distribution companies as a whole and falls under “Phosphate Strategic Business Unit Segment” in the operating segment. Management’s judgment to allocate goodwill to the fertilizer business considered the broader reason for which acquisition was made, i.e. acquiring of fertilizer distribution network in East Africa. The calculation of value in use was most sensitive to the assumptions on discount rate and average “EBITDA as percentage of total revenues for the CGU” (“EBITDA margins”). Key assumptions underlying the projections were:

Key assumptions	**%**
Discount rate	25.89
Average EBITDA margin	8.00

Discount rate

The discount rate was an estimate of the weighted average cost of capital as of 31 December 2021 based on market rates adjusted to reflect management’s estimate of the specific risks relating to operations in East Africa.

Average EBITDA margin

The average EBITDA margins of 8.00% was estimated in the forecast period.

(All amounts in Saudi Riyals unless otherwise stated)

20 Intangible assets and goodwill (continued)

Sensitivity analysis

At 31 December 2021, the recoverable amount would equal the carrying value of the group of CGUs including goodwill if the key assumptions were to change as follows:

	31 December 2021	
	From	To
Discount rate	25.89%	35.03%
Average EBITDA margin	8.00%	6.33%

The above sensitivity analyses were based on a change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur, and changes in some of the assumptions may be correlated.

At 31 December 2021, management of the company has considered and assessed reasonably possible changes for other key assumptions and did not identified any instances that could cause the carrying value of the group of CGUs including goodwill to exceed its recoverable amount. At 31 March 2022, management of the company did not identify any impairment indicator related to goodwill.

21 Investment in joint ventures

	Notes	31 March 2022	31 March 2021	31 December 2021
MBCC	21.1.3	**985,220,267**	986,524,032	960,145,336
SAMAPCO	21.2.3	**272,172,000**	105,258,000	248,372,000
Total	6.2	**1,257,392,267**	1,091,782,032	1,208,517,336

The Group's 50% interest in the issued and paid-up share capital of these two joint ventures are accounted for using the equity method of accounting, see Note 4.1.

Summarised financial information related to joint ventures

The financial statements of these two joint ventures are prepared in accordance with IFRS as endorsed in KSA. The accounting policies used, in the preparation of these IFRS financial statements, as well as their reporting dates are consistent with that of the Group.

Summarized financial information (100% share) of MBCC and SAMAPCO, based on their management accounts or audited annual financial statements and a reconciliation with the carrying amount of the respective investments, as shown in the consolidated interim financial statements of the Group, are set out below:

(All amounts in Saudi Riyals unless otherwise stated)

21 Investment in joint ventures (continued)

21.1 MBCC

21.1.1 Summarised statement of profit or loss and other comprehensive income

	Notes	Quarter ended 31 March 2022	31 March 2021	Year ended 31 December 2021
Sales and other operating revenues		**524,667,642**	472,141,769	2,221,308,238
Finance cost		**(392,232)**	(294,509)	(1,761,716)
Depreciation and amortization		**(39,226,833)**	(43,841,100)	(185,259,222)
Other expenses		**(108,507,711)**	(136,734,722)	(572,744,344)
Profit before zakat, severance fees and income tax		**376,540,866**	291,271,438	1,461,542,956
Severance fees		**(35,764,441)**	(21,983,850)	(151,110,607)
Zakat and income tax		**(45,244,335)**	(34,653,407)	(161,153,630)
Profit for the quarter / year from continuing operations		**295,532,090**	234,634,181	1,149,278,719
Other comprehensive loss		**-**	(155,248)	(1,670,038)
Total comprehensive income		**295,532,090**	234,478,933	1,147,608,681
Group's share of profit for the quarter / year	21.1.3	**146,949,931**	145,627,637	570,132,429
Group share of other comprehensive loss	21.1.3	**-**	(86,249)	(835,019)
Group's share of total comprehensive income for the quarter / year *		**146,949,931**	145,541,388	569,297,410

*Ma'aden's share in net income is reduced by zakat and severance fees, as applicable to the Saudi shareholder. Furthermore, share in net income is calculated based on the available draft of the MBCC financial statements at the time of issuance of the Ma'aden consolidated interim financial statements. This sometimes may lead to minor variation which is adjusted in the next accounting period (Note 21.1.3).

21.1.2 Summarised statement of financial position

	Note	31 March 2022	31 March 2021	31 December 2021
Assets				
Non-current assets		**1,574,215,413**	1,664,080,143	1,592,248,031
Current assets				
Other current assets		**414,970,717**	383,190,985	537,949,403
Cash and cash equivalents		**619,207,518**	266,376,211	318,885,119
Total assets		**2,608,393,648**	2,313,647,339	2,449,082,553
Liabilities				
Non-current liabilities		**115,048,387**	115,604,934	116,154,392
Current liabilities		**488,380,635**	270,420,081	392,176,088
Total liabilities		**603,429,022**	386,025,015	508,330,480
Net assets		**2,004,964,626**	1,927,622,324	1,940,752,073
Group's proportionate ownership %		**50%**	50%	50%
Group's proportionate ownership share in net assets	21.1.3	**985,220,267**	986,524,032	960,145,336

(All amounts in Saudi Riyals unless otherwise stated)

21 Investment in joint ventures (continued)

21.1 MBCC (continued)

21.1.3 Reconciliation to carrying amounts

The investment of 50% in the issued and paid up share capital in MBCC (Note 2.11) is as follows:

	Notes	31 March 2022	31 March 2021	31 December 2021
Shares at cost	51	**202,482,646**	202,482,646	202,482,646
Other component of equity		**-**	-	-
Total equity contribution		**202,482,646**	202,482,646	202,482,646
Share of the accumulated profit		**1,450,237,621**	879,666,386	1,303,287,690
Sub-total		**1,652,720,267**	1,082,149,032	1,505,770,336
Dividend received during the quarter / year		**(667,500,000)**	(95,625,000)	(545,625,000)
Carrying value of investment	21, 21.1.2	**985,220,267**	986,524,032	960,145,336

Ma'aden's share of the accumulated profit in MBCC:

	Notes	Quarter ended 31 March 2022	31 March 2021	Year ended 31 December 2021
1 January		**1,303,287,690**	733,990,280	733,990,280
Share in net profit	6.2	**146,949,931**	145,762,355	570,132,429
Current quarter / year	21.1.1	**146,815,213**	145,627,637	569,997,711
Prior year catch up adjustment		**134,718**	134,718	134,718
Share in other comprehensive loss for the quarter / year	21.1.1	**-**	(86,249)	(835,019)
31 March / 31 December		**1,450,237,621**	879,666,386	1,303,287,690

21.2 SAMAPCO

21.2.1 Summarised statement of profit or loss and other comprehensive income / (loss)

	Note	Quarter ended 31 March 2022	31 March 2021	Year ended 31 December 2021
Sales and other operating revenues		**200,700,000**	234,346,000	1,143,262,000
Finance cost		**(13,804,000)**	(15,525,000)	(57,629,000)
Depreciation and amortization		**(26,687,000)**	(28,722,000)	(115,184,000)
Other expenses		**(111,803,000)**	(159,904,000)	(636,571,000)
Profit before zakat and severance fees		**48,406,000**	30,195,000	333,878,000
Zakat and severance fees		**(806,000)**	-	(17,450,000)
Profit for the quarter / year from continuing operations		**47,600,000**	30,195,000	316,428,000
Other comprehensive loss		**-**	-	-
Total comprehensive income		**47,600,000**	30,195,000	316,428,000
Group's share of total comprehensive income for the quarter / year *	21.2.3	**23,800,000**	15,100,000	158,214,000

*Ma'aden's share in net income is calculated based on the available draft of the SAMAPCO financial statements at the time of issuance of Ma'aden consolidated interim financial statements. This sometimes may lead to minor variation which is adjusted in the next accounting period.

(All amounts in Saudi Riyals unless otherwise stated)

21 Investment in joint ventures (continued)

21.2 SAMAPCO

21.2.2 Summarised statement of financial position

	Note	31 March 2022	31 March 2021	31 December 2021
Assets				
Non-current assets		**2,260,309,000**	2,314,883,000	2,267,675,000
Current assets				
Other current assets		**330,774,000**	383,252,000	529,967,000
Cash and cash equivalents		**315,650,000**	99,638,000	121,889,000
Total assets		**2,906,733,000**	2,797,773,000	2,919,531,000
Liabilities				
Non-current liabilities				
Long-term borrowings		**2,007,030,000**	2,084,221,000	2,006,528,000
Other non-current liabilities		**74,882,000**	52,266,000	78,996,000
Current liabilities				
Current portion of long-term borrowings		**79,200,000**	72,675,000	79,200,000
Other current liabilities		**136,655,000**	317,791,000	197,754,000
Total liabilities		**2,297,767,000**	2,526,953,000	2,362,478,000
Net assets		**608,966,000**	270,820,000	557,053,000
Group's proportionate ownership %		**50%**	50%	50%
Group's proportionate ownership share in net assets	21.2.3	**272,172,000**	105,258,000	248,372,000

21.2.3 Reconciliation to carrying amounts

The investment of 50% in the issued and paid up share capital in SAMAPCO (Note 2.12) is as follows:

	Notes	31 March 2022	31 March 2021	31 December 2021
Shares at cost	51	**450,000,000**	450,000,000	450,000,000
Total share of the accumulated loss		**(177,828,000)**	(344,742,000)	(201,628,000)
Carrying value of investment	21, 21.2.2	**272,172,000**	105,258,000	248,372,000

Ma'aden's share of the accumulated loss in SAMAPCO:

	Notes	Quarter ended 31 March 2022	Quarter ended 31 March 2021	Year ended 31 December 2021
1 January		**(201,628,000)**	(359,842,000)	(359,842,000)
Share in net income for the quarter / year	6.2	**23,800,000**	15,100,000	158,214,000
Current quarter / year	21.2.1	**23,800,000**	15,100,000	158,214,000
Prior year catch up adjustment		**-**	-	-
31 March / 31 December		**(177,828,000)**	(344,742,000)	(201,628,000)

(All amounts in Saudi Riyals unless otherwise stated)

22 Deferred tax

22.1 Income tax

	Notes	Quarter ended 31 March 2022	31 March 2021	Year ended 31 December 2021
Deferred income tax		**(5,738,992)**	(1,941,326)	(57,480,235)
Deferred tax assets (debited) / credited to the consolidated statement of profit or loss	22.2	**(2,318,762)**	29,122,524	19,693,419
Deferred tax liabilities debited to the consolidated statement of profit or loss	22.3	**(3,420,230)**	(31,063,850)	(77,173,654)
Current income tax	42.5	**(52,067,165)**	(15,263,099)	(101,000,641)
Total income tax		**(57,806,157)**	(17,204,425)	(158,480,876)

The deferred income tax has arisen because of the temporary differences between the carrying value of certain items and their tax base. Following are the details of the deferred tax assets, liabilities and profit or loss charges and credits.

22.2 Deferred tax assets

The balance comprises temporary differences attributable to:

	31 March 2022	31 March 2021	31 December 2021
Tax losses	**780,613,400**	801,536,068	777,162,930
Allowance for obsolete and slow moving spare parts and consumable materials	**3,312,760**	5,514,470	5,771,407
Property, plant and equipment, capital work-in-progress and intangible assets	**6,084,945**	28,755	28,755
Provision for decommissioning, site rehabilitation and dismantling obligations	**6,498,525**	5,379,924	6,466,433
Employees’ end of service termination benefits obligation	**19,006,702**	15,055,854	16,026,755
Provision for research and development and others	**4,690,425**	4,681,554	5,313,818
Foreign currency translation movement	**2,070,672**	1,828,671	13,826,093
Total deferred tax assets	**822,277,429**	834,025,296	824,596,191

The movement in net deferred tax assets during quarter / year is as follows:

	Note	Quarter ended 31 March 2022	31 March 2021	Year ended 31 December 2021
1 January		**824,596,191**	804,902,772	804,902,772
(Debited) / credited to the consolidated statement of profit or loss during quarter / year	22.1	**(2,318,762)**	29,122,524	19,693,419
Foreign currency translation movement credited to the consolidated statement of other comprehensive income during the quarter / year		**-**	-	-
31 March / 31 December		**822,277,429**	834,025,296	824,596,191

(All amounts in Saudi Riyals unless otherwise stated)

22 Deferred tax (continued)

22.3 Deferred tax liabilities

The balance comprises temporary differences attributable to:

	31 March 2022	31 March 2021	31 December 2021
Property, plant and equipment, capital work-in-progress and intangible assets	**1,057,088,051**	996,521,908	1,047,205,022

The movement in net deferred tax liabilities during the quarter / year is as follows:

	Note	Quarter ended 31 March 2022	Quarter ended 31 March 2021	Year ended 31 December 2021
1 January		**1,047,205,022**	971,455,742	971,455,742
Debited to the consolidated statement of profit or loss during the quarter / year	22.1	**3,420,230**	31,063,850	77,173,654
Foreign currency translation movement debited / (credited) to the consolidated statement of other comprehensive income during the quarter / year		**6,462,799**	(5,997,684)	(1,424,374)
31 March / 31 December		**1,057,088,051**	996,521,908	1,047,205,022

23 Other investments

	Note	31 March 2022	31 March 2021	31 December 2021
1 January		**37,231,000**	38,390,000	38,390,000
Settlement during the quarter / year		**-**	-	(1,159,000)
31 March / 31 December	48	**37,231,000**	38,390,000	37,231,000
Less: Current portion of other investments		**(2,515,000)**	-	-
Non-current portion of other investments		**34,716,000**	38,390,000	37,231,000

This investment is a non-derivative financial asset with a fixed maturity that the Group has the intention and the ability to hold to maturity and which do not qualify as loans or receivables. This investment is classified as non-current assets based on its maturity, and initially recognised at fair value. At subsequent reporting dates, this financial asset is measured at amortised cost less any impairment losses.

(All amounts in Saudi Riyals unless otherwise stated)

24 Other non-current assets

	Notes	31 March 2022	31 March 2021	31 December 2021
Revolving loan transaction cost				
1 January		**14,250,000**	28,500,000	28,500,000
Amortization of revolving loan transaction cost during the quarter / year	13	**(3,562,500)**	(3,562,500)	(14,250,000)
31 March / 31 December		**10,687,500**	24,937,500	14,250,000
Less: Current portion of revolving loan transaction cost	25	**(10,687,500)**	(14,250,000)	(14,250,000)
Sub-total		**-**	10,687,500	-
Stockpile of mined ore		**583,652,794**	452,443,804	563,075,671
Less: Current portion of stockpile of mined ore	26	**(426,243,689)**	(379,513,148)	(405,666,566)
Sub-total		**157,409,105**	72,930,656	157,409,105
Employees' home ownership program receivables		**820,318,604**	867,588,962	867,588,962
Less: Repaid during the quarter / year		**(13,494,556)**	(18,621,050)	(47,270,358)
		806,824,048	848,967,912	820,318,604
Less: Current portion of employees' home ownership program receivables	27	**(69,062,533)**	(65,218,564)	(69,774,278)
Sub-total		**737,761,515**	783,749,348	750,544,326
Home ownership program – furniture loan		**2,181,541**	5,745,600	2,294,948
Others		**27,669,881**	35,048,516	29,514,540
Total		**925,022,042**	908,161,620	939,762,919

25 Advances and prepayments

	Note	31 March 2022	31 March 2021	31 December 2021
Advances to contractors		**197,859,259**	67,160,303	172,849,421
Advances to employees		**33,103,090**	62,208,571	13,633,927
Prepaid rent		**30,139,662**	20,413,979	13,426,589
Prepaid insurance		**212,261,993**	93,495,889	36,683,978
Current portion of revolving loan transaction cost	24	**10,687,500**	14,250,000	14,250,000
Other prepayments		**47,083,131**	25,936,992	43,157,116
Total		**531,134,635**	283,465,734	294,001,031

(All amounts in Saudi Riyals unless otherwise stated)

26 Inventories

	Notes	31 March 2022	31 March 2021	31 December 2021
Saleable inventory				
Finished goods – ready for sale		**2,027,611,103**	1,366,777,682	2,019,942,537
Cost of finished goods		**2,028,869,996**	1,368,788,185	2,021,169,900
Less: Inventory written-off to net realizable value		**(1,258,893)**	(2,010,503)	(1,227,363)
Work-in-process		**1,041,916,223**	956,963,450	828,011,060
Cost of work-in-process		**1,041,916,223**	956,963,450	828,011,060
Less: Inventory written-off to net realizable value		**-**	-	-
Current portion of stockpile of mined ore		**426,243,689**	379,513,148	405,666,566
Cost of stockpile of mined ore	24	**426,243,689**	379,513,148	405,666,566
Less: Inventory written-off to net realizable value		**-**	-	-
By-products		**2,120,914**	6,951,649	1,934,335
Sub-total	8	**3,497,891,929**	2,710,205,929	3,255,554,498
Consumable inventory				
Spare parts and consumables materials				
1 January		**2,363,859,562**	2,430,256,273	2,430,256,273
Net additions / (consumption) during the quarter / year		**6,748,726**	111,760,879	(66,396,711)
31 March / 31 December		**2,370,608,288**	2,542,017,152	2,363,859,562
Allowance for obsolete and slow-moving spare parts and consumable materials	26.1	**(106,211,788)**	(97,643,684)	(106,211,788)
		2,264,396,500	2,444,373,468	2,257,647,774
Raw materials		**1,560,235,822**	889,473,119	1,318,407,426
Sub-total		**3,824,632,322**	3,333,846,587	3,576,055,200
Total		**7,322,524,251**	6,044,052,516	6,831,609,698

26.1 Movement in the allowance for obsolete and slow moving spare parts and consumable materials is as follows:

	Notes	Quarter ended 31 March 2022	Quarter ended 31 March 2021	Year ended 31 December 2021
1 January		**106,211,788**	97,371,125	97,371,125
Provision for allowance for obsolescence, net	8	**-**	272,559	8,840,663
31 March / 31 December	5.2,26	**106,211,788**	97,643,684	106,211,788

(All amounts in Saudi Riyals unless otherwise stated)

27 Trade and other receivables

	Notes	31 March 2022	31 March 2021	31 December 2021
Trade receivables				
Other third party receivables		**4,681,192,340**	2,399,997,413	3,614,724,467
Less: ECL allowance	27.1	**(22,338,060)**	(23,142,653)	(24,461,554)
		4,658,854,280	2,376,854,760	3,590,262,913
Due from SABIC	44.2	**518,424,122**	139,967,594	346,275,319
Due from The Mosaic Company	44.2	**122,292,511**	48,031,225	199,951,194
Due from Alcoa Inespal, S.A.	44.2	**270,944,256**	97,110,330	267,299,620
Due from Kaiser Aluminum Warrick LLC (formerly known as 'Alcoa Warrick LLC')	44.2	**-**	155,428,348	-
Sub-total	46.1.3, 46.2	**5,570,515,169**	2,817,392,257	4,403,789,046
Due from MBCC	44.2	**437,689**	86	283,627
Due from Saudi Aramco	44.2	**662,292,441**	134,343,269	456,407,732
Due from Saudi Ports Authority		**3,178,497**	2,157,345	1,601,144
Current portion of employees' home ownership program receivables	24	**69,062,533**	65,218,564	69,774,278
VAT receivable from regulatory authorities		**298,614,708**	176,274,029	186,944,523
Other		**313,572,086**	99,386,519	87,333,922
Total	48	**6,917,673,123**	3,294,772,069	5,206,134,272

The Group holds all its trade receivables, within a business model, with the objective of collecting the contractual cash flows. However, the contractual terms of certain trade receivables do not give rise, on a specific date, to cash flows that are solely payments of principal and interest on the principal outstanding.

27.1 Movement in ECL allowance

	Notes	Quarter ended 31 March 2022	Quarter ended 31 March 2021	Year ended 31 December 2021
1 January		**24,461,554**	21,079,845	21,079,845
(Decrease) / increase in allowance for expected credit losses	10	**(2,123,494)**	2,062,808	3,381,709
31 March / December	27,46.2	**22,338,060**	23,142,653	24,461,554

28 Time deposits

	Notes	31 March 2022	31 March 2021	31 December 2021
Time deposits with original maturities of more than three months and less than a year at the date of acquisition	46.3,47	**2,410,000,000**	1,220,000,000	970,000,000
Less: ECL allowance	28.1	**(2,201,194)**	(2,201,194)	(2,201,194)
		2,407,798,806	1,217,798,806	967,798,806
Investment income receivable		**6,513,536**	2,240,100	3,541,411
Total	48	**2,414,312,342**	1,220,038,906	971,340,217

Time deposits yield financial income at prevailing market prices.

(All amounts in Saudi Riyals unless otherwise stated)

28 Time deposits (continued)

28.1 Movement in ECL allowance

	Notes	Quarter ended 31 March 2022	Quarter ended 31 March 2021	Year ended 31 December 2021
1 January	46.2	**2,201,194**	2,201,194	2,201,194
Increase in allowance for expected credit losses	10,46.2	-	-	-
31 March / 31 December	28	**2,201,194**	2,201,194	2,201,194

29 Cash and cash equivalents

	Notes	31 March 2022	31 March 2021	31 December 2021
Unrestricted				
Time deposits with original maturities equal to or less than three months at the date of acquisition		**5,409,688,548**	1,722,655,807	3,320,433,331
Cash and bank balances		**1,861,095,804**	2,112,917,580	4,637,530,087
Sub-total	46.3,47	**7,270,784,352**	3,835,573,387	7,957,963,418
Restricted				
Cash and bank balances	39.2	**190,059,167**	139,455,749	177,867,864
Total	48	**7,460,843,519**	3,975,029,136	8,135,831,282

Restricted cash and bank balances are related to employees' savings plan obligation.

30 Share capital

		Notes	31 March 2022	31 March 2021	31 December 2021
Authorized, issued and fully paid					
1,168,478,261	Ordinary shares with a nominal value of SAR 10 per share		**11,684,782,610**	11,684,782,610	11,684,782,610
62,112,885	Ordinary shares with a nominal value of SAR 10 per share, following the conversion of long-term borrowing into equity	35.2	**621,128,850**	621,128,850	621,128,850
1,230,591,146	**Total**	1,15	**12,305,911,460**	12,305,911,460	12,305,911,460

On 8 Rabi Awal 1441H (corresponding to 4 November 2019) in the Extraordinary General Assembly Meeting, the shareholders of the Company approved the Board of Directors' recommendation to increase the share capital of the Company by the way of converting its long-term borrowing due to Public Investment Fund ("PIF") into equity amounting to USD 796,370,000 (SAR 2,986,387,500). This resulted in the issuance of 62,112,885 ordinary shares to PIF at an exercise price of 48.08 per share (SAR 10 nominal value plus premium of SAR 38.08 per share) thereby increasing the share capital by SR 621,128,850 and share premium by SAR 2,365,258,650 after obtaining all the regulatory approvals.

The above share issuance price was determined based on the volume-weighted average market price of the Company's shares during the last six trading months before the date of the Extraordinary General Assembly Meeting, held on 4 November 2019. The reason for the capital increase was to improve the Company's liquidity and credit position and enhance its ability to achieve its growth objectives.

(All amounts in Saudi Riyals unless otherwise stated)

31 Share premium

		Notes	31 March 2022	31 March 2021	31 December 2021
525,000,000	Ordinary shares with a nominal value of SAR 10 per share, issued at a premium of SAR 10 per share		**5,250,000,000**	5,250,000,000	5,250,000,000
243,478,261	Ordinary shares with a nominal value of SAR 10 per share, issued at a premium of SAR 13 per share, net of transaction cost		**3,141,351,697**	3,141,351,697	3,141,351,697
62,112,885	Ordinary shares with a nominal value of SAR 10 per share, issued at a premium of SAR 38.08 per share following the conversion of long-term borrowing into equity	35.2	**2,365,258,650**	2,365,258,650	2,365,258,650
	Less: Transaction cost		**(17,420,308)**	(17,420,308)	(17,420,308)
	Net increase in share premium		**2,347,838,342**	2,347,838,342	2,347,838,342
830,591,146	**Total**		**10,739,190,039**	10,739,190,039	10,739,190,039

32 Transfer of net income

	31 March 2022	31 March 2021	31 December 2021
1 January	**1,577,021,485**	1,054,251,439	1,054,251,439
Transfer of 10% of net profit for the quarter / year	-	-	522,770,046
31 March / 31 December	**1,577,021,485**	1,054,251,439	1,577,021,485

In accordance with, the Company's By-Laws, which is in compliance with the applicable Regulations for Companies in Saudi Arabia, the Company has established a statutory reserve by the appropriation of 10% of its annual net profit until such reserve equals 30% of the share capital.

33 Retained earnings and other reserves

33.1 Other reserves

	Note	31 March 2022	31 March 2021	31 December 2021
Attributable to ordinary shareholders of the parent company				
Loss on exchange differences on translation		**68,325,017**	64,887,279	60,787,901
Non-controlling interest put option	40.2	**44,480,781**	105,328,190	41,852,921
Share of other non-distributable reserves		**8,189,290**	8,189,290	8,189,290
Sub-total		**120,995,088**	178,404,759	110,830,112
Attributable to non-controlling interest				
Loss on exchange differences on translation		**12,554,316**	11,450,695	11,943,199
Share of other non-distributable reserves		**1,445,169**	1,445,169	1,445,169
Sub-total		**13,999,485**	12,895,864	13,388,368
Total		**134,994,573**	191,300,623	124,218,480

33.2 Retained earnings and reserve

At 31 March 2022, retained earnings and reserve includes accumulated losses on cash flow hedge reserve attributable to ordinary shareholders of the parent company amounting to SAR 41,226,296 (31 March 2021: SAR 258,765,009 and 31 December 2021: SAR 152,019,272). Further details are explained in Note 38 of these consolidated interim financial statements.

(All amounts in Saudi Riyals unless otherwise stated)

34 Non-controlling interest

Set out below is summarised financial information for each subsidiary that has non-controlling interests that are material to the Group. The amounts disclosed for each subsidiary are before inter-company eliminations.

34.1 Summarized statement of financial position

Non-controlling % interest in	Note	MAC 25.1% (Note 2.7)	MBAC 25.1% (Note 2.8)	MPC 30% (Note 2.9)	MWSPC 40% (Note 2.10)	Meridian 7.5% (Note 2.5)	Total
31 March 2022							
Non-current assets		15,699,184,510	11,515,655,203	12,671,700,533	24,856,614,788	365,659,016	65,108,814,050
Current assets		5,294,199,504	1,808,580,573	4,988,953,340	5,205,859,998	1,629,126,805	18,926,720,220
Total assets		**20,993,384,014**	**13,324,235,776**	**17,660,653,873**	**30,062,474,786**	**1,994,785,821**	**84,035,534,270**
Non-current liabilities		10,311,970,737	7,259,053,082	4,797,803,635	18,619,998,697	211,650,245	41,200,476,396
Current liabilities		3,199,092,233	1,259,948,717	3,429,046,769	3,624,390,594	1,374,507,751	12,886,986,064
Total liabilities		**13,511,062,970**	**8,519,001,799**	**8,226,850,404**	**22,244,389,291**	**1,586,157,996**	**54,087,462,460**
Net assets of the subsidiary company		**7,482,321,044**	**4,805,233,977**	**9,433,803,469**	**7,818,085,495**	**408,627,825**	**29,948,071,810**
Share of net assets		1,878,062,582	1,206,113,728	2,830,141,041	3,127,234,198	30,647,087	9,072,198,636
Zakat and income tax impact		(122,958,513)	(32,193,163)	-	(30,912,087)	-	(186,063,763)
Net impact of non-controlling interest acquired through business combination		-	-	-	-	278,715	278,715
Net assets attributable to non-controlling interest	34.4	**1,755,104,069**	**1,173,920,565**	**2,830,141,041**	**3,096,322,111**	**30,925,802**	**8,886,413,588**

(All amounts in Saudi Riyals unless otherwise stated)

34 Non-controlling interest (continued)

34.1 Summarized statement of financial position (continued)

Non-controlling % interest in	Note	MAC 25.1% (Note 2.7)	MBAC 25.1% (Note 2.8)	MPC 30% (Note 2.9)	MWSPC 40% (Note 2.10)	Meridian 15% (Note 2.5)	Total
31 March 2021							
Non-current assets		16,473,122,737	11,882,816,392	13,337,738,860	25,348,410,490	324,904,655	67,366,993,134
Current assets		2,631,890,979	1,683,281,810	2,903,364,093	2,541,072,095	921,204,352	10,680,813,329
Total assets		**19,105,013,716**	**13,566,098,202**	**16,241,102,953**	**27,889,482,585**	**1,246,109,007**	**78,047,806,463**
Non-current liabilities		11,667,853,615	7,937,107,977	7,333,410,067	19,032,100,668	151,859,066	46,122,331,393
Current liabilities		2,122,750,733	929,075,130	1,613,901,248	2,638,687,897	773,689,740	8,078,104,748
Total liabilities		**13,790,604,348**	**8,866,183,107**	**8,947,311,315**	**21,670,788,565**	**925,548,806**	**54,200,436,141**
Net assets of the subsidiary company		**5,314,409,368**	**4,699,915,095**	**7,293,791,638**	**6,218,694,020**	**320,560,201**	**23,847,370,322**
Share of net assets		1,333,916,751	1,179,678,689	2,188,137,491	2,487,477,608	48,084,030	7,237,294,569
Zakat and income tax impact		(80,054,122)	(26,318,537)	-	14,479,401	-	(91,893,258)
Net impact of non-controlling interest acquired through business combination		-	-	-	-	557,429	557,429
Net assets attributable to non-controlling interest	34.4	**1,253,862,629**	**1,153,360,152**	**2,188,137,491**	**2,501,957,009**	**48,641,459**	**7,145,958,740**

(All amounts in Saudi Riyals unless otherwise stated)

34 Non-controlling interest (continued)

34.1 Summarized statement of financial position (continued)

Non-controlling % interest in	Note	MAC 25.1% (Note 2.7)	MBAC 25.1% (Note 2.8)	MPC 30% (Note 2.9)	MWSPC 40% (Note 2.10)	Meridian 7.5% (Note 2.5)	Total
31 December 2021							
Non-current assets		15,896,427,378	11,630,732,720	12,859,640,882	25,029,397,973	369,734,828	65,785,933,781
Current assets		4,748,359,607	1,815,063,875	4,350,650,601	3,845,043,464	1,747,321,818	16,506,439,365
Total assets		**20,644,786,985**	**13,445,796,595**	**17,210,291,483**	**28,874,441,437**	**2,117,056,646**	**82,292,373,146**
Non-current liabilities		11,218,749,021	7,623,691,017	5,527,829,022	18,583,127,510	223,630,196	43,177,026,766
Current liabilities		2,567,032,012	1,022,372,691	2,852,987,490	3,069,919,853	1,549,828,174	11,062,140,220
Total liabilities		**13,785,781,033**	**8,646,063,708**	**8,380,816,512**	**21,653,047,363**	**1,773,458,370**	**54,239,166,986**
Net assets of the subsidiary company		**6,859,005,952**	**4,799,732,887**	**8,829,474,971**	**7,221,394,074**	**343,598,276**	**28,053,206,160**
Share of net assets		1,721,610,494	1,204,732,955	2,648,842,491	2,888,557,630	25,769,870	8,489,513,440
Zakat and income tax impact		(125,602,950)	(31,159,856)	-	(15,712,313)	-	(172,475,119)
Net impact of non-controlling interest acquired through business combination		-	-	-	-	278,715	278,715
Net assets attributable to non-controlling interest	34.4	**1,596,007,544**	**1,173,573,099**	**2,648,842,491**	**2,872,845,317**	**26,048,585**	**8,317,317,036**

(All amounts in Saudi Riyals unless otherwise stated)

34 Non-controlling interest (continued)

34.2 Summarized statement of profit or loss and other comprehensive income

Non-controlling % interest in	Notes	MAC 25.1% (Note 2.7)	MBAC 25.1% (Note 2.8)	MPC 30% (Note 2.9)	MWSPC 40% (Note 2.10)	Meridian 7.5% (Note 2.5)	Total
For the quarter ended 31 March 2022							
Sales		2,778,867,880	591,519,727	2,763,681,421	1,753,332,415	878,090,655	8,765,492,098
Profit / (loss) before zakat and income tax for the quarter		538,087,696	(26,601,316)	1,397,660,268	653,268,211	91,772,723	2,654,187,582
Zakat and income tax for the quarter		(23,966,332)	(6,625,071)	(43,331,767)	(56,576,788)	(18,594,931)	(149,094,889)
Other comprehensive income for the quarter:							
Cash flow hedge – effective portion of changes in fair value	38	109,193,724	38,727,473	-	-	-	147,921,197
Loss on exchange differences on translation		-	-	-	-	(8,148,233)	(8,148,233)
Total comprehensive income for the quarter		**623,315,088**	**5,501,086**	**1,354,328,501**	**596,691,423**	**65,029,559**	**2,644,865,657**
Total comprehensive income / (loss) attributable to non-controlling interest:							
Share of profit / (loss) before zakat and income tax for the quarter		135,060,012	(6,676,930)	419,298,080	261,307,284	6,882,954	815,871,400
Share of zakat and income tax for the quarter		(3,371,112)	(2,696,200)	(12,999,530)	(37,830,490)	(1,394,620)	(58,291,952)
Share of profit / (loss) for the quarter		131,688,900	(9,373,130)	406,298,550	223,476,794	5,488,334	757,579,448
Share of other comprehensive income / (loss) for the quarter:							
Cash flow hedge – effective portion of changes in fair value	38	27,407,625	9,720,596	-	-	-	37,128,221
Loss on exchange differences on translation		-	-	-	-	(611,117)	(611,117)
Total	34.4	**159,096,525**	**347,466**	**406,298,550**	**223,476,794**	**4,877,217**	**794,096,552**

(All amounts in Saudi Riyals unless otherwise stated)

34 Non-controlling interest (continued)

34.2 Summarized statement of profit or loss and other comprehensive income

Non-controlling % interest in	Notes	MAC 25.1% (Note 2.7)	MBAC 25.1% (Note 2.8)	MPC 30% (Note 2.9)	MWSPC 40% (Note 2.10)	Meridian 15% (Note 2.5)	Total
For the quarter ended 31 March 2021							
Sales		2,052,722,476	490,926,621	1,163,422,280	853,683,632	631,157,157	5,191,912,166
Profit / (loss) before zakat and income tax for the quarter		229,423,290	(13,228,540)	239,966,271	(87,226,980)	39,334,257	408,268,298
Zakat and income tax for the quarter		(16,229,894)	(6,851,319)	(10,919,527)	1,141,312	(11,666,434)	(44,525,862)
Other comprehensive income for the quarter:							
Cash flow hedge – effective portion of changes in fair value	38	31,682,029	11,182,192	-	-	-	42,864,221
Gain on exchange differences on translation		-	-	-	-	2,451,150	2,451,150
Total comprehensive income / (loss) for the quarter		**244,875,425**	**(8,897,667)**	**229,046,744**	**(86,085,668)**	**30,118,973**	**409,057,807**
Total comprehensive income / (loss) attributable to non-controlling interest:							
Share of profit / (loss) before zakat and income tax for the quarter		57,585,245	(3,320,364)	71,989,881	(34,890,792)	5,900,138	97,264,108
Share of zakat and income tax for the quarter		(5,695,911)	(983,393)	(3,275,858)	1,141,312	(1,749,965)	(10,563,815)
Share of profit / (loss) for the quarter		51,889,334	(4,303,757)	68,714,023	(33,749,480)	4,150,173	86,700,293
Share of other comprehensive income for the quarter:							
Cash flow hedge – effective portion of changes in fair value	38	7,952,189	2,806,730	-	-	-	10,758,919
Gain on exchange differences on translation		-	-	-	-	367,673	367,673
Total	34.4	**59,841,523**	**(1,497,027)**	**68,714,023**	**(33,749,480)**	**4,517,846**	**97,826,885**

(All amounts in Saudi Riyals unless otherwise stated)

34 Non-controlling interest (continued)

34.2 Summarized statement of profit or loss and other comprehensive income (continued)

Non-controlling % interest in	Notes	MAC 25.1% (Note 2.7)	MBAC 25.1% (Note 2.8)	MPC 30% (Note 2.9)	MWSPC 40% (Note 2.10)	Meridian 7.5% (Note 2.5)	Total
For the year ended 31 December 2021							
Sales		9,362,901,708	2,271,087,793	6,567,318,257	6,161,429,626	1,984,529,133	26,347,266,517
Profit before zakat and income tax for the year		1,790,057,275	71,740,447	1,824,760,625	1,015,465,319	52,798,822	4,754,822,488
Zakat and income tax for the year		(131,318,592)	(29,518,775)	(55,735,743)	(97,004,766)	(5,699,782)	(319,277,658)
Other comprehensive income / (loss) for the year:							
Cash flow hedge – changes in fair value and transfer to profit / (loss), net	38	136,590,251	48,791,643	-	-	-	185,381,894
Loss attributable to the re-measurements of employees' end of service termination benefits obligation		(5,856,924)	(93,191)	(4,294,805)	(1,846,166)	-	(12,091,086)
Gain on exchange differences on translation		-	-	-	-	6,058,024	6,058,024
Total comprehensive income for the year		**1,789,472,010**	**90,920,124**	**1,764,730,077**	**916,614,387**	**53,157,064**	**4,614,893,662**
Total comprehensive income attributable to non-controlling interest:							
Share of profit before zakat and income tax for the year		449,304,376	18,006,852	547,428,188	406,186,128	11,467,881	1,432,393,425
Share of zakat and income tax for the year		(80,132,003)	(11,514,243)	(16,720,723)	(68,308,834)	(2,053,121)	(178,728,924)
Share of profit for the year		369,172,373	6,492,609	530,707,465	337,877,294	9,414,760	1,253,664,501
Share of other comprehensive income / (loss) for the year:							
Cash flow hedge – changes in fair value and transfer to profit / (loss), net	38	34,284,153	12,246,702	-	-	-	46,530,855
Loss attributable to the re-measurements of employees' end of service termination benefits obligation		(1,470,088)	(23,391)	(1,288,442)	(738,466)	-	(3,520,387)
Loss on exchange differences on translation		-	-	-	-	(124,831)	(124,831)
Total	34.4	**401,986,438**	**18,715,920**	**529,419,023**	**337,138,828**	**9,289,929**	**1,296,550,138**

(All amounts in Saudi Riyals unless otherwise stated)

34 Non-controlling interest (continued)

34.3 Summarized cash flows

	MAC	MBAC	MPC	MWSPC	Meridian
Non-controlling % interest in	**25.1% (Note 2.7)**	**25.1% (Note 2.8)**	**30% (Note 2.9)**	**40% (Note 2.10)**	**7.5% (Note 2.5)**
For the quarter ended 31 March 2022					
Cash flows from operating activities	646,370,662	90,061,080	708,807,475	257,978,940	(175,420,588)
Cash flows from investing activities	(20,733,389)	(17,266,598)	493,032,084	(149,504,368)	(19,874,389)
Cash flows from financing activities	(718,204,406)	(345,157,548)	(1,122,223,187)	(6,506,217)	25,338,021
Net (decrease) / increase in the cash and cash equivalents	**(92,567,133)**	**(272,363,066)**	**79,616,372**	**101,968,355**	**(169,956,956)**

Non-controlling % interest in	**25.1% (Note 2.7)**	**25.1% (Note 2.8)**	**30% (Note 2.9)**	**40% (Note 2.10)**	**15% (Note 2.5)**
For the quarter ended 31 March 2021					
Cash flows from operating activities	236,211,382	172,454,075	469,247,356	59,029,447	105,614,339
Cash flows from investing activities	(25,265,626)	291,542,780	(366,848,673)	(98,264,444)	(12,232,345)
Cash flows from financing activities	(397,031,349)	(3,067,316)	(380,153,893)	(6,582,979)	(109,952,822)
Net (decrease) / increase in the cash and cash equivalents	**(186,085,593)**	**460,929,539**	**(277,755,210)**	**(45,817,976)**	**(16,570,828)**

Non-controlling % interest in	**25.1% (Note 2.7)**	**25.1% (Note 2.8)**	**30% (Note 2.9)**	**40% (Note 2.10)**	**7.5% (Note 2.5)**
For the year ended 31 December 2021					
Cash flows from operating activities	1,831,740,936	678,707,743	2,604,967,002	2,280,655,893	(127,745,691)
Cash flows from investing activities	(188,306,915)	233,024,398	(1,419,038,568)	(995,506,757)	(49,836,806)
Cash flows from financing activities	(811,936,990)	(416,320,233)	(1,479,173,599)	(377,590,219)	377,050,705
Net increase / (decrease) in the cash and cash equivalents	**831,497,031**	**495,411,908**	**(293,245,165)**	**907,558,917**	**199,468,208**

(All amounts in Saudi Riyals unless otherwise stated)

34.4 Movement of non-controlling interest

Non-controlling % interest in	Notes	MAC 25.1% (Note 2.7)	MBAC 25.1% (Note 2.8)	MPC 30% (Note 2.9)	MWSPC 40% (Note 2.10)	Meridian 7.5% (Note 2.5)	Total
1 January 2021		1,194,021,106	1,154,857,179	2,119,423,468	2,535,706,489	44,123,613	7,048,131,855
Share of total comprehensive income / (loss) for the quarter	34.2	59,841,523	(1,497,027)	68,714,023	(33,749,480)	4,517,846	97,826,885
31 March 2021	34.1	1,253,862,629	1,153,360,152	2,188,137,491	2,501,957,009	48,641,459	7,145,958,740
Share of total comprehensive income for the remainder of the year	34.2	342,144,915	20,212,947	460,705,000	370,888,308	4,772,083	1,198,723,253
Acquisition during the remainder of the year		-	-	-	-	(27,364,957)	(27,364,957)
31 December 2021	34.1	1,596,007,544	1,173,573,099	2,648,842,491	2,872,845,317	26,048,585	8,317,317,036
Share of total comprehensive income for the quarter	34.2	159,096,525	347,466	406,298,550	223,476,794	4,877,217	794,096,552
Dividend during the quarter		-	-	(225,000,000)	-	-	(225,000,000)
31 March 2022	34.1	**1,755,104,069**	**1,173,920,565**	**2,830,141,041**	**3,096,322,111**	**30,925,802**	**8,886,413,588**

(All amounts in Saudi Riyals unless otherwise stated)

35 Long-term borrowings

	Notes	31 March 2022	31 March 2021	31 December 2021
Total borrowings	6.2,35.9	**45,430,249,493**	47,347,789,343	46,718,537,742
Accrued finance cost		**200,690,205**	169,912,378	125,546,870
Sub-total	46.3,48	**45,630,939,698**	47,517,701,721	46,844,084,612
Less: Current portion of borrowings	35.9	**(4,342,166,617)**	(2,884,335,725)	(4,250,806,238)
Less: Accrued finance cost		**(200,690,205)**	(169,912,378)	(125,546,870)
Sub-total - current portion of borrowings shown under current liabilities		**(4,542,856,822)**	(3,054,248,103)	(4,376,353,108)
Non-current portion of long-term borrowings	35.9	**41,088,082,876**	44,463,453,618	42,467,731,504

(All amounts in Saudi Riyals unless otherwise stated)

35 Long-term borrowings (continued)

35.1 Facilities approved

- MAC, MRC, MBAC and MWSPC entered into Common Terms Agreements (“CTA”) with the Public Investment Fund (PIF), Public Pension Agency (“PPA”), Saudi Industrial Development Fund (SIDF) (government controlled entities) and consortiums of local financial institutions, whereas, MRC and MWSPC restructured its borrowing facility with PIF and entered into a new Common Terms Agreements (“CTA”) with the consortiums of local financial institutions,
- the Company (Ma’aden) entered into a Shariah compliant Syndicated Revolving Credit Facility Agreement,
- MGBM entered into three secured loan arrangements with Saudi Industrial Development Fund (SIDF),
- MIC and MPC entered into Murabaha Facility Agreement (“MFA”) with Murabaha facility participants and
- MPC entered into a Sukuk Facility Agreement (“SFA”) with Sukuk facility participants,
- MFC entered into a secured loan arrangement with Saudi Industrial Development Fund (SIDF).

The facilities granted to the Group comprise of the following as at 31 March 2022:

	MAC agreement signed on 30 Nov. 2010 and restructured on 14 Dec. 2017	**MRC agreement signed on 30 Nov. 2010 and restructured on 19 Dec. 2019**	**MBAC agreement signed on 27 Nov. 2011 and restructured on 16 Jul. 2018**	**MWSPC agreement signed on 30 Jun. 2014 and restructured on 20 Jun. 2020**	**Ma’aden agreement signed on 18 Dec. 2012 and renewed on 18 Dec. 2017**	**MGBM agreements signed on 24 Mar. 2015, 26 Jul. 2015 and 7 Jun. 2021**	**MIC agreement signed on 30 Dec. 2015**	**MPC agreements signed on 25 Feb. 2016, 20 Feb. 2018 and 15 Mar. 2018**	**MFC agreement signed on 8 Dec 2021**	**Total**
Public Investment Fund (“PIF”)	4,275,375,000	-	3,506,250,000	-	-	-	-	-	-	7,781,625,000
Public Pension Agency (“PPA”)	-	-	-	6,599,903,363	-	-	-	-	-	6,599,903,363
Islamic and commercial banks										
Commercial	1,503,750,000	-	-	-	-	-	-	-	-	1,503,750,000
Murabaha	-	1,312,500,000	4,025,000,000	6,808,496,298	-	-	-	-	-	12,145,996,298
Wakala	-	-	220,000,000	1,900,000,000	-	-	-	-	-	2,120,000,000
Sub-total	**1,503,750,000**	**1,312,500,000**	**4,245,000,000**	**8,708,496,298**	**-**	**-**	**-**	**-**	**-**	**15,769,746,298**
Saudi Industrial Development Fund (“SIDF”)	-	600,000,000	-	4,000,000,000	-	2,579,000,000	-	-	1,200,000,000	8,379,000,000
Riyal Murabaha facility	5,178,750,000	-	-	-	-	-	1,000,000,000	11,493,750,000	-	17,672,500,000
Riyal Murabaha facility (a working capital facility)	-	-	750,000,000	-	-	-	-	500,000,000	-	1,250,000,000
Sub-total	**10,957,875,000**	**1,912,500,000**	**8,501,250,000**	**19,308,399,661**	**-**	**2,579,000,000**	**1,000,000,000**	**11,993,750,000**	**1,200,000,000**	**57,452,774,661**
Syndicated Revolving Credit Facility Agreement	-	-	-	-	7,500,000,000	-	-	-	-	7,500,000,000
HSBC Saudi Arabia – as agent for sukuk facility participants	-	-	-	-	-	-	-	3,500,000,000	-	3,500,000,000
Total facilities granted	**10,957,875,000**	**1,912,500,000**	**8,501,250,000**	**19,308,399,661**	**7,500,000,000**	**2,579,000,000**	**1,000,000,000**	**15,493,750,000**	**1,200,000,000**	**68,452,774,661**

35.1 Facilities approved (continued)

The CTAs impose the following conditions and financial covenants on each of the borrowing legal entities of the Group and if the conditions are met, the financial institutions will provide the long-term borrowing:

- the limitation on the creation of additional liens and/or financing obligations by MRC, MBAC and MWSPC, unless specifically allowed under the CTA,
- financial ratio maintenance,
- maximum capital expenditures allowed,
- restriction on dividend distribution to shareholders and
- restriction on the term of the short-term investment with maturities of not more than six (6) months from the date of acquisition, of any Saudi Arabian commercial bank or any other international commercial bank of recognized standing.

The MFAs imposed certain conditions and special covenants which include:

- safeguarding the entities' existence as a limited liability company validly existing under the laws of the Kingdom of Saudi Arabia,
- restriction to substantial change in the general nature of company's business, unless specifically allowed under the MFA,
- restriction to enter into a single transaction or a series of transactions and whether voluntary or involuntary to sell, lease, transfer or otherwise dispose of any asset, unless specifically allowed under the MFA,
- payment obligations under MFA at all times rank at least pari passu with the claims of all its other unsecured and unsubordinated creditors except those creditors whose claims are mandatorily preferred by laws of general application to companies,
- financial ratio maintenance and
- restriction on dividend distribution to shareholders.

The SFA imposed certain conditions and special covenants which include:

- safeguarding the corporate existence as a limited liability company validly existing under the laws of the Kingdom of Saudi Arabia,
- restriction to substantial change in the general nature of company's business, unless specifically allowed under the SFA,
- restriction to enter into a single transaction or a series of transactions and whether voluntary or involuntary to sell, lease, transfer or otherwise dispose of any asset, unless specifically allowed under the SFA,
- financial ratio maintenance and
- restriction on dividend distribution to shareholders

MAC facility

Facility agents:

- The Saudi National Bank (formerly National Commercial Bank) acts as Inter-creditor Agent and as Riyal Murabaha Facility Agent,
- The First Abu Dhabi Bank acts as Dollar Conventional Facility Agent.

MRC facility

Facility agents:

- Riyad Bank acts as Inter-creditor Agent,
- Bank Al Jazira acts as Riyal Procurement Facility Agent,
- Banque Saudi Fransi acts as Onshore Security Agent and
- Riyad Bank, London Branch acts as Offshore Security Trustee and Agent

In pursuant to "Transfer and Termination Agreement" signed on 26 June 2019, Ma'aden replaced PIF as provider of loan to MRC. At the same time on 26 June 2019, another "Loan Agreement" was signed between Ma'aden and PIF where it was resolved that SAR 2,986,387,500 is deemed to have been advanced to Ma'aden by PIF and is payable on demand which was subsequently converted to equity after obtaining all the regulatory approvals during the same year (Note 30). This also resulted in the recognition of a charge amounting to SAR 46,594,914 in the consolidated retained earnings attributable to the ordinary shareholders of the parent company (Note 35.2).

(All amounts in Saudi Riyals unless otherwise stated)

35.1 Facilities approved (continued)

MRC facility (continued)

On 19 December 2019, the company entered into a CTA agreement with commercial banks in respect of new Riyal Murabaha facility amounting SAR 1,312,500,000 to replace the balance of the existing Riyal procurement facility of SAR 1,009,770,000 and Riyal Murabaha facility of SAR 375,000,000.

MBAC facility

Facility agents:

- The Saudi National Bank (formerly National Commercial Bank) acts as Inter-creditor Agent and as Riyal Murabaha Facility Agent,
- The HSBC Saudi Arabia acts as Riyal Wakala Facility Agent.

MWSPC facility

On 20 June 2020, the company had entered into a CTA with PIF, SIDF and a consortium of financial institutions. PIF had entered into Novation Agreement with Public Pension Agency ("PPA") whereas the "Original Loan Agreement" dated 02 Ramadan 1435H (corresponding to 30 June 2014G) between PIF and MWSPC has been transferred to PPA. Subsequently upon execution of the Novation agreement, the company had entered into PPA Loan Agreement with PPA dated 20 June 2020 as a consent for the amendment and restatement of the Original Loan Agreement resulting in a revised repayment schedule and covenants.

Effective the same date 20 June 2020, the company entered into a new CTA agreement with commercial banks in respect of new Riyal Murabaha and Riyal Wakala facilities to replace the balance of Islamic and commercial banks facilities. Consequently, MWSPC's financing facilities comprise of:

	Facility approved
Public Pension Agency ("PPA")	6,599,903,363
Islamic and commercial banks	
Riyad Bank - the Murabaha facility – as agent	6,808,496,298
Riyad Bank - the Wakala facility – as agent	1,900,000,000
Sub-total	8,708,496,298
SIDF	4,000,000,000
Total facilities approved	**19,308,399,661**

The details of the CTA signed on 30 June 2014 which has been restructured / repaid in full during June 2020 were as follows:

	Facility approved
PIF	7,500,000,000
Islamic and commercial banks	
Procurement	4,299,854,655
Commercial	5,450,145,345
Wakala	1,650,000,000
Sub-total	11,400,000,000
SIDF	4,000,000,000
Total facilities approved	**22,900,000,000**

Facility agents:

- Riyad Bank act as agent for the Murabaha facility
- Riyad Bank act as agent for the Wakala facility

(All amounts in Saudi Riyals unless otherwise stated)

35.1 Facilities approved (continued)

Saudi Arabian Mining Company ("Ma'aden") facility

Syndicated revolving credit facility

On 18 December 2017, the Company renewed its financing agreements revising the total revolving credit facility amount from SAR 9 billion to SAR 7.5 billion. Final maturity for repayment of the loan is five years from the date of signing of the agreement. This revolver facility is with a syndicate of local and international financial institutions, comprising the following financial institutions:

- Al-Rajhi Bank
- Arab National Bank
- Gulf International Bank B.S.C, Riyadh Branch
- Al-Awwal Bank
- Bank AlJazira
- Banque Saudi Fransi
- J.P.Morgan Chase Bank, N.A., Riyadh Branch
- Riyad Bank
- Saudi National Bank (formerly Samba Financial Group)
- The Saudi National Bank (formerly National Commercial Bank)
- The Saudi British Bank
- The Saudi Investment Bank

The financial covenants and conditions include the following with respect to standalone parent company only:

- EBITDA to Interest ratio shall not be less than three times otherwise dividend block will be triggered; and
- the total net debt to tangible net worth (parent company only) shall be less than or equal to three times otherwise an event of default will be triggered which is subject to a cure period of six months, or nine months if the Company has acted expeditiously to cure such breach by initiating the process for a rights issue.

PIF facility

In pursuant to "Transfer and Termination Agreement" signed on 26 June 2019, Ma'aden replaced PIF as provider of loan to MRC. At the same time on 26 June 2019, another "Loan Agreement" was signed between Ma'aden and PIF where it was resolved that SAR 2,986,387,500 is deemed to have been advanced to Ma'aden by PIF and is payable on demand.

In addition to the above, on 26 June 2019 a "Debt Conversion Agreement" has been signed between Ma'aden and PIF whereby Ma'aden wishes to increase its capital through the issuance of new shares for the purpose of settling the above mentioned loan. Subsequently this loan was converted into equity after obtaining all the regulatory approvals during the same year (Note 30).

MGBM facility

The company entered into three secured loan arrangements with Saudi Industrial Development Fund ("SIDF). The facilities granted to the company comprise of the following:

Date approved	Purpose	Facility approved
24 March 2015	To provide funding for the production of a semi alloy of gold at As Suq Mine	179,000,000
26 July 2015	To provide funding for the capital expenditure of the new gold mine at Ad-Duwayhi and water pipeline	1,200,000,000
7 June 2021	To provide funding for the capital expenditure of the new gold mine at Mansourah-Massarah	1,200,000,000
Total facilities granted		**2,579,000,000**

The financing arrangements impose certain conditions and special covenants which include:

- the limitation of the creation of additional liens and/or financing obligations by the company, unless specifically allowed under the loan agreement,
- financial ratio maintenance,
- maximum capital expenditures allowed, and
- restriction on dividend distribution to shareholders.

(All amounts in Saudi Riyals unless otherwise stated)

35.1 Facilities approved (continued)

MIC facility

On 30 December 2015 the company entered into a Murabaha Facility Agreement ("MFA") with HSBC Saudi Arabia Limited, comprising of:

Murabaha facility	**Facility approved**
HSBC Saudi Arabia Limited – as agent for the Murabaha facility participants	1,000,000,000

The facility was drawn down on 17 February 2016.

MPC facility

On 15 June 2008, the company had entered into a CTA with a consortium of financial institutions, however, the facility had been repaid in full from a drawing on 30 March 2016 under a new MFA signed by the company on 25 February 2016 with Murabaha facility participants comprising of:

Murabaha facility	**Facility approved**
Riyad Bank – as agent for the Murabaha facility participants	11,493,750,000

The MFA signed by the company on 25 February 2016, have been partially repaid from a drawing under a new SFA signed by the company on 20 February 2018 with sukuk facility participants comprising of:

Sukuk facility	**Facility approved**
HSBC Saudi Arabia – as agent for the sukuk facility	3,500,000,000

On 15 March 2018, the company had entered into MFA amounting to SAR 500,000,000. Banque Saudi Fransi acts as Murabaha Facility Agent.

MFC facility

The company entered into a secured loan arrangement with Saudi Industrial Development Fund ("SIDF). The facility granted to the company comprise of the following:

Date approved	**Purpose**	**Facility approved**
8 December 2021	To provide funding for the production facility of ammonia located in Ras Al-Khair Industrial City	1,200,000,000
Total facilities granted		**1,200,000,000**

The financing arrangement impose certain conditions and special covenants which include:

- the limitation of the creation of additional liens and/or financing obligations by the company, unless specifically allowed under the loan agreement,
- financial ratio maintenance,
- maximum capital expenditures allowed and
- restriction on dividend distribution to shareholder.

(All amounts in Saudi Riyals unless otherwise stated)

35.2 Facilities utilized under the different CTAs

MAC facility – restructured on 14 December 2017

	31 March 2022	31 March 2021	31 December 2021
Public Investment Fund (Note 44.2)	**4,275,375,000**	4,275,375,000	4,275,375,000
Less: Repaid during the quarter / year	**(208,460,298)**	-	-
Sub-total	**4,066,914,702**	4,275,375,000	4,275,375,000
Less: Transaction cost balance at the quarter / year end	**(29,587,721)**	(33,698,238)	(30,616,380)
Sub-total	**4,037,326,981**	4,241,676,762	4,244,758,620

The rate of commission on the principal amount of the loan drawdown and outstanding for each commission period is LIBOR plus 1.5%.

After the restructuring on 14 December 2017, the repayment of the loan will start on 31 March 2023, on a six monthly basis, starting at SAR 100 million and increasing over the term of the loan with the final repayment of SAR 1,219 million on 30 September 2031 (Note 35.10).

In addition, the company is required to make certain prepayments as described in Note 35.1.

The upfront transaction cost incurred is amortized over the term of the loan and the amortization for the quarter amounted to SAR 1,028,659 (31 March 2021: SAR 1,027,286 and 31 December 2021: SAR 4,109,144) (Note 35.12).

	31 March 2022	31 March 2021	31 December 2021
Islamic and commercial banks			
Riyal Murabaha	**4,660,875,000**	5,178,750,000	5,178,750,000
Commercial – USD conventional	**1,246,007,250**	1,503,750,000	1,503,750,000
Sub-total	**5,906,882,250**	6,682,500,000	6,682,500,000
Less: Repaid during the quarter / year	**(500,056,728)**	(387,808,875)	(775,617,750)
Sub-total	**5,406,825,522**	6,294,691,125	5,906,882,250
Less: Transaction cost balance at the quarter / year end	**(31,470,077)**	(41,155,477)	(33,668,563)
Sub-total	**5,375,355,445**	6,253,535,648	5,873,213,687

The rate of commission on the principal amount of the loan drawn on Islamic Murabaha Riyal is Saudi Interbank Offered Rate (“SIBOR”) plus a margin of 1.65% whereas, the rate of commission on the principal amount of the loan drawn on Dollar Conventional facility is LIBOR plus a margin of 1.55%.

The repayment of the loan drawn on Islamic Murabaha Riyal started from 31 March 2021, on a six monthly basis starting at SAR 259 million and increasing over the term of the loan with the final repayment of SAR 1,812 million on 30 September 2027 (Note 35.10).

The repayment of the loan drawn on Dollar Conventional facility started from 31 March 2021, on a six monthly basis starting at SAR 129 million and increasing over the term of the loan with the final repayment of SAR 601 million on 30 September 2024 (Note 35.10).

In addition, the company is required to make certain prepayments as described in Note 35.1.

The upfront transaction cost incurred is amortized over the term of the loan and the amortization for the quarter amounted to SAR 2,198,486 (31 March 2021: SAR 2,495,637 and 31 December 2021: SAR 9,982,551) (Note 35.12).

	31 March 2022	31 March 2021	31 December 2021
Total MAC borrowings (Note 35.9)	**9,412,682,426**	10,495,212,410	10,117,972,307

(All amounts in Saudi Riyals unless otherwise stated)

35.2 Facilities utilized under the different CTA's (continued)

MRC facility

	31 March 2022	31 March 2021	31 December 2021
Islamic and commercial banks – ***restructured on 19 December 2019***			
Riyal procurement	**1,233,750,000**	1,312,500,000	1,312,500,000
Less: Repaid during the quarter / year	**-**	-	(78,750,000)
Sub-total	**1,233,750,000**	1,312,500,000	1,233,750,000
Less: Transaction cost balance at the quarter / year end	**(7,408,357)**	(9,572,477)	(8,621,477)
Sub-total	**1,226,341,643**	1,302,927,523	1,225,128,523

The rate of commission on the principal amount of the loan drawn for each commission period on all the Saudi Riyal facilities is Saudi Interbank Offered Rate ("SIBOR") plus a margin of 0.95%.

The repayment of the loan started from June 2021, starting at SAR 39 million and increasing over the term of the loan with the final repayment of SAR 263 million on June 2032 (Note 35.10).

The transaction cost incurred on obtaining the loan amounted to SAR 11,156,250 has been netted-off with the loan balance and is amortized over the term of the loan. The amortization for the quarter amounted to SAR 1,213,120 (31 March 2021: SAR 317,002 and 31 December 2021: SAR 1,268,002) (Note 35.12).

	31 March 2022	31 March 2021	31 December 2021
Saudi Industrial Development Fund	**125,000,000**	225,000,000	225,000,000
Less: Repaid during the quarter / year	**-**	-	(100,000,000)
Sub-total	**125,000,000**	225,000,000	125,000,000
Less: Transaction cost balance at the quarter / year end	**(1,009,759)**	(3,621,208)	(1,388,419)
Sub-total	**123,990,241**	221,378,792	123,611,581

Repayment of the SIDF facility started from 25 January 2016, starting at SAR 25 million and increasing over the term of the loan with the final repayment of SAR 62.5 million in November 2022 (Note 35.10).

The upfront transaction cost incurred is amortized over the term of the loan and the amortization for the quarter amounted to SAR 378,660 (31 March 2021: SAR 741,761 and 31 December 2021: SAR 2,974,550) (Note 35.12).

	31 March 2022	31 March 2021	31 December 2021
Total MRC borrowings (Note 35.9)	**1,350,331,884**	1,524,306,315	1,348,740,104

(All amounts in Saudi Riyals unless otherwise stated)

35.2 Facilities utilized under the different CTA's (continued)

MBAC facility – restructured on 16 July 2018

	31 March 2022	31 March 2021	31 December 2021
Public Investment Fund (Note 44.2)	**3,152,118,750**	3,291,316,875	3,291,316,875
Less: Repaid during the quarter / year	**(340,570,303)**	-	(139,198,125)
Sub-total	**2,811,548,447**	3,291,316,875	3,152,118,750
Less: Transaction cost balance at the quarter / year end	**(87,174,519)**	(95,935,346)	(89,233,940)
Sub-total	**2,724,373,928**	3,195,381,529	3,062,884,810

The rate of commission on the principal amount of the loan drawdown and outstanding for each commission period is LIBOR plus 1.5%.

After the restructuring on 16 July 2018, the repayment of the loan started on 30 June 2019, on a six monthly basis, starting at SAR 74.3 million and increasing over the term of the loan with the final repayment of SAR 392.7 million on 31 July 2031 (Note 35.10).

The upfront transaction cost incurred is amortized over the term of the loan and the amortization for the quarter amounted to SAR 2,059,421 (31 March 2021: SAR 2,307,277 and 31 December 2021: SAR 9,008,683) (Note 35.12).

	31 March 2022	31 March 2021	31 December 2021
Islamic and commercial banks			
Riyal Murabaha	**3,577,853,500**	3,827,524,500	3,827,524,500
Riyal Wakala	**201,674,000**	211,266,000	211,266,000
Sub-total	**3,779,527,500**	4,038,790,500	4,038,790,500
Less: Repaid during the quarter / year	**-**	-	(259,263,000)
Sub-total	**3,779,527,500**	4,038,790,500	3,779,527,500
Less: Transaction cost balance at the quarter / year end	**(22,338,966)**	(26,921,778)	(23,426,053)
Sub-total	**3,757,188,534**	4,011,868,722	3,756,101,447

The rate of commission on the principal amount (lease base amount in case of Wakala facilities) of the loan drawn for each commission period on all the Saudi Riyal facilities is SIBOR plus a margin (mark-up in case of Wakala facilities) of 1.55% for Riyal Murabaha Tranche B and Riyal Wakala and 1.45% for Riyal Murabaha Tranche A.

Repayment of the principal amounts of total approved facilities commenced from 30 June 2019. The repayments started at SAR 34 million and will increase over the term of the loan with the final repayment of SAR 223 million on 31 December 2030.

The upfront transaction cost incurred is amortized over the term of the loan and the amortization for the quarter amounted to SAR 1,087,087 (31 March 2021: SAR 1,165,231 and 31 December 2021: SAR 4,660,956) (Note 35.12).

	31 March 2022	31 March 2021	31 December 2021
Sub-total carried forward	**6,481,562,462**	7,207,250,251	6,818,986,257

(All amounts in Saudi Riyals unless otherwise stated)

35.2 Facilities utilized under the different CTA's (continued)

MBAC facility (continued)

	31 March 2022	**31 March 2021**	**31 December 2021**
Balance brought forward	**6,481,562,462**	7,207,250,251	6,818,986,257
Riyal Murabaha facility (a working capital facility)	**346,693,750**	346,693,750	346,693,750
Less: Transaction cost balance at the quarter / year end	**(986,508)**	(1,873,673)	(1,363,149)
Sub-total	**345,707,242**	344,820,077	345,330,601
Total MBAC borrowings (Note 35.9)	**6,827,269,704**	7,552,070,328	7,164,316,858

Riyal Murabaha facility as at 31 December 2018 was repaid in full and a new Murabaha facility was drawn down during the quarter ended 31 March 2019.

The rate of profit on the purchase price i.e. principal amount of the loan drawn for each commission period was Saudi Interbank Offered Rate ("SIBOR") plus 0.95% on the repaid facility and is SIBOR plus 0.8% on the new drawn down facility.

The repayment of Murabaha facility will be due in January 2024 (Note 35.10).

The upfront transaction cost incurred amounting to SAR 2,941,000 is amortized over the term of the loan and the amortization for the quarter amounted to SAR 376,641 (31 March 2021: SAR 170,184 and 31 December 2021: SAR 680,708) (Note 35.12).

(All amounts in Saudi Riyals unless otherwise stated)

35.2 Facilities utilized under the different CTA's (continued)

MWSPC facility

	31 March 2022	31 March 2021	31 December 2021
Public Investment Fund ("PIF") (Note 44.2)	-	-	-
Less: Repaid during the quarter / year	-	-	-
Sub-total	-	-	-
Less: Transaction cost balance at the quarter / year end	-	-	-
	-	-	-
Loan transferred to Public Pension Agency ("PPA")			
Principal amount of loan	-	-	-
Unamortised transaction cost balance	-	-	-
Sub-total	-	-	-

The rate of commission on the principal amount of the loan drawdown and outstanding for each commission period, is LIBOR plus 1.5% per annum.

The repayment of the principal amount of loan will be in 24 installments on a six monthly basis starting from 30 June 2019. The repayments are starting at SAR 112.5 million and increasing over the term of the loan with the final repayment of SAR 606 million on 31 December 2030 (Note 35.10).

The upfront transaction cost incurred is amortized over the term of the loan and the amortization for the quarter amounted to Nil (31 March 2021: Nil and 31 December 2021: Nil) (Note 35.12).

<u>Loan transferred to PPA</u>

Subsequent to the PPA loan agreement entered by the company on 20 June 2020, all the secured debt of PIF under the original agreement was transferred from PIF to PPA.

This transfer resulted in extinguishment of the loan and the unamortised transaction cost balance of SAR 45,815,117 as at 20 June 2020 has been charged to the consolidated statement of profit or loss for the period.

	31 March 2022	31 March 2021	31 December 2021
Public Pension Agency ("PPA") (Note 44.2)	**6,599,903,363**	6,599,903,363	6,599,903,363
Less: Transaction cost balance at the quarter / year end	**(39,642,284)**	(51,748,302)	(40,763,842)
Sub-total	**6,560,261,079**	6,548,155,061	6,559,139,521

The rate of commission on the principal amount of the loan drawdown and outstanding for each commission period, is LIBOR plus 1.5% per annum.

The repayment of the principal amount of loan will be in 27 installments on a six monthly basis starting from 30 June 2022. The repayments are starting at SAR 112.5 million and increasing over the term of the loan with the final repayment of SAR 379 million on 30 June 2035 (Note 35.10).

The transaction cost incurred on transfer of the loan amounted to SAR 56,099,179 and has been netted-off with the loan balance which is amortized over the term of the loan and the amortization for the quarter amounted to SAR 1,121,558 (31 March 2021: SAR 2,480,491 and 31 December 2021: SAR 13,464,951) (Note 35.12).

Sub-total carried forward	**6,560,261,079**	6,548,155,061	6,559,139,521

(All amounts in Saudi Riyals unless otherwise stated)

35.2 Facilities utilized under the different CTA's (continued)

MWSPC facility (continued)

	31 March 2022	31 March 2021	31 December 2021
Balance brought forward	**6,560,261,079**	6,548,155,061	6,559,139,521
Islamic and commercial banks	-	-	-
Dollar procurement	-	-	-
Saudi Riyal procurement	-	-	-
Commercial	-	-	-
Wakala	-	-	-
Sub-total	-	-	-
Less: Repaid during the quarter / year	-	-	-
Sub-total	-	-	-

The rate of commission on the principal amount of the loan drawdown and outstanding for each commission period is LIBOR plus 1.25% to 2.10% per annum.

The repayment of the principal amounts of loans before restructuring started from 30 June 2019. The repayments were starting at SAR 171 million and increasing over the term of the loan with the final repayment of SAR 809 million on 31 December 2030 (Note 35.10).

The upfront transaction cost incurred is amortized over the term of the loan and the amortization for the quarter amounted to Nil (31 March 2021: Nil and 31 December 2021: Nil) (Note 35.12).

	31 March 2022	31 March 2021	31 December 2021
		-	
Islamic and commercial banks ***– restructured on 20 June 2020***			
Riyad Bank - as agent for the Murabaha facility	**6,808,496,299**	6,808,496,299	6,808,496,299
Riyad Bank - as agent for the Wakala facility	**1,900,000,000**	1,900,000,000	1,900,000,000
Sub-total	**8,708,496,299**	8,708,496,299	8,708,496,299
Less: Transaction cost balance at the quarter / year end	**(53,412,609)**	(71,077,068)	(54,923,757)
Sub-total	**8,655,083,690**	8,637,419,231	8,653,572,542

The restructuring resulted in an extinguishment of the previous loan and the unmortised transaction cost balance of SAR 14,230,753 as at 20 June 2020 was charged to the consolidated statement profit or loss.

The rate of commission on the principal amount of the loan drawdown and outstanding for each commission period on all the Saudi Riyal facilities is SIBOR plus a margin (mark-up in case of Wakala facilities) of 1.20% for Murabaha facility and 1.55% for Wakala facility.

The repayment of the principal amounts of loans will commence from 30 June 2022. The repayments will start at SAR 77 million and will increase over the term of the loan with the final repayment of SAR 500 million on 30 June 2035.

The transaction cost incurred on obtaining the loan amounted to SAR 78,376,467 and has been netted-off with the loan balance which is amortized over the term of the loan and the amortization for the quarter amounted to SAR 1,511,148 (31 March 2021: SAR 4,927,670 and 31 December 2021: SAR 21,080,981) (Note 35.12).

	31 March 2022	31 March 2021	31 December 2021
Sub-total carried forward	**15,215,344,769**	15,185,574,292	15,212,712,063

(All amounts in Saudi Riyals unless otherwise stated)

35.2 Facilities utilized under the different CTA's (continued)

MWSPC facility (continued)

	31 March 2022	31 March 2021	31 December 2021
Balance brought forward	**15,215,344,769**	15,185,574,292	15,212,712,063
Saudi Industrial Development Fund	**3,445,000,000**	3,795,000,000	3,795,000,000
Less: Repaid during the quarter / year	**-**	-	(350,000,000)
Sub-total	**3,445,000,000**	3,795,000,000	3,445,000,000
Less: Transaction cost balance at the quarter / year end	**(197,327,448)**	(236,791,306)	(208,971,176)
Sub-total	**3,247,672,552**	3,558,208,694	3,236,028,824

The rate of commission on the principal amount of the loan drawdown and outstanding for each commission period, is in the range of 1.70% per annum.

The repayment of the principal amounts of loans started from 22 December 2018. The repayments are starting at SAR 60 million and increasing over the term of the loan (Note 35.10).

After the restructuring on 20 June 2020, the repayment of the loan started from May 2021, on a six monthly basis, starting at SAR 175 million and increasing over the term of the loan with the final repayment of SAR 55 million in August 2031 (Note 35.10).

The upfront transaction cost incurred is amortized over the term of the loan and the amortization for the quarter amounted to SAR 11,643,728 (31 March 2021: SAR 4,761,556 and 31 December 2021: SAR 32,581,686) (Note 35.12).

	31 March 2022	31 March 2021	31 December 2021
Total MWSPC borrowings (Note 35.9)	**18,463,017,321**	18,743,782,986	18,448,740,887

35.3 Syndicated revolving credit facility

Ma'aden facility

	31 March 2022	31 March 2021	31 December 2021
Syndicated revolving credit facility (Note 35.10 and 46.3)	**-**	-	-

The rate of commission on the principal amount of the borrowing drawdown is SIBOR plus 0.85% per annum.

(All amounts in Saudi Riyals unless otherwise stated)

35.4 Facility utilized under the different CTA's

MGBM facility

	31 March 2022	31 March 2021	31 December 2021
As Suq mine			
Saudi Industrial Development Fund	**36,000,000**	68,000,000	68,000,000
Less: Repaid during the quarter / year	**-**	-	(32,000,000)
Sub-total	**36,000,000**	68,000,000	36,000,000
Less: Transaction cost balance at the quarter / year end	**(212,696)**	(1,026,587)	(359,662)
Sub-total	**35,787,304**	66,973,413	35,640,338

The repayment of this loan started on 20 July 2016, on a six monthly basis, starting at SAR 8 million and increasing over the term of the loan with the final repayment of SAR 18 million on 9 November 2022 (Note 35.10).

The upfront transaction cost incurred is amortized over the term of the loan and the amortization for the quarter amounted to SAR 146,966 (31 March 2021: SAR 275,220 and 31 December 2021: SAR 942,145) (Note 35.12).

	31 March 2022	31 March 2021	31 December 2021
Ad-Duwayhi mine and water pipeline			
Saudi Industrial Development Fund	**400,000,000**	590,000,000	590,000,000
Less: Repaid during the quarter / year	**-**	-	(190,000,000)
Sub-total	**400,000,000**	590,000,000	400,000,000
Less: Transaction cost balance at the quarter / year end	**(4,776,695)**	(11,516,833)	(6,160,715)
Sub-total	**395,223,305**	578,483,167	393,839,285

The repayment of this loan started on 9 July 2017, on a six monthly basis, starting at SAR 60 million and increasing over the term of the loan with the final repayment of SAR 100 million on 30 October 2023 (Note 35.10).

The upfront transaction cost incurred is amortized over the term of the loan and the amortization for the quarter amounted to SAR 1,384,020 (31 March 2021: SAR 2,026,807 and 31 December 2021: SAR 7,382,925) (Note 35.12).

	31 March 2022	31 March 2021	31 December 2021
Mansourah-Massarah			
Saudi Industrial Development Fund	**941,160,000**	-	941,160,000
Less: Transaction cost balance at the quarter / year end	**(57,105,292)**	-	(59,316,067)
Sub-total	**884,054,708**	-	881,843,933

The repayment of this loan will start on 24 April 2024, on a six monthly basis, starting at SAR 30 million and increasing over the term of the loan with the final repayment of SAR 95 million on 24 July 2032 (Note 35.10).

The transaction cost incurred on obtaining the loan amounted to SAR 62,744,000 and has been netted-off with the loan balance which is amortized over the term of the loan and the amortization for the quarter amounted to SAR 2,210,775 (31 March 2021: Nil and 31 December 2021: 3,427,933) (Note 35.12).

	31 March 2022	31 March 2021	31 December 2021
Total MGBM borrowings (Note 35.9)	**1,315,065,317**	645,456,580	1,311,323,556

(All amounts in Saudi Riyals unless otherwise stated)

35.5 Facilities utilized under the different MFAs

MIC facility

	31 March 2022	31 March 2021	31 December 2021
HSBC Saudi Arabia Limited – as agent for the Murabaha facility participants	**571,000,000**	649,000,000	649,000,000
Less: Repaid during the quarter / year	**-**	-	(78,000,000)
Sub-total	**571,000,000**	649,000,000	571,000,000
Less: Transaction cost balance at the quarter / year end	**(3,750,000)**	(4,750,000)	(4,000,000)
	567,250,000	644,250,000	567,000,000
Total MIC borrowings (Note 35.9)	**567,250,000**	644,250,000	567,000,000

The rate of commission on the principal amount of the loan drawdown and outstanding for each commission period, is in the range of SIBOR plus 1 % per annum.

The repayment of the principal amount of the loan started from 30 December 2016, in equal principal repayments of SAR 39 million, on a semi-annual over a 10 year period with the final principal repayment of SAR 298 million on 30 December 2025 (Note 35.10).

The upfront transaction cost incurred is amortized over the term of the loan and the amortization for the quarter amounted to SAR 250,000 (31 March 2021: SAR 250,000 and 31 December 2021: SAR 1,000,000) (Note 35.12).

MPC facility

	31 March 2022	31 March 2021	31 December 2021
Riyad Bank – as agent for the Murabaha facility participants	**2,988,051,469**	4,425,661,763	4,425,661,763
Less: Repaid during the quarter / year	**(737,610,294)**	(368,805,147)	(1,437,610,294)
Sub-total	**2,250,441,175**	4,056,856,616	2,988,051,469
Less: Transaction cost balance at the quarter / year end	**(4,787,097)**	(16,597,280)	(8,856,793)
	2,245,654,078	4,040,259,336	2,979,194,676
Total MPC borrowings (Note 35.9)	**2,245,654,078**	4,040,259,336	2,979,194,676

The rate of commission on the principal amount of the loan drawdown and outstanding for each commission period, is in the range of SIBOR plus 1% per annum for SAR Murabaha facility and LIBOR plus 1.1% per annum for US Dollar Murabaha facility.

The repayment of this loan started from 25 February 2017, starting at SAR 575 million and increasing over the term of the loan with the final repayment of SAR 3,448 million on 25 February 2023 (Note 35.10).

The upfront transaction cost balance is amortized over the term of the loan and the amortization for the quarter amounted to SAR 4,069,696 (31 March 2021: SAR 2,756,453 and 31 December 2021: SAR 10,496,940) (Note 35.12).

(All amounts in Saudi Riyals unless otherwise stated)

35.6 Facility utilized under SFA

MPC facility

	31 March 2022	31 March 2021	31 December 2021
HSBC Saudi Arabia – as agent for the sukuk facility	**3,500,000,000**	3,500,000,000	3,500,000,000
Less: Transaction cost balance at the quarter / year end	**(2,061,891)**	(2,758,905)	(2,237,623)
	3,497,938,109	3,497,241,095	3,497,762,377
The rate of commission on the principal amount of the loan drawdown and outstanding for each commission period, is in the range of SIBOR plus 1.35% per annum			
The one-time repayment of this loan will be on 20 February 2025 (Note 35.10).			
The upfront transaction cost balance is amortized over the term of the loan and the amortization for the quarter amounted to SAR 175,732 (31 March 2021: SAR 171,614 and 31 December 2021: SAR 692,896) (Note 35.12).			
Total MPC borrowings (Note 35.9)	**3,497,938,109**	3,497,241,095	3,497,762,377

35.7 MFC facility

	31 March 2022	31 March 2021	31 December 2021
Ammonia plant			
Saudi Industrial Development Fund	**1,080,000,000**	-	600,000,000
Less: Transaction cost balance at the quarter / year end	**(82,631,773)**	-	(48,000,000)
	997,368,227	-	552,000,000
The repayment of this loan will start on 24 April 2024, on a six monthly basis, starting at SAR 40 million and increasing over the term of the loan with the final repayment of SAR 160 million on 18 February 2030 (Note 35.10).			
The transaction cost incurred on obtaining the loan amounted to SAR 86,400,000 and has been netted-off with the loan balance which is amortized over the term of the loan and the amortization for the quarter amounted to SAR 3,768,227 (31 March 2021: Nil and 31 December 2021: Nil) (Note 35.12).			
Total MFC borrowings (Note 35.9)	**997,368,227**	-	552,000,000

35.8 Meridian

	31 March 2022	31 March 2021	31 December 2021
Commercial banks	**707,557,799**	162,675,779	684,552,302
Bank overdraft and other facilities	**46,114,628**	42,534,514	46,934,675
Total borrowings (Note 35.9)	**753,672,427**	205,210,293	731,486,977

(All amounts in Saudi Riyals unless otherwise stated)

35.9 Total borrowings

	Notes	31 March 2022	31 March 2021	31 December 2021
Facilities utilized under:				
CTAs:				
MAC – restructured on 14 December 2017	35.2	**9,473,740,224**	10,570,066,125	10,182,257,250
MRC – restructured on 19 December 2019	35.2	**1,358,750,000**	1,537,500,000	1,358,750,000
MBAC – restructured on 16 July 2018	35.2	**6,937,769,697**	7,676,801,125	7,278,340,000
MWSPC	35.2	**18,753,399,662**	19,103,399,662	18,753,399,662
MGBM facility	35.4	**1,377,160,000**	658,000,000	1,377,160,000
MFAs:				
MIC	35.5	**571,000,000**	649,000,000	571,000,000
MPC	35.5	**2,250,441,175**	4,056,856,616	2,988,051,469
SFA:				
MPC	35.6	**3,500,000,000**	3,500,000,000	3,500,000,000
MFC Facility	35.7	**1,080,000,000**	-	600,000,000
Meridian	35.8	**753,672,427**	205,210,293	731,486,977
Sub-total	46.1.2, 47	**46,055,933,185**	47,956,833,821	47,340,445,358
Less: Transaction cost balance at the quarter / year end		**(625,683,692)**	(609,044,478)	(621,907,616)
Sub-total	35	**45,430,249,493**	47,347,789,343	46,718,537,742
Less: Current portion of borrowings shown under current liabilities				
MAC		**839,190,122**	775,617,750	775,617,749
MRC		**203,750,000**	178,750,000	203,750,000
MBAC		**334,632,891**	398,461,125	340,883,625
MWSPC		**599,626,000**	350,000,000	599,626,000
MGBM		**236,000,000**	222,000,000	236,000,000
MIC		**78,000,000**	78,000,000	78,000,000
MPC		**1,475,220,588**	737,610,294	1,475,220,588
Meridian		**575,747,016**	143,896,556	541,708,276
Sub-total	35,47	**4,342,166,617**	2,884,335,725	4,250,806,238
Long-term portion of borrowings	35,47	**41,088,082,876**	44,463,453,618	42,467,731,504

35.10 Maturity profile of long-term borrowings

	31 March 2022	31 March 2021	31 December 2021
2021	**-**	2,515,530,578	-
2022	**4,342,166,617**	3,382,602,821	4,250,806,235
2023	**3,222,167,515**	4,525,033,215	4,014,811,916
2024	**3,067,654,568**	2,979,861,415	3,106,919,415
2025	**6,185,388,230**	6,061,304,024	6,224,048,024
2026	**2,704,121,454**	2,527,675,976	2,746,105,976
2027 thereafter	**26,534,434,801**	25,964,825,792	26,997,753,792
Total	**46,055,933,185**	47,956,833,821	47,340,445,358

35.11 Facilities' currency denomination

The Group's facilities have been contracted in United States Dollar (US$) and Saudi Riyals (SAR) and the drawdown balances of these facilities, represented in US$, are shown below:

	31 March 2022 (US$)	31 March 2021 (US$)	31 December 2021 (US$)
Public Investment Fund (US$)	**1,834,256,840**	2,017,784,500	1,980,665,000
Public Pension Agency (US$)	**1,759,974,230**	1,759,974,230	1,759,974,230
Islamic and commercial banks			
Commercial (US$)	**492,568,149**	421,357,045	527,331,794
Wakala (SAR)	**560,446,400**	563,004,267	560,446,400
Murabaha (SAR)	**3,919,924,584**	4,148,222,213	4,012,593,280
Sub-total	**4,972,939,133**	5,132,583,525	5,100,371,474
Saudi Industrial Development Fund (SAR)	**1,607,242,667**	1,247,466,667	1,479,242,667
Murabaha facility (SAR)	**741,384,314**	1,137,395,098	853,080,392
Murabaha facility (USD)	**340,000,000**	467,500,000	425,000,000
Sukuk facility (SAR)	**933,333,333**	933,333,333	933,333,333
Riyal Murabaha facility (a working capital facility) (SAR)	**92,451,667**	92,451,667	92,451,667
Total	**12,281,582,184**	12,788,489,020	12,624,118,763

35.12 Amortization of transaction cost

	Notes	Quarter ended 31 March 2022	31 March 2021	Year ended 31 December 2021
CTAs:				
MAC – restructured on 14 December 2017	35.2	**3,227,145**	3,522,923	14,091,695
MRC – restructured on 19 December 2019	35.2	**1,591,780**	1,058,763	4,242,552
MBAC – restructured on 16 July 2018	35.2	**3,523,149**	3,642,692	14,350,347
MWSPC	35.2	**14,276,434**	12,169,717	67,127,618
MGBM facility	35.4	**3,741,761**	2,302,027	11,753,003
MFAs:				
MIC	35.5	**250,000**	250,000	1,000,000
MPC	35.5	**4,069,696**	2,756,453	10,496,940
SFA:				
MPC	35.6	**175,732**	171,614	692,896
MFC facility	35.7	**3,768,227**	-	-
Sub-total	13	**34,623,924**	25,874,189	123,755,051
Less: Capitalised as part of capital work-in-progress				
MGBM	13.1,19	**(3,741,761)**	(2,302,027)	(11,753,003)
Total charged to finance cost		**30,882,163**	23,572,162	112,002,048

(All amounts in Saudi Riyals unless otherwise stated)

35.13 Security

The following assets were pledged as security for these long-term borrowings in accordance with the applicable CTAs:

	Notes	31 March 2022	31 March 2021	31 December 2021
Mine properties	16.2	**3,401,445,674**	4,394,592,040	4,199,041,808
Property, plant and equipment	17.2	**19,537,724,085**	20,717,813,203	19,840,569,857
Capital work-in-progress	19.1	**1,862,808,747**	895,438,650	1,721,051,594
Total		**24,801,978,506**	26,007,843,893	25,760,663,259

36 Provision for decommissioning, site rehabilitation and dismantling obligations

	Notes	31 March 2022	31 March 2021	31 December 2021
Gold mines	36.1	**173,290,561**	180,361,051	192,406,348
Bauxite mine	36.2	**198,221,266**	141,941,744	197,205,076
Phosphate mines	36.3	**232,367,937**	195,981,454	231,216,648
Low grade bauxite, kaolin and magnesite mines	36.4	**5,056,285**	4,886,442	5,014,086
Total		**608,936,049**	523,170,691	625,842,158

Decommissioning provisions are made for the mine closure, reclamation and dismantling obligation of the mine and the related plants and infrastructure. These obligations are expected to be incurred in the year in which the mine is expected to be closed. Management estimates the provision based on management's understanding of the current legal requirements in the Kingdom of Saudi Arabia, terms of the license agreements and engineering estimates.

The provision for mine decommissioning obligation represents the present value of full amount of the estimated future closure and reclamation costs for the various operational mining properties, based on information currently available including closure plans and applicable regulations. Future changes, if any, in regulations and cost assumptions may be significant and will be recognised when determined.

The movement in the provision for mine decommissioning obligation for each of the mines along with the year in which they commenced commercial production and expected date of closure is as follows:

(All amounts in Saudi Riyals unless otherwise stated)

36.1 Gold mines

	Notes	As Suq mine	Mahad mine	Ad Duwayhi mine	Al-Amar mine	Sukhaybarat mine	Bulghah mine	Total
1 January 2021		16,010,978	29,997,279	57,349,777	19,608,505	20,666,314	36,996,394	180,629,247
Increase arising from passage of time during the quarter	13	72,527	100,590	279,051	74,583	142,368	254,865	923,984
Increase / (decrease) in provision during the quarter	16	1,845,744	(1,538,784)	(820,409)	108,984	(282,317)	(505,398)	(1,192,180)
31 March 2021	36	17,929,249	28,559,085	56,808,419	19,792,072	20,526,365	36,745,861	180,361,051
Increase arising from passage of time during the during the remainder of the year	13	217,579	301,771	837,152	223,750	427,105	764,595	2,771,952
(Decrease) / increase in provision during the remainder of the year	16	1,822,772	(2,365,597)	1,715,805	(114,750)	3,122,423	5,092,692	9,273,345
Reclassifications during the remainder of the year		(1,868,093)	1,868,093	-	-	-	-	-
31 December 2021	36	18,101,507	28,363,352	59,361,376	19,901,072	24,075,893	42,603,148	192,406,348
Increase arising from passage of time during the quarter	13	64,698	80,775	246,849	71,127	119,451	224,388	807,288
Increase / (decrease) in provision during the quarter	16	(1,253,535)	(1,334,402)	(5,706,315)	(1,378,155)	(3,321,956)	(6,928,712)	(19,923,075)
31 March 2022	36	**16,912,670**	**27,109,725**	**53,901,910**	**18,594,044**	**20,873,388**	**35,898,824**	**173,290,561**
Commenced commercial production in		2014	1988	2016	2008	1991	2001	
Expected closure date in		2026	2024	2030	2026	2038	2042	

(All amounts in Saudi Riyals unless otherwise stated)

36.2 Bauxite mine

	Notes	Al-Ba'itha mine
1 January 2021		140,928,037
Increase arising from passage of time during the quarter	13	1,013,707
31 March 2021	36	141,941,744
Increase arising from passage of time during the remainder of the year	13	3,041,118
Increase in provision during the remainder of the year	16	52,222,214
31 December 2021	36	197,205,076
Increase arising from passage of time during the quarter	13	1,016,190
31 March 2022	36	**198,221,266**
Commenced commercial production in		2014
Expected closure date in		2063

36.3 Phosphate mines

	Notes	Al-Jalamid mine	Al-Khabra mine	Total
1 January 2021		87,801,593	106,642,865	194,444,458
Increase arising from passage of time during the quarter	13	581,364	955,632	1,536,996
31 March 2021	36	88,382,957	107,598,497	195,981,454
Increase arising from passage of time during the remainder of the year	13	1,744,094	2,889,324	4,633,418
Increase in provision during the remainder of the year	16	11,760,933	18,840,843	30,601,776
31 December 2021	36	101,887,984	129,328,664	231,216,648
Increase arising from passage of time during the quarter	13	509,440	641,849	1,151,289
31 March 2022	36	**102,397,424**	**129,970,513**	**232,367,937**
Commenced commercial production in		2008	2017	
Expected closure date in		2045	2045	

36.4 Low grade bauxite, kaolin and magnesite mines

	Notes	Az-Zabirah mine	Al-Ghazallah mine	Madinah plants	Total
1 January 2021		2,098,574	96,472	2,643,657	4,838,703
Increase arising from passage of time during the quarter	13	20,409	1,025	26,305	47,739
31 March 2021	36	2,118,983	97,497	2,669,962	4,886,442
Increase arising from passage of time during the reminder of the year	13	54,424	3,075	70,145	127,644
31 December 2021	36	2,173,407	100,572	2,740,107	5,014,086
Increase arising from passage of time during the quarter	13	14,136	712	27,351	42,199
31 March 2022	36	**2,187,543**	**101,284**	**2,767,458**	**5,056,285**
Commenced commercial production in		2008	2011	2011	
Expected closure date in		2036	2057	2041	

(All amounts in Saudi Riyals unless otherwise stated)

37 Lease liabilities

	Notes	31 March 2022	31 March 2021	31 December 2021
Future minimum lease payments	37.1	**1,936,412,725**	2,077,341,119	1,988,636,248
Less: Future finance cost not yet due	37.2	**(734,997,770)**	(776,825,620)	(744,755,525)
Net present value of minimum lease payments	6.2, 46.3,48	**1,201,414,955**	1,300,515,499	1,243,880,723
Less: Current portion of lease liabilities shown under current liabilities		**(148,246,605)**	(147,428,553)	(134,897,879)
Long-term portion of lease liabilities		**1,053,168,350**	1,153,086,946	1,108,982,844

Maturity profile

Minimum lease payments falling due during the following years:

	31 March 2022	31 March 2021	31 December 2021
2021	**-**	167,627,494	-
2022	**144,461,873**	155,375,542	212,374,805
2023	**132,177,477**	104,012,634	130,227,136
2024	**98,532,961**	89,290,964	97,846,379
2025	**66,223,685**	86,639,677	65,387,902
2026	**58,999,240**	58,999,239	58,999,239
2027 thereafter	**1,436,017,489**	1,415,395,569	1,423,800,787
Total	**1,936,412,725**	2,077,341,119	1,988,636,248

37.1 Movement in future minimum lease payments:

	Notes	Quarter ended 31 March 2022	31 March 2021	Year ended 31 December 2021
1 January		**1,988,636,248**	2,127,852,382	2,127,852,382
Additions during the quarter / year	18	**2,635,328**	32,996,817	128,675,633
Payments during the quarter / year		**(55,675,143)**	(74,352,091)	(258,420,689)
Adjustment		**816,292**	(9,155,989)	(9,471,078)
31 March / 31 December	37	**1,936,412,725**	2,077,341,119	1,988,636,248

37.2 Movement in future finance cost:

	Notes	Quarter ended 31 March 2022	31 March 2021	Year ended 31 December 2021
1 January		**(744,755,525)**	(790,682,746)	(790,682,746)
Accretion of future finance cost during the quarter / year	13	**10,056,109**	14,909,848	50,513,938
Additions during the quarter / year	18	**(395,299)**	(1,375,195)	(4,927,263)
Adjustment		**96,945**	322,473	340,546
31 March / 31 December	37	**(734,997,770)**	(776,825,620)	(744,755,525)

The future minimum lease payments have been discounted, using an effective interest rate of approximately 2.4% to 4% per annum, to its present value.

(All amounts in Saudi Riyals unless otherwise stated)

38 Derivative financial instruments

	Notes	Quarter ended 31 March 2022	31 March 2021	Year ended 31 December 2021
1 January		**229,266,382**	425,875,705	425,875,705
Net accrued derivative interest		**(20,539,855)**	(31,468,924)	(11,227,429)
Accrual during the quarter / year	13	**32,362,092**	31,575,475	130,161,265
Paid during the quarter / year		**(52,901,947)**	(63,044,399)	(141,388,694)
Gain in fair value of hedge instrument	34.2	**(147,921,197)**	(42,864,221)	(185,381,894)
31 March / 31 December	46.3	**60,805,330**	351,542,560	229,266,382

Gain in fair value of hedge instrument is attributable to:

	Note	Quarter ended 31 March 2022	31 March 2021	Year ended 31 December 2021
Ordinary shareholders of the parent company		**(110,792,976)**	(32,105,302)	(138,851,039)
Non-controlling interest	34.2	**(37,128,221)**	(10,758,919)	(46,530,855)
Total		**(147,921,197)**	(42,864,221)	(185,381,894)

MAC and MBAC entered into interest rate swap agreements (“hedge instrument”) with financial institutions for a certain portion of its long-term borrowings to hedge against the changes in the SIBOR and LIBOR (“hedge item”). The hedging instruments and hedging item have similar critical terms such as reference rate, reset dates, payment dates, maturities and notional amount, therefore, the hedge ratio is 1:1.

The arrangement has been designated as hedging arrangement since its inception and subject to prospective testing of hedge effectiveness at each reporting date. As at the reporting date, the hedge effectiveness was evaluated to be 100% as all critical terms matched throughout the year.

The various agreements entered into by the companies were as follows:

Effective date	Maturity date	Notional amount	Weighted average hedge rate for the year	
			SIBOR	LIBOR
1 October 2018	29 September 2023	1,820,250,000	-	3.02%
1 April 2019	1 April 2024	1,800,000,000	3.78%	-
30 June 2019	28 June 2024	1,227,187,500	-	2.23%
Total notional hedge exposure (Note 46.1.2)		**4,847,437,500**		

The swap contracts require settlement of net interest receivable or payable every six months ending 31 March / 30 June and 30 September / 31 December. The settlement dates coincide with the dates on which interest is payable on the underlying debt.

The effect of interest swaps on the company’s financial position and performance is as follows:

	31 March 2022	31 March 2021	31 December 2021
Carrying amount (liability)	**60,805,330**	351,542,560	229,266,382
Notional amount	**4,847,437,500**	4,847,437,500	4,847,437,500
Hedge ratio	**1:1**	1:1	1:1
Gain in value of hedge item used to determine hedge effectiveness	**(147,921,197)**	(42,864,221)	(185,381,894)

Accumulated loss in fair value of outstanding hedging instruments

	Quarter ended 31 March 2022	31 March 2021	Year ended 31 December 2021
1 January	**202,962,980**	388,344,874	388,344,874
Change in fair value of hedging instrument recognized in OCI	**(115,559,105)**	(31,575,475)	(55,220,629)
Transferred from OCI to profit / (loss)	**(32,362,092)**	(11,288,746)	(130,161,265)
Changes in fair value and transfer to profit / (loss), net	**(147,921,197)**	(42,864,221)	(185,381,894)
31 March / 31 December	**55,041,783**	345,480,653	202,962,980

(All amounts in Saudi Riyals unless otherwise stated)

39 Employees' benefits

	Notes	31 March 2022	31 March 2021	31 December 2021
Employees' end of service termination benefits obligation	39.1	**821,767,024**	723,115,348	788,818,088
Employees' savings plan	39.2	**191,443,229**	139,455,749	177,867,864
Total		**1,013,210,253**	862,571,097	966,685,952

39.1 Employees' end of service termination benefits obligation

The Group operates a termination benefit plan in line with the Labor Law requirement in the Kingdom of Saudi Arabia for each of the respective subsidiary entities. The end of service benefit payments under the plan are based on the employees' final salaries and allowances and their cumulative years of service at the date of their termination of employment, as defined by the conditions stated in the Labor Laws of the Kingdom of Saudi Arabia.

Employees' end of service termination benefit plans are unfunded plans and the benefit payment obligations are met when they are due.

Amounts recognized in the consolidated statement of financial position

The amounts recognised in the consolidated statement of financial position and the movements in the employees' end of service termination benefits obligation over the year is as follows:

	Notes	Quarter ended 31 March 2022	31 March 2021	Year ended 31 December 2021
1 January		**788,818,088**	708,307,551	708,307,551
Total amount recognised in profit or loss		**41,903,261**	29,606,340	104,258,757
Current service cost		**37,022,198**	24,220,938	85,891,527
Finance cost	13	**4,881,063**	5,385,402	18,367,230
Loss attributable to the re-measurements of employees' end of service termination benefits obligation	39.1.1	**-**	-	24,092,359
Loss from change in financial assumptions		**-**	-	-
Experience gains		**-**	-	24,092,359
Settlements		**(8,954,325)**	(14,798,543)	(47,840,579)
31 March / 31 December	39	**821,767,024**	723,115,348	788,818,088

39.1.1 Loss attributable to the re-measurements of employees' end of service termination benefits obligation recognised in other comprehensive income:

	Note	Quarter ended 31 March 2022	31 March 2021	Year ended 31 December 2021
Re-measurement loss debited in other comprehensive income during the quarter / year*	39.1	**-**	-	24,092,359

*Re-measurement loss debited in other comprehensive income during the quarter / year is attributable to:

	Notes	Quarter ended 31 March 2022	31 March 2021	Year ended 31 December 2021
Shareholders of the parent company		**-**	-	20,571,972
Non-controlling interest	34.2,34.4	**-**	-	3,520,387
Total		**-**	-	24,092,359

(All amounts in Saudi Riyals unless otherwise stated)

39.1 Employees' end of service termination benefits obligation (continued)

Significant actuarial assumptions

The significant actuarial assumptions used in determining employees' end of service benefits obligation were as follows:

	31 March 2022	31 March 2021	31 December 2021
Discount rate	**2.70%**	2.60%	2.70%
Salary increase rate	**2.70%**	2.60%	2.70%
Mortality rate	**A80 table**	A80 table	A80 table
Withdrawal rate	**5.51%**	6%	5.51%

Sensitivity analysis

The sensitivity of the defined benefit obligation to changes in the weighted principal assumptions is:

	Sensitivity level % increase	Impact on termination benefit obligation	Sensitivity level % decrease	Impact on termination benefit obligation
31 March 2022				
Discount rate	**1%**	**(90,031,874)**	**1%**	**108,931,286**
Salary increase rate	**1%**	**107,775,980**	**1%**	**(90,836,799)**
Mortality rate	**10%**	**(134,709)**	**10%**	**135,109**
Withdrawal rate	**10%**	**(1,873,966)**	**10%**	**1,943,953**
31 March 2021				
Discount rate	1%	(81,191,682)	1%	98,406,287
Salary increase rate	1%	97,360,682	1%	(42,648,005)
Mortality rate	10%	(129,851)	10%	130,232
Withdrawal rate	10%	(1,881,142)	10%	1,953,464
31 December 2021				
Discount rate	1%	(90,031,874)	1%	108,931,286
Salary increase rate	1%	107,775,980	1%	(90,836,799)
Mortality rate	10%	(134,709)	10%	135,109
Withdrawal rate	10%	(1,873,966)	10%	1,943,953

The above sensitivity analyses are based on a change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur, and changes in some of the assumptions may be correlated. When calculating the sensitivity of the employees' end of service termination benefit obligation to significant actuarial assumptions the same method (present value of the employees' end of service termination benefit obligation calculated with the projected unit credit method at the end of the reporting period) has been applied as when calculating the employees' end of service termination benefit obligation recognised in the consolidated statement of financial position.

The methods and types of assumptions used in preparing the sensitivity analysis did not change compared to the prior year.

Effect of employees' end of service termination benefits obligation on entity's future cash flows

The weighted average duration of the employees' end of service termination benefits obligation is 12.87 years. The expected maturity analysis of undiscounted employees' end of service termination benefits obligation is as follows:

	31 March 2022	31 March 2021	31 December 2021
2021	**-**	54,847,946	-
2022	**47,235,749**	27,250,477	56,190,074
2023	**29,143,790**	27,248,439	29,143,790
2024	**30,398,630**	25,399,893	30,398,630
2025	**34,582,683**	32,114,004	34,582,683
2026	**29,985,928**	29,985,928	29,985,928
2027 and thereafter	**960,735,238**	815,469,972	960,735,238
Total	**1,132,082,018**	1,012,316,659	1,141,036,343

(All amounts in Saudi Riyals unless otherwise stated)

39.2 Employees' savings plan

	Notes	Quarter ended 31 March 2022	31 March 2021	Year ended 31 December 2021
1 January		**177,867,864**	135,142,606	135,142,606
Contribution for the quarter / year		**46,567,010**	10,336,619	69,658,567
Withdrawals during the quarter / year		**(32,991,645)**	(6,023,476)	(26,933,309)
31 March / 31 December	29,39	**191,443,229**	139,455,749	177,867,864

40 Projects, trade and other payables

	Notes	31 March 2022	31 March 2021	31 December 2021
Non-current portion				
Gross retention withheld from progress payments		**498,597,927**	548,261,118	546,619,176
Less: Current portion of retention payable (see below)		**(498,597,927)**	(548,261,118)	(546,619,176)
Present value of long-term portion of retention payable		**-**	-	-
Non-refundable contributions	40.1	**101,779,606**	69,601,041	91,902,460
Non-controlling interest put option	40.2	**44,480,781**	105,328,190	41,852,921
Sub-total		**146,260,387**	174,929,231	133,755,381
Current portion				
Payable to non-controlling interest on acquisition	40.2	**-**	-	23,330,755
Dividend payable to non-controlling interest	44.2	**112,500,000**	-	-
Current portion of retention payable (see above)		**498,597,927**	548,261,118	546,619,176
Projects		**855,605,344**	1,156,375,431	1,070,336,494
Trade		**2,077,441,422**	1,674,089,205	1,540,041,721
Advances from customers	7.2	**8,061,616**	14,959,790	20,228,891
Rebate payable to customers		**95,380,690**	92,619,938	77,954,934
VAT payable		**8,880,149**	-	-
Other		**107,209,532**	51,718,609	158,805,880
Sub-total		**3,763,676,680**	3,538,024,091	3,437,317,851
Total	46.3,48	**3,909,937,067**	3,712,953,322	3,571,073,232

40.1 Movement in non-refundable contributions

	Note	Quarter ended 31 March 2022	31 March 2021	Year ended 31 December 2021
1 January		**91,902,460**	72,140,088	72,140,088
1% deduction from certain contractor's progress payments		**22,242,572**	1,171,071	34,150,072
Payments made to community support project		**(12,365,426)**	(3,710,118)	(14,387,700)
31 March / 31 December	40	**101,779,606**	69,601,041	91,902,460

Contributed by one of the MAC's and MWSPC's contractors to support the companies' objective to establish a social responsibility fund for the development of a community project.

(All amounts in Saudi Riyals unless otherwise stated)

40.2 Non-controlling interest Put options

Movement in non-controlling interest Put options is as follows:

	Notes	Quarter ended 31 March 2022	Quarter ended 31 March 2021	Year ended 31 December 2021
1 January		**41,852,921**	99,415,016	99,415,016
Settlement during the quarter / year	34.4	**-**	-	(36,637,841)
Revaluation loss / (gain)		**2,627,860**	5,913,174	(20,924,254)
31 March / 31 December	33, 40,49	**44,480,781**	105,328,190	41,852,921

The Group, through its subsidiary MMDC, acquired 85% of issued share capital of the Meridian Consolidated Investments Limited (Meridian Group or Meridian) carrying full voting rights, a leading fertilizer distribution network company operating in East Africa on 8 August 2019.

The shareholders' agreement between Ma'aden and Meridian include clauses of Put options whereby the non-controlling interest equity holders in Meridian may exercise their Put options in respect of the following tranches of non-controlling interest held in Meridian at any time during the Put Option exercise period:

Relevant tranche	Percentage of non-controlling interest	Put option reference period
First tranche	25%	Financial year end of Meridian on 31 March 2020 (“FY20”)
Second tranche	25%	Financial year end of Meridian on 31 March 2021 (“FY21”)
Third tranche	25%	Financial year end of Meridian on 31 March 2022 (“FY22”)
Fourth tranche	25%	Financial year end of Meridian on 31 March 2023 (“FY23”)

The decision to exercise the Put option or otherwise to roll-over the relevant tranche to a later Put option reference date shall be made by the non-controlling equity holders in Meridian between 45 and 90 days before the Put option reference date ("Put option exercise period").

As per the terms of shareholders' agreement, Put options held by the non-controlling equity holders in Meridian are binding irrevocable options to sell the remaining 15% shareholding to MMDC in 2023 if the options are not exercised before that. The call and put option exercise price for each relevant tranche shall be calculated in accordance with the shareholders' agreement i.e. by applying relevant multiplier to the audited EBITDA for the relevant tranche multiplied by non-controlling interest shares subject to the call and put option divided by the total number of shares of Meridian.

Up to the year 2021, the Group has completed first and second tranche and acquired additional 3.75% against each tranche from the non-controlling equity holders of Meridian. On 13 October 2021 and 6 December 2021, acquisition of additional cumulative 7.5% of Meridian was completed after obtaining all the necessary regulatory and legal approvals. For the remaining tranches, the Group has estimated the fair value of liability using the probabilities of un-discounted cash outflow scenarios in the range of SAR 50.3 million to SAR 60.4 million at the exercise of the option. A pre-tax discount rate of 25.9% has been used for redemptions values based on the options. This is a level 3 fair valuation as per IFRS 13.

41 Accrued expenses

	Notes	31 March 2022	31 March 2021	31 December 2021
Projects		**442,993,989**	646,570,150	420,753,813
Trade		**4,259,172,642**	1,773,363,749	3,546,135,673
Employees		**264,269,763**	215,281,882	295,880,614
Accrued expenses – Alcoa Corporation	44.1,44.2	**3,724,573**	28,139,421	4,906,661
Accrued expenses – The Mosaic Company	44.1,44.2	**6,224,523**	6,199,569	4,778,129
Total	46.3,48	**4,976,385,490**	2,669,554,771	4,272,454,890

Accrued expenses for projects mainly represent the contract cost accruals in relation to Corporate, MGBM and MWSPC.

Accrued expenses for Alcoa Corporation mainly represent the personnel and other cost accruals related to the Alcoa Corporation employees seconded to MAC, MRC and MBAC.

Accrued expenses for The Mosaic Company mainly represents the personnel and other cost accruals related to the Mosaic employees seconded to MWSPC.

(All amounts in Saudi Riyals unless otherwise stated)

42 Zakat and income tax payable

	Notes	31 March 2022	31 March 2021	31 December 2021
Zakat payable	42.2	**398,907,773**	213,952,029	249,299,461
Income tax payable	42.5	**129,613,349**	26,574,574	98,554,116
Total		**528,521,122**	240,526,603	347,853,577

42.1 Components of zakat base

The significant components of the zakat base of each company under the zakat and income tax regulation are as follows:

- shareholders' equity at the beginning of the year,
- provisions at the beginning of the year,
- long term borrowings,
- adjusted net income,
- spare parts and consumable materials,
- net book value of mine properties,
- net book value of property, plant and equipment,
- net book value of capital work-in-progress,
- net book value of intangible assets,
- carrying value of investment in joint ventures and
- other items.

Zakat is payable at 2.578% of the zakat base, excluding adjusted profit for the year, attributable to the shareholders. Zakat on adjusted profit for the year is payable at 2.5%.

42.2 Zakat payable

		Quarter ended		Year ended
	Notes	31 March 2022	31 March 2021	31 December 2021
1 January		**249,299,461**	193,192,048	193,192,048
Provision for zakat		**149,608,312**	54,623,610	284,774,432
Current quarter / year	42.3	**154,569,094**	54,100,985	256,451,249
Prior year under provision		**(4,960,782)**	522,625	28,323,183
Paid during the quarter / year to the authorities	42.4	**-**	(33,863,629)	(228,667,019)
31 March / 31 December	42	**398,907,773**	213,952,029	249,299,461

(All amounts in Saudi Riyals unless otherwise stated)

42.3 Provision for zakat consists of:

	Notes	Quarter ended 31 March 2022	31 March 2021	Year ended 31 December 2021
Saudi Arabian Mining Company		**38,905,011**	7,144,147	31,483,462
Ma'aden Gold and Base Metals Company	43.2	**5,551,674**	6,819,520	17,191,313
Industrial Minerals Company		**1,684,910**	1,351,166	5,155,479
Ma'aden Infrastructure Company		**7,091,323**	1,465,114	4,960,782
Ma'aden Fertilizer Company		**67,433**	5,657	181,388
Ma'aden Marketing and Distribution Company		**-**	169,027	695,316
Ma'aden Phosphate Company		**43,331,767**	10,919,527	55,352,457
Ma'aden Wa'ad Al-Shamal Phosphate Company		**23,432,873**	10,533,983	35,869,915
Ma'aden Aluminium Company		**20,595,220**	9,824,918	51,186,589
Ma'aden Rolling Company		**9,980,012**	5,867,926	36,370,016
Ma'aden Bauxite and Alumina Company		**3,928,871**	-	18,004,532
Total	42.2	**154,569,094**	54,100,985	256,451,249

42.4 Status of final assessments

The Company and its wholly owned subsidiaries have diligently filed their consolidated zakat returns up to 31 December 2020 and has received provisional certificates for the same. The Company and its wholly owned subsidiaries has finalized its assessments with ZATCA up to 31 December 2013.

The ZATCA has issued revised assessments for the years ended 31 December 2014 through 2018 with an additional zakat liability of approximately SAR 63.2 million. The Company has filed an appeal against the ZATCA's revised assessments with the General Secretariat of Tax Committees ("GSTC") and GSTC's review is awaited.

In respect of zakat returns for the years 2019 and 2020, the ZATCA's review is in-progress.

In respect of partly owned subsidiaries, comprising of Saudi and foreign shareholders, zakat and income tax returns have been filed from the date of incorporation (see Note 2) until 31 December 2020 and zakat and income tax certificates up to 31 December 2020 have been received.

The ZATCA has issued revised assessments for the years 2015 to 2018 for MAC and MBAC and for 2015 for MRC with an additional zakat and income tax liabilities of approximately SAR 18.7 million, SAR 34 million and SAR 9.7 million, respectively. MAC, MBAC and MRC have filed an appeal against the ZATCA's revised assessments with the GSTC for which GSTC's review is awaited. MWSPC is yet to be reviewed by the ZATCA for zakat and income tax. Subsequent to the quarter end, MRC revised assessment for the year 2016 is received with an additional zakat liability of approximately SAR 7.6 million which is currently under assessment by management.

42.5 Income tax payable

	Notes	Quarter ended 31 March 2022	31 March 2021	Year ended 31 December 2021
1 January		**98,554,116**	11,311,475	11,311,475
Income tax expense	22.1	**52,067,165**	15,263,099	101,000,641
Current quarter / year	42.6	**52,067,165**	15,263,099	101,000,641
Prior year over provision		**-**	-	-
Paid during the quarter / year to the authorities		**(21,007,932)**	-	(13,758,000)
31 March / 31 December	42	**129,613,349**	26,574,574	98,554,116

(All amounts in Saudi Riyals unless otherwise stated)

42.6 Provision for income tax consist of:

	Note	Quarter ended 31 March 2022	31 March 2021	Year ended 31 December 2021
Ma'aden Aluminium Company		**20,552,498**	6,803,471	63,379,517
Meridian		**14,311,508**	8,459,628	30,020,766
Ma'aden Wa'ad Al-Shamal Phosphate Company		**17,203,159**	-	7,600,358
Total	42.5	**52,067,165**	15,263,099	101,000,641

43 Severance fees payable

	Notes	Quarter ended 31 March 2022	31 March 2021	Year ended 31 December 2021
1 January		**220,771,506**	210,793,374	210,793,374
Provision for severance fee made during the quarter / year	8	**32,244,128**	54,657,489	222,692,578
Current year charge	43.1	**32,244,128**	54,657,489	220,619,305
Prior year adjustment		**-**	-	2,073,273
Paid during the quarter / year to the authorities		**-**	-	(212,714,446)
31 March / 31 December		**253,015,634**	265,450,863	220,771,506

In accordance with the Saudi Mining Investment Code based on the Royal Decree No. 140/M dated 19 Shawwal 1441H (corresponding to 11 June 2020), the Group is required to pay to the Government of Saudi Arabia severance fees, representing equivalent of 20% of hypothetical income in addition to a specified percentage of the net value of the minerals upon extraction effective from 1 January 2021 which supersedes the Royal Decree No. 47/M dated 20 Sha'aban 1425H (corresponding to 4 October 2004), which required the Company to pay to the Government of Saudi Arabia severance fee representing 25% of the annual net income per mining license or the equivalent of 20% of hypothetical income, whichever was lower.

The zakat due shall be deducted from this amount. Therefore, the net income for each mining license registered in the name of the Company is subject to severance fees.

Severance fees are shown as part of cost of sales in the consolidated statement of profit or loss.

43.1 Provision for severance fees consists of:

	Notes	Quarter ended 31 March 2022	31 March 2021	Year ended 31 December 2021
Gold mines	43.2	**31,500,110**	53,935,630	159,988,131
Phosphate ore	43.3	**-**	-	58,510,602
Low grade bauxite		**404,000**	568,780	1,275,276
Kaolin		**148,688**	68,399	-
Magnesia		**191,330**	62,285	414,260
Dead burned magnesia		**-**	19,340	431,036
Raw ore magnesia		**-**	3,055	-
Total	43	**32,244,128**	54,657,489	220,619,305

(All amounts in Saudi Riyals unless otherwise stated)

43 Severance fees payable (continued)

43.2 The provision for severance fees payable by gold mines is calculated as follows:

	Notes	Quarter ended 31 March 2022	31 March 2021	Year ended 31 December 2021
Net value of minerals upon extraction for the quarter / year		**262,416,865**	513,926,325	216,295,077
1.5% Ad Valorem fee on extracted minerals for the quarter / year		**3,936,253**	7,708,895	3,244,426
Hypothetical income tax at 20% based on quarter's / year's taxable net income		**33,115,531**	53,046,255	173,935,018
Provision for severance fees for the quarter / year		**37,051,784**	60,755,150	177,179,444
Net income from operating mines before zakat and severance fee for the quarter / year		**-**	-	-
25% of the year's net income as defined		**-**	-	-
Hypothetical income tax based on quarter's / year's taxable net income		**-**	-	-
Provision based on the lower of the above two computations			-	-
Deduction of provision for zakat	42.3	**(5,551,674)**	(6,819,520)	(17,191,313)
Net severance fee provision for the quarter / year	43.1	**31,500,110**	53,935,630	159,988,131

43.3 The provision for severance fees payable by phosphate ore is calculated as follows:

	Notes	Quarter ended 31 March 2022	31 March 2021	Year ended 31 December 2021
Net value of minerals upon extraction for the quarter / year		**68,303,487**	-	249,892,171
4% Ad Valorem fee on extracted minerals for the quarter / year		**2,732,139**	-	9,995,687
Hypothetical income tax at 20% based on quarter's / year's taxable net income		**46,258,196**	2,048,069	139,737,287
Provision for severance fees for the quarter / year		**48,990,335**	2,048,069	149,732,974
Net income from operating mines before zakat and severance fee for the quarter / year		**222,159,448**	6,461,919	665,344,658
25% of the year's net income as defined		**55,539,862**	1,615,480	166,336,164
Hypothetical income tax based on quarter's / year's taxable net income		**48,990,335**	2,048,069	149,732,974
Provision based on the lower of the above two computations		**48,990,335**	1,615,480	149,732,974
Deduction of provision for zakat	42.3	**(66,764,640)**	(21,453,510)	(91,222,372)
Net severance fee provision for the quarter / year	43.1	**-**	-	58,510,602

(All amounts in Saudi Riyals unless otherwise stated)

44 Related party transactions and balances

44.1 Related party transactions

Transactions with related parties carried out during the quarter / year under review, in the normal course of business, are summarised below:

Transactions with different non-controlling shareholders in subsidiaries and with joint ventures

	Notes	Quarter ended 31 March 2022	31 March 2021	Year ended 31 December 2021
Sales of MAC to Alcoa Inespal, S.A., in accordance with a shareholders off-take agreement, during the quarter / year		**412,409,646**	283,359,493	1,354,007,841
Sales of MPC through SABIC (a government controlled entity), in accordance with a marketing agreement, during the quarter / year		**549,171,650**	366,572,545	1,752,502,594
Sales of MWSPC through SABIC, in accordance with a marketing agreement, during the quarter / year		**372,994,350**	128,997,397	1,061,548,144
Sales of MWSPC through The Mosaic Company, in accordance with a marketing agreement, during the quarter / year		**286,516,103**	135,837,282	1,088,098,638
Cost of seconded employees, technology fee and other cost charged by Alcoa Corporation during the quarter / year to MAC and MBAC	41	**7,943,524**	7,450,555	17,971,843
Cost of seconded employees, technology fee and other cost charged by The Mosaic Company during the quarter / year	41	**5,447,874**	11,584,642	21,791,496
Purchase of raw material from SAMAPCO (a joint venture)		**126,430,318**	47,276,866	245,513,006
Purchase of raw material supplies from Saudi Aramco (a government controlled entity)		**586,526,672**	262,595,254	1,336,077,917
MPC		**267,688,820**	164,368,123	590,975,370
MWSPC		**318,837,852**	98,227,131	745,102,547
Dividend paid to non-controlling shareholders - SABIC		**112,500,000**	-	-

44.2 Related party balances

Amount due from / (to) related parties arising from transactions with related parties are as follows:

	Notes	31 March 2022	31 March 2021	31 December 2021
Trade and other receivables due from:				
Non-controlling shareholders:				
• SABIC in MPC – trade		**309,498,110**	77,288,869	304,793,700
• SABIC in MWSPC - trade		**208,926,012**	62,678,725	41,481,619
Sub-total – trade receivables due from SABIC	27	**518,424,122**	139,967,594	346,275,319
• The Mosaic Company in MWSPC - trade	27	**122,292,511**	48,031,225	199,951,194
Sub-total – trade receivables due from non-controlling shareholders		**640,716,633**	187,998,819	546,226,513
Subsidiaries of a non-controlling shareholder:				
• Alcoa Inespal, S.A. in MAC - trade	27	**270,944,256**	97,110,330	267,299,620
• Kaiser Aluminum Warrick LLC (formerly known as 'Alcoa Warrick LLC') in MRC - trade	27	**-**	155,428,348	-
Sub-total – trade receivable due from Alcoa		**270,944,256**	252,538,678	267,299,620
A joint venture company:				
• MBCC - other	27	**437,689**	86	283,627
Parent company of a non-controlling shareholder:				
• Rebate receivable from Saudi Aramco related to purchase of molten sulfur by MPC and MWSPC	27	**662,292,441**	134,343,269	456,407,732
Total		**1,574,391,019**	574,880,852	1,270,217,492

(All amounts in Saudi Riyals unless otherwise stated)

44.2 Related party balances (continued)

	Notes	31 March 2022	31 March 2021	31 December 2021
Long-term borrowings from PIF (a sovereign wealth fund of the Kingdom of Saudi Arabia), a 67.18% shareholder in Ma'aden				
Due to PIF for the financing of the:				
MAC facility – restructured on 14 December 2017	35.2	**4,066,914,702**	4,275,375,000	4,275,375,000
MBAC facility – restructured on 16 July 2018	35.2	**2,811,548,447**	3,291,316,875	3,152,118,750
Total		**6,878,463,149**	7,566,691,875	7,427,493,750

The Group also has borrowing arrangements with certain other governmental agencies at market terms. See Note 35.2 for significant transactions entered during the quarter / year.

	Notes	31 March 2022	31 March 2021	31 December 2021
Payable to the parent company (ultimate shareholder) of a non-controlling shareholder:				
• Payments to increase share capital received from Alcoa Corporation in MBAC		**-**	68,155,432	-
• Accrued expenses due to Alcoa Corporation in MAC, MRC and MBAC	41	**3,724,573**	28,139,421	4,906,661
Total		**3,724,573**	96,294,853	4,906,661
Payable to the parent company of a non-controlling shareholder:				
• Payable to Saudi Aramco by MPC and MWSPC		**20,498,673**	30,419,000	13,172,127
• Accrued expenses due to The Mosaic Company in MWSPC	41	**6,224,523**	6,199,569	4,778,129
Payable to a non-controlling shareholder:				
• Dividend payable to SABIC	40	**112,500,000**	-	-
Payable to a joint venture company:				
• SAMAPCO - trade		**74,905,697**	10,312,397	152,871,187

44.3 Key management personnel compensation

	Quarter ended		Year ended
	31 March 2022	31 March 2021	31 December 2021
Short-term employee benefits	**11,908,447**	11,466,643	29,386,332
Employees' end of service termination benefits	**526,275**	490,292	2,039,447
Total	**12,434,722**	11,956,935	31,425,779

(All amounts in Saudi Riyals unless otherwise stated)

45 Commitments and contingent liabilities

45.1 Capital commitments

	31 March 2022	31 March 2021	31 December 2021
Capital expenditure contracted for:			
Property, plant and equipment	**1,121,443,462**	3,274,699,039	1,296,443,281

45.2 Guarantees

	31 March 2022	31 March 2021	31 December 2021
Guarantee in favor of Saudi Aramco, for future diesel and gas feedstock supplies	**124,470,244**	111,520,244	124,470,244
Guarantee in favor of Ruwais Fertilizer Industries, LLC, for catalyst supply	**3,174,883**	234,375,000	3,174,883
Guarantee in favor of Saudi Aramco for future supply of molten sulfur	**234,375,000**	262,500,000	234,375,000
Guarantees in favor of Ministry of Industry and Mineral Resources, for future purified phosphoric acid, fuel and feed stocks supplies	**262,500,000**	6,671,580	262,500,000
Guarantee in favor of Saudi Ports Authority (a government controlled entity)	**6,671,580**	-	6,671,580
Guarantee in favor of Andritz SAS, for future supply of materials	**8,499,886**	16,383,897	7,997,939
Others	**2,202,494**	3,862,755	2,202,494
Total	**641,894,087**	635,313,476	641,392,140

45.3 Letters of credit

	31 March 2022	31 March 2021	31 December 2021
Sight letters of credit for purchasing equipment and materials	**26,606,250**	14,911,176	26,606,250
Letter of credit in favor of General Electric Global Services	**-**	3,375,000	-
Total	**26,606,250**	18,286,176	26,606,250

45.4 Contingent liabilities

The Group has contingent liabilities from time to time with respect to certain disputed matters, including claims by and against contractors and lawsuits and arbitrations involving a variety of issues. These contingent liabilities arise out of the ordinary course of business. It is not anticipated that any material liabilities will be incurred as a result of these contingencies.

46 Financial risk management

The Group's activities expose it to a variety of financial risks such as:

- market risk
- credit risk and
- liquidity risk

46.1 Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises of three types of risk:

- foreign currency exchange risk,
- commission (interest) rate risk and
- commodity price risk

Financial instruments affected by market risk includes other investments, due from joint venture partner, trade receivables, time deposits, cash and cash equivalents, long-term borrowings, lease liabilities, projects, trade and other payables, accrued expenses and derivative financial instruments.

The sensitivity analysis in the following sections relate to the positions as at the reporting date.

The sensitivity analysis has been prepared on the basis that the amount of net debt, the ratio of fixed-to-floating interest rates on the debt and derivatives and the proportion of financial instruments in foreign currencies are all constant. The sensitivity analysis is intended to illustrate the sensitivity to changes in market variables on the Group's financial instruments and show the impact on profit or loss and shareholders' equity, where applicable.

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

46.1.1 Foreign currency exchange risk

Currency risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Group's functional and reporting currency is the Saudi Riyal. The Group's transactions are principally in Saudi Riyals, US Dollars and Euros. Management monitor the fluctuations in currency exchange rates and believes that the currency risk is not significant. The bulk of the exposure is in USD and the Saudi Riyal is pegged at SAR 3.75 USD 1 therefore, the Group is not exposed to any risk from USD denominated financial instruments.

All commodity sales contracts are USD price and so is the bulk of the procurement and capital expenditure contracts.

Foreign currency exposure

The Group's exposure to foreign currency risk (Euro) at the end of the reporting period, expressed in SAR, was as follows:

	31 March 2022	31 March 2021	31 December 2021
Project, trade and other payables and accrued expenses	**64,926,007**	49,627,606	15,737,885

Amount recognised in consolidated interim financial statements

During the quarter / year, the following foreign exchange related amounts were recognised in the consolidated interim statement of profit or loss:

		Quarter ended		Year ended
	Note	31 March 2022	31 March 2021	31 December 2021
Foreign exchange (loss) / gain included in other income / (expense), net	14	**(5,925,005)**	1,578,493	(63,254,995)

(All amounts in Saudi Riyals unless otherwise stated)

46 Financial risk management (continued)

46.1.1 Foreign currency exchange risk (continued)

Foreign currency sensitivity analysis

As shown in the table above, the Group is primarily exposed to changes in SAR / EURO exchange rates. The sensitivity of profit or loss and equity to changes in the foreign exchange rates arises mainly from EURO denominated balances.

Impact on post-tax profit / equity of increase / (decrease) in foreign exchange rate:

	Quarter ended		Year ended
	31 March 2022	**31 March 2021**	**31 December 2021**
SAR/ EURO exchange rate			
- Increase by 10%	**(2,856,270)**	(3,191,662)	(1,160,529)
- decrease by 10%	**2,856,270**	3,191,662	1,160,529

The Group's exposure to other foreign exchange movements is not material.

46.1.2 Interest rate risk

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Group's exposure to the risk of changes in market interest rates relates primarily to the Group's long-term borrowing which expose the Group to cash flow interest rate risk.

The Group's receivables and fixed rate borrowings carried at amortised cost are not subject to interest rate risk as defined in IFRS 7, since neither the carrying amount nor the future cash flows will fluctuate because of a change in market interest rates. Hence, the Group's exposure to fair value interest rate risk is not material.

Cash flow hedge

The Group has entered into interest rate swap agreements which have been designated as cash flow hedge. Since the critical terms under the hedging arrangement are similar, the hedging effectiveness is expected to remain 100% throughout the life of the hedging arrangement. Below is the notional amount covered under the hedging arrangement:

	Note	31 March 2022	31 March 2021	31 December 2021
Notional amount hedged	38	**4,847,437,500**	4,847,437,500	4,847,437,500

Other comprehensive income is sensitive to higher / lower interest expense from net settled derivative as a result of changes in interest rates. The Group's other comprehensive income is affected as follows:

	31 March 2022	31 March 2021	31 December 2021
Interest rate			
- increase by 100 basis points	**102,746,883**	(3,454,806)	98,629,958
- decrease by 100 basis points	**(102,746,883)**	3,454,806	(98,629,958)

Interest rate exposure

The exposure of the Group's borrowing to interest rate changes and the contractual re-pricing dates of the variable interest rate borrowings at the end of the reporting period are as follows:

	Note	31 March 2022	31 March 2021	31 December 2021
Fixed interest rate borrowings		**6,027,160,000**	4,678,000,000	5,547,160,000
Variable interest rate borrowings – repricing dates 6 months or less		**40,028,773,185**	43,278,833,821	41,793,285,358
Total	35.9	**46,055,933,185**	47,956,833,821	47,340,445,358

(All amounts in Saudi Riyals unless otherwise stated)

46 Financial risk management (continued)

46.1.2 Interest rate risk (continued)

Interest rate sensitivity analysis

Profit or loss and equity is sensitive to higher / lower interest expense from long-term borrowings as a result of changes in interest rates. The Group's profit before tax is affected as follows:

	31 March 2022	31 March 2021	31 December 2021
Interest rate			
- increase by 100 basis points	**(243,925,342)**	(405,759,661)	(440,171,081)
- decrease by 100 basis points	**243,925,342**	405,759,661	440,171,081

Transition from IBORs to risk free rates

IBOR reform represents the reform and replacement of interest rate benchmarks by global regulators. The Group has a number of contracts, primarily referenced to USD London Interbank offer rates ("USD LIBOR") and Saudi Interbank offer rates (SIBOR). For USD LIBOR, the most applicable tenor (6-month USD LIBOR) for the Group is expected to cease to be published on 30 June 2023.

The Group is currently analyzing the exposure to IBOR benchmarks and evaluating the potential impact of the transition. As per the initial transition plan, all contracts and agreements that are based on USD LIBOR and are expiring at the cessation dates, will be renegotiated with counterparties to reflect the alternative benchmarks (Also see Note 46.1.2).

The following table contains details of all financial instruments of the Group which are based on USD LIBOR as at 31 March 2022 and are currently in process of transitioning to an alternative benchmark:

Financial instruments:	
Non-derivative financial liabilities	**16,600,497,070**
Derivative financial liabilities	**19,344,482**

LIBOR reforms and expectation of cessation of LIBOR will impact the Group's current risk management strategy and possibly accounting for certain financial instruments.

As part of the Group's risk management strategy, the Group uses financial instruments to manage exposures arising from variation of interest rates that could affect profit or loss and other comprehensive income and applies hedge accounting to these instruments. Majority of those financial instruments are also referenced to LIBOR.

The Group is assessing the impact and next steps to ensure a smooth transition from LIBOR to the new benchmark rates.

46.1.3 Commodity price risk

The Group is exposed to the risk of fluctuations in prevailing market commodity prices on the mix of the mineral products it produces.

The Group makes sale of certain gold, by-products, phosphate and aluminium products on a provisional pricing basis. Revenue and a corresponding receivable from the sale of provisionally priced commodities is recognised when control over the promised goods have been transferred to the customer (which would generally be at a point in time, i.e. the date of delivery) and revenue can be measured reliably. At this date, the amount of revenue and receivable to be recognised will be estimated based on the forward market price of the commodity being sold.

However, the Group faces a risk that future adverse change in commodity prices would result in the reduction of receivable balance. The Group's normal policy is to sell its products at prevailing market prices. The Group does not generally believe commodity price hedging would provide long-term benefit to the shareholders.

Commodity price exposure

The exposure of the Group's trade receivables balance to changes in commodity prices are as follows:

	Note	31 March 2022	31 March 2021	31 December 2021
Trade receivables pertaining to:				
Phosphate		**3,617,608,016**	1,505,366,750	2,568,274,671
Aluminium		**1,736,247,221**	1,122,505,752	1,576,077,540
Gold		**216,659,932**	189,519,755	259,436,835
Total	27	**5,570,515,169**	2,817,392,257	4,403,789,046

Policies and procedure to manage commodity price risk

The Group policy is to manage these risks through the use of contract-base prices with customers.

(All amounts in Saudi Riyals unless otherwise stated)

46 Financial risk management (continued)

46.1.3 Commodity price risk (continued)

Commodity price sensitivity analysis

The table below shows the impact on profit before tax and equity for changes in commodity prices. The analysis is based on the assumption that phosphate, aluminium and gold prices move 10% with all other variables held constant.

	31 March 2022	31 March 2021	31 December 2021
Increase / (decrease) in phosphate prices			
Increase of 10% in USD per tonne	**322,991,303**	90,576,256	181,066,724
Decrease of 10% in USD per tonne	**(322,991,303)**	(90,576,256)	(181,066,724)
Increase / (decrease) in aluminium LME prices			
Increase of 10% in USD per tonne	**304,876,550**	401,519,360	563,819,635
Decrease of 10% in USD per tonne	**(304,876,550)**	(401,519,360)	(563,819,635)
Increase / (decrease) in gold prices			
Increase of 10% in USD per oz	**216,659,932**	64,019,307	229,651,809
Decrease of 10% in USD per oz	**(216,659,932)**	(64,019,307)	(229,651,809)

Physical commodity contracts

The Group enters into physical commodity contracts in the normal course of business. These contracts are not derivatives and are treated as executory contracts, which are recognized and measured at cost when the transaction occur.

46.2 Credit risk

Is the risk that one party will fail to discharge an obligation and cause the other party to incur a financial loss.

The Group is exposed to credit risk on the following financial instruments, while it uses two types of ECL approaches for its financial instruments;

	Notes	Category	31 March 2022	31 March 2021	31 December 2021	Impairment model approach
Financial assets class						
Other investments	23	**Amortised cost**	**37,231,000**	38,390,000	37,231,000	**General**
Trade and other receivable (less VAT and employees' home ownership program receivables and trade receivables carried at FVTPL)	27	**Amortised cost**	**3,203,707,647**	1,450,825,341	1,976,050,098	**Simplified**
Trade receivables	27	**FVTPL**	**3,346,288,235**	1,602,454,135	2,973,365,373	**Not applicable**
Time deposits	28	**Amortised cost**	**2,414,312,342**	1,220,038,906	971,340,217	**General**
Cash and cash equivalents	29	**Amortised cost**	**7,460,843,519**	3,975,029,136	8,135,831,282	**General**
Total			**16,462,382,743**	8,286,737,518	14,093,817,970	

46 Financial risk management (continued)

46.2 Credit risk (continued)

ECL approaches

The Group uses staging criteria to determine the ECL on its financial instruments. Following are the stages which are being used by the Group to determine ECL:

Stage	Description	Loss Recognition
1	Performing	12 months ECL
2	Significant increase in credit risk	Lifetime ECL
3	Credit impaired	Lifetime ECL

Stage-1 - Performing or low credit risk

Sr. no	Indicators	Cash and Cash equivalents	Time deposits	Other investments
1	Days past Due	0	0	0-14
2	External rating (where applicable)*	Investment Grade	Investment Grade	Investment Grade

*External ratings present classification of the rating grades, issued by the External Credit Assessment Institutions (ECAI), into those considered as “investment grades”, “non-investment grades” and “in default”. If Counterparty does not have external rating, the Group uses Sovereign Rating. Where Sovereign Rating is Investment Grade, Counterparty’s rating should be one notch downgraded (vis a vis Sovereign rating). While, where Sovereign Rating is Non-Investment Grade, Counterparty’s rating should be two notches downgraded (vis a vis Sovereign Rating).

The Group uses “low credit risk” practical expedient for the following financial instruments categories:

- Cash and cash equivalents;
- Time deposits; and
- Other investments.

The Group assumes that the credit risk on a financial instrument has not increased significantly since initial recognition, and therefore the ECL is estimated at an amount equal to the expected credit losses for a period of 12 months, as these financial instruments are determined to have low credit risk at the reporting date.

Stage-2 - Significant increase in credit risk (“SICR”)

The Group considers the following indicators to be determinants of the SICR:

Sr. no	Indicators	Cash and Cash equivalents	Time deposits	Other investments
1	Days past Due	1-6	1-6	15-29
2	External rating	External rating for the counterparty downgraded to “Non-Investment Grade” (NIG) relative to “Investment Grade” (IG) as of initial recognition date.		

To identify SICR, where applicable, the Group undertakes a holistic analysis of various factors, including those which are specific to a particular financial instrument or to a Counterparty.

(All amounts in Saudi Riyals unless otherwise stated)

46 Financial risk management (continued)

46.2 Credit risk (continued)

Stage-3 - Credit impaired or definition of default

The Group considers the following indicators to be determinants of a credit impaired financial asset:

Sr. no	Indicators	Cash and cash equivalents	Time deposits	Other investments	Trade and other receivables*
1	Days past due (DPD)	7+	7+	30+	90+
2	External rating (where applicable)			In default	

* If the Group has reasonable and supporting information to demonstrate that the counterparty is not impaired, but has crossed DPD of 90+, then it would be classed as Stage 2 exposure and the Group applies stage-2 for ECL estimation.

Similarly, where the counterparty balance does not go beyond DPD of 90+, but the Group has reasonable and supporting information to demonstrate that counterparty will face significant financial difficulty:

- the lender(s) of the borrower, for economic or contractual reasons relating to the borrower's financial difficulty, having granted to the borrower a concession(s) that the lender(s) would not otherwise consider;
- it is becoming probable that the borrower will enter bankruptcy or other financial reorganization; and
- other information.

In this case, ECL would be applied as follows:

a) The Group estimates definition of default at the counterparty's level and includes all financial instruments to Stage 2, if the balance amount of the exposure in default is not more than 5% from the total receivables amount from the counterparty; and
b) The Group evaluates definition of default at the counterparty's level and includes all financial instruments for Stage 3, if the balance amount of exposure in default exceeds 5% of the total receivable amount from the counterparty.

General approach for estimating ECL:

The Group uses the following staging criteria when using the general approach for estimating ECL:

a) At initial recognition, Stage 1 is assigned to the financial asset;

b) At subsequent measurement date, a financial asset would be classed in:

- **Stage 1**, if at the reporting date it is not credit-impaired and credit risk has not increased significantly since initial recognition or it belongs to a low credit risk portfolio;
- **Stage 2**, if at the reporting date it is not credit-impaired and credit risk has increased significantly since initial recognition; or
- **Stage 3**, if at the reporting date it is credit-impaired.

Simplified approach for estimating ECL:

The Group uses a simplified approach for estimating ECL of trade and other receivables using the credit ratings for the counterparties.

The Group has limited number of customers and have no history of defaults. The Group does not use any groupings for the counterparties for the assessment of credit risk. The Group calculates life time ECL through an internally developed model. Life time ECL is computed based on days past due and rating grade of the counterparty. An allowance for life time ECL is reported either as "not impaired" or "impaired" exposure accordingly.

Where the receivable is credit impaired, the indicators for which include the receivable being 90 days overdue or the credit rating for the counterparty being downgraded to NIG relative to IG as of initial recognition date, the probability of default for ECL determination is considered as 100%. The Group does not hold collateral as security. The letters of credit and other forms of credit insurance are considered integral part of trade receivables and considered in the calculation of impairment, based on which, the Group does not have any history of write-offs. At 31 March 2022, 54% (31 December 2021: 57%) of the Groups trade receivables are covered by letters of credit and other forms of credit insurance. Credit limits are established for all customers based on internal rating criteria. Outstanding trade receivables are regularly monitored and any credit concerns highlighted to senior management. There are no significant concentrations of credit risk, whether through exposure to individual customers, specific industry sectors and/or regions.

(All amounts in Saudi Riyals unless otherwise stated)

46 Financial risk management (continued)

46.2 Credit risk (continued)

Credit risk exposure

The Group ensures that the cash collection is made on time from its counterparties, including deposits with banks and financial institutions. Credit limits are established for all customers based on internal rating criteria. Outstanding trade receivables are regularly monitored and any credit concerns highlighted to senior management.

The Group has limited number of customers and have no history of defaults. The Group calculates life time ECL through an internally developed model Life time ECL is computed based on days past due and rating grade of the counterparty. An allowance for life time ECL is reported either as "not impaired" or "impaired" exposure accordingly.

Cash and short-term investments are substantially placed with commercial banks with sound credit ratings. For banks and time deposits, only independently rated parties with a minimum credit of Baa3 are accepted. Time deposits are placed with financial institutions with investment grade rating, which are considered to have low credit risk, hence provision is recognised at an amount equal to 12 month ECL unless there is evidence of significant increase in credit risk of the counter party.

There are no significant concentrations of credit risk, whether through exposure to individual customers, specific industry sectors and/or regions.

The Group considers the probability of default upon initial recognition of asset and whether there has been a significant increase in credit risk on an ongoing basis throughout each reporting period. To assess whether there is a significant increase in credit risk the Group compares the risk of a default occurring on the asset as at the reporting date with the risk of default as at the date of initial recognition. In addition to the use of credit ratings, it considers available reasonable and supportive forward-looking information. Especially the following indicators are incorporated:

- External credit rating (as far as available)
- Actual or expected significant adverse changes in business, financial or economic conditions that are expected to cause a significant change to the borrower's ability to meet its obligations
- Significant increases in credit risk on other financial instruments of the same borrower
- Significant changes in the value of the collateral supporting the obligation or in the quality of third-party guarantees or credit enhancements
- Significant changes in the expected performance and behaviour of the borrower, including changes in the payment status of borrowers in the Group and changes in the operating results of the borrower

	Note	Life time ECL not credit impaired	Life time ECL credit impaired	Total
Trade and other receivable (less VAT and employees' home ownership program receivables and trade receivables carried at FVTPL)	27	3,226,045,707	-	3,226,045,707
Less: Allowance for expected credit losses				
Secured				
Unsecured	27.1	(22,338,060)	-	(22,338,060)
Carrying amount		**3,203,707,647**	**-**	**3,203,707,647**

	Notes	12 month ECL	Life time ECL not credit impaired	Life time ECL credit impaired	Total
Time deposits	28	2,410,000,000	-	-	2,410,000,000
Less: Credit loss allowance	28.1	(2,201,194)	-	-	(2,201,194)
Carrying amount		**2,407,798,806**	**-**	**-**	**2,407,798,806**

Impairment losses on time deposits recognized in consolidated statement of profit or loss were as follows:

	Note	Quarter ended 31 March 2022	31 March 2021	Year ended 31 December 2021
1 January		**2,201,194**	2,201,194	2,201,194
Increase in allowance during the quarter / year		**-**	-	-
31 March / 31 December	28.1	**2,201,194**	2,201,194	2,201,194

(All amounts in Saudi Riyals unless otherwise stated)

46 Financial risk management (continued)

46.2 Credit risk (continued)

Trade receivables

The analysis of trade receivables that were past due but not impaired are as follows:

	Note	31 March 2022	31 March 2021	31 December 2021
Neither past due nor impaired		**5,031,368,379**	2,781,940,658	3,510,569,848
Past due not impaired				
< 30 days		**446,023,912**	30,113,103	848,315,011
30-60 days		**44,482,449**	309	29,062,198
61-90 days		**28,737,385**	736,930	15,636,642
> 90 days, net of provision for impairment		**19,903,044**	4,601,257	205,347
Total	27	**5,570,515,169**	2,817,392,257	4,403,789,046

As of 31 March 2022, 31 March 2021 and 31 December 2021, the amount due from MBCC, Saudi Aramco and Saudi Ports Authority are neither past due and nor impaired.

46.3 Liquidity risk

Liquidity risk is the risk that the Group will encounter difficulty in raising funds to meet commitments associated with financial instruments.

Prudent liquidity risk management implies maintaining sufficient cash and marketable securities and the availability of funding through an adequate amount of committed credit facilities to meet obligations when due and to close out market positions. The Group held the following deposits and cash and cash equivalents that are expected to readily generate cash inflows for managing liquidity risk. Further, Group treasury maintains flexibility in funding by maintaining availability under committed credit lines.

	Notes	31 March 2022	31 March 2021	31 December 2021
Time deposits	28	**2,410,000,000**	1,220,000,000	970,000,000
Unrestricted cash and cash equivalents	29	**7,270,784,352**	3,835,573,387	7,957,963,418
Total		**9,680,784,352**	5,055,573,387	8,927,963,418

Liquidity risk exposure

The Group had access to the following undrawn borrowing facilities at the end of the year:

	Note	31 March 2022	31 March 2021	31 December 2021
Floating rate				
- Expiring beyond 1 year				
• Syndicated revolving credit facility	35.1	**7,500,000,000**	7,500,000,000	7,500,000,000
• Other facilities (mainly for project financing)		**903,306,250**	903,306,250	903,306,250
Fixed rate				
- Expiring within 1 year		**-**	-	-
- Expiring beyond 1 year		**120,000,000**	-	600,000,000
Total		**8,523,306,250**	8,403,306,250	9,003,306,250

(All amounts in Saudi Riyals unless otherwise stated)

46 Financial risk management (continued)

46.3 Liquidity risk (continued)

Maturities of financial liabilities

The tables below analyze the Group's financial liabilities into relevant maturity groupings based on their contractual maturities for:

- all non-derivative financial liabilities and
- net and gross settled derivative financial instruments for which the contractual maturities are essential for an understanding of the timing of the cash flows.

The amounts disclosed in the table are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying balances as the impact of discounting is not significant.

Contractual maturities of financial liabilities	1st year	2nd year	3 - 5 years	Over 5 years	Total contractual cash flows	Carrying amount of liabilities
Non-derivatives as at:						
31 March 2022						
Long-term borrowings (Note 35)	4,969,156,584	4,510,573,179	15,249,743,990	28,892,194,672	53,621,668,425	45,630,939,698
Lease liabilities (Note 37)	144,461,873	132,177,477	223,755,886	1,436,017,489	1,936,412,725	1,201,414,955
Projects, trade and other payables – Less advances from customers (Note 40)	3,755,615,064	146,260,387	-	-	3,901,875,451	3,901,875,451
Accrued expenses (Note 41)	4,976,385,490	-	-	-	4,976,385,490	4,976,385,490
Total	**13,845,619,011**	**4,789,011,043**	**15,473,499,876**	**30,328,212,161**	**64,436,342,091**	**55,710,615,594**
Derivatives as at:						
31 March 2022						
Derivative financial instruments (Note 38)	**62,719,396**	**78,007,045**	**105,466,119**	**-**	**246,192,560**	**60,805,330**
Non-derivatives as at:						
31 March 2021						
Long-term borrowings (Note 35)	3,330,172,460	4,554,782,865	16,605,993,223	33,141,754,379	57,632,702,927	47,517,701,721
Lease liabilities (Note 37)	167,627,494	155,375,542	279,943,275	1,474,394,808	2,077,341,119	1,300,515,499
Projects, trade and other payables – Less advances from customers (Note 40)	3,523,064,301	174,929,231	-	-	3,697,993,532	3,697,993,532
Accrued expenses (Note 41)	2,669,554,771	-	-	-	2,669,554,771	2,669,554,771
Total	**9,690,419,026**	**4,885,087,638**	**16,885,936,498**	**34,616,149,187**	**66,077,592,349**	**55,185,765,523**
Derivatives as at:						
31 March 2021						
Derivative financial instruments (Note 38)	94,016,614	155,850,762	158,055,099	-	407,922,475	351,542,560

(All amounts in Saudi Riyals unless otherwise stated)

46 Financial risk management (continued)

46.3 Liquidity risk (continued)

Maturities of financial liabilities (continued)

Non-derivatives as at:

31 December 2021

Long-term borrowings (Note 35)	5,228,830,204	5,149,308,237	15,194,479,583	29,615,691,512	55,188,309,536	46,844,084,612
Lease liabilities (Note 37)	212,374,805	130,227,136	222,233,520	1,423,800,787	1,988,636,248	1,243,880,723
Projects, trade and other payables – Less advances from customers (Note 40)	3,417,088,960	133,755,381	-	-	3,550,844,341	3,550,844,341
Accrued expenses (Note 41)	4,272,454,890	-	-	-	4,272,454,890	4,272,454,890
Total	13,130,748,859	5,413,290,754	15,416,713,103	31,039,492,299	65,000,245,015	55,911,264,566

Derivatives as at:

31 December 2021

Derivative financial instruments (Note 38)	138,748,595	154,556,396	59,727,259	-	353,032,250	229,266,382

47 Capital management

Risk management

The Group's objectives when managing capital are to

- safeguard their ability to continue as a going concern, so that they can continue to provide returns for shareholders and benefits for other stakeholders, and
- maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

The net debts of the Group are as follows:

	Notes	31 March 2022	31 March 2021	31 December 2021
Net debt				
Time deposits	28	**2,410,000,000**	1,220,000,000	970,000,000
Unrestricted cash and cash equivalents	29	**7,270,784,352**	3,835,573,387	7,957,963,418
Long-term borrowings - payable within one year	35.9	**(4,342,166,617)**	(2,515,530,578)	(4,250,806,238)
Long-term borrowings - payable after one year	35.9	**(41,713,766,568)**	(45,441,303,243)	(43,089,639,120)
Lease liabilities - payable within one year	37	**(144,461,873)**	(167,627,494)	(212,374,805)
Lease liabilities - payable after one year	37	**(1,791,950,852)**	(1,909,713,625)	(1,776,261,443)
Net debt		**(38,311,561,558)**	(44,978,601,553)	(40,401,118,188)

(All amounts in Saudi Riyals unless otherwise stated)

47 Capital management (continued)

Net debt reconciliation

The movement in net debt is as follows:

		Other assets		Liabilities from financing activities				
	Notes	Time deposits (Note 28)	Cash and cash equivalents (Note 29)	Long-term borrowings - payable within one year (Note 35.9)	Long-term borrowings - payable after one year (Note 35.9)	lease liabilities - payable within one year (Note 37)	lease liabilities - payable after one year (Note 37)	Total
1 January 2021		1,465,000,000	4,111,070,912	(2,977,199,180)	(45,831,192,596)	(244,127,649)	(1,883,724,733)	(45,360,173,246)
Additions during the quarter	37.1	-	-	-	-	-	(32,996,817)	(32,996,817)
Adjustment	37.1	-	-	-	-	-	9,155,989	9,155,989
Cash flows for the quarter		(245,000,000)	(275,497,525)	461,668,602	389,889,353	76,500,155	(2,148,064)	405,412,521
31 March 2021		1,220,000,000	3,835,573,387	(2,515,530,578)	(45,441,303,243)	(167,627,494)	(1,909,713,625)	(44,978,601,553)
Additions during the remainder of the year	37.1	-	-	-	-	-	(95,678,816)	(95,678,816)
Adjustment	37.1	-	-	-	-	-	315,089	315,089
Cash flows for the remainder of the year		(250,000,000)	4,122,390,031	(1,735,275,660)	2,351,664,123	(44,747,311)	228,815,909	4,672,847,092
31 December 2021		970,000,000	7,957,963,418	(4,250,806,238)	(43,089,639,120)	(212,374,805)	(1,776,261,443)	(40,401,118,188)
Additions during the quarter	37.1	-	-	-	-	-	(2,635,328)	(2,635,328)
Adjustment	37.1	-	-	-	-	-	(816,292)	(816,292)
Cash flows for the quarter		1,440,000,000	(687,179,066)	(91,360,379)	1,375,872,552	67,912,932	(12,237,789)	2,093,008,250
31 March 2022		**2,410,000,000**	**7,270,784,352**	**(4,342,166,617)**	**(41,713,766,568)**	**(144,461,873)**	**(1,791,950,852)**	**(38,311,561,558)**

(All amounts in Saudi Riyals unless otherwise stated)

47 Capital management (continued)

Consistent with others in the industry, the Group monitors capital on the basis of the following gearing ratio:

"Long-term borrowings divided by total equity and long-term borrowings (as shown in the consolidated statement of financial position, including non-controlling interests)."

The gearing ratios, in accordance with the financial covenants pertaining to the long-term borrowings (Note 35.1), as at the end of the year were as follows:

	Note	31 March 2022	31 March 2021	31 December 2021
Long term borrowings	35	**45,630,939,698**	47,517,701,721	46,844,084,612
Total equity		**46,810,217,925**	38,186,941,736	43,968,571,499
Total equity and net debt		**92,441,157,623**	85,704,643,457	90,812,656,111
Debt to equity ratio		**0.49**	0.55	0.52

Loan covenants

As at 31 March 2022 and 31 December 2021, MWSPC was in compliance with current ratio covenant of 1:1 and liabilities to tangible net worth ratio requirement of 3:1. During the quarterly reporting periods for 2021, MWSPC was not in compliance with SIDF covenants, however, SIDF issued a waiver letter to the Company whereby, the Company was exempted from the compliance of current ratio and liabilities to tangible net worth ratio for the year 2021.

48 Financial assets and financial liabilities

The Group holds the following classes of financial instruments:

	Notes	Amortised cost	FVTPL	Total
Financial assets				
As at 31 March 2022				
Other investments	23	**37,231,000**	**-**	**37,231,000**
Trade and other receivable (less VAT and employees' home ownership program receivables)	27	**3,203,707,647**	**3,346,288,235**	**6,549,995,882**
Time deposits	28	**2,414,312,342**	**-**	**2,414,312,342**
Cash and cash equivalents	29	**7,460,843,519**	**-**	**7,460,843,519**
Total		**13,116,094,508**	**3,346,288,235**	**16,462,382,743**
As at 31 March 2021				
Other investments	23	38,390,000	-	38,390,000
Trade and other receivable (less VAT and employees' home ownership program receivables)	27	1,450,825,341	1,602,454,135	3,053,279,476
Time deposits	28	1,220,038,906	-	1,220,038,906
Cash and cash equivalents	29	3,975,029,136	-	3,975,029,136
Total		6,684,283,383	1,602,454,135	8,286,737,518
As at 31 December 2021				
Other investments	23	37,231,000	-	37,231,000
Trade and other receivable (less VAT and employees' home ownership program receivables)	27	1,976,050,098	2,973,365,373	4,949,415,471
Time deposits	28	971,340,217	-	971,340,217
Cash and cash equivalents	29	8,135,831,282	-	8,135,831,282
Total		11,120,452,597	2,973,365,373	14,093,817,970

(All amounts in Saudi Riyals unless otherwise stated)

48 Financial assets and financial liabilities (continued)

	Notes	Amortised cost	FVTPL	Total
Financial liabilities				
As at 31 March 2022				
Long-term borrowings	35	**45,630,939,698**	**-**	**45,630,939,698**
Lease liabilities	37	**1,201,414,955**	**-**	**1,201,414,955**
Derivative financial instruments	38	**-**	**60,805,330**	**60,805,330**
Projects, trade and other payables (less advances from customers)	40	**3,857,394,670**	**44,480,781**	**3,901,875,451**
Accrued expenses	41	**4,976,385,490**	**-**	**4,976,385,490**
Total		**55,666,134,813**	**105,286,111**	**55,771,420,924**
As at 31 March 2021				
Long-term borrowings	35	47,517,701,721	-	47,517,701,721
Lease liabilities	37	1,300,515,499	-	1,300,515,499
Derivative financial instruments	38	-	351,542,560	351,542,560
Projects, trade and other payables (less advances from customers)	40	3,592,665,342	105,328,190	3,697,993,532
Accrued expenses	41	2,669,554,771	-	2,669,554,771
Total		55,080,437,333	456,870,750	55,537,308,083
As at 31 December 2021				
Long-term borrowings	35	46,844,084,612	-	46,844,084,612
Lease liabilities	37	1,243,880,723	-	1,243,880,723
Derivative financial instruments	38	-	229,266,382	229,266,382
Projects, trade and other payables (less advances from customers)	40	3,508,991,420	41,852,921	3,550,844,341
Accrued expenses	41	4,272,454,890	-	4,272,454,890
Total		55,869,411,645	271,119,303	56,140,530,948

Long-term borrowings are initially recognised at their fair value (being proceeds received, net of eligible transaction costs incurred) if any. Subsequent to the initial recognition long-term borrowings are measured at amortised cost using the effective interest rate method. The fair value measurement hierarchy, on a non-recurring basis for liabilities, is Level 3 – significant unobservable inputs.

49 Fair value estimation

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Management believes that the fair values of the Group's financial assets and liabilities are not materially different from their carrying values.

Financial instruments are carried at fair value, using the following different levels of valuation methods:

Level 1 - inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the Group can access at the measurement date.

Level 2 - inputs are inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.

Level 3 - inputs are unobservable inputs for the asset or liability.

If the inputs used to measure the fair value of an asset or liability falls into different levels of the fair value hierarchy, then the fair value measurement is categorized in its entirety in the same level of the fair value hierarchy as the lowest input level that is significant to the entire measurement.

The Group recognizes transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.

(All amounts in Saudi Riyals unless otherwise stated)

49 Fair value estimation (continued)

The fair value of trade receivables carried at FVTPL are valued using valuation techniques, which employ the use of market observable inputs. The valuation techniques incorporate various inputs including the credit quality of counterparties and forward rate curves of the underlying commodity. As at the reporting date, the marked-to-market value of provisionally priced trade receivables is net of a credit valuation adjustment attributable to customer default risk. The changes in counterparty credit risk had no material effect on financial instruments recognised at fair value.

The table below presents the financial assets and financial liabilities at their fair values as at the reporting date based on the fair value hierarchy:

	Notes	Level 1	Level 2	Level 3	Total
As at 31 March 2022					
Financial assets					
Trade receivables	48	**-**	**3,346,288,235**	**-**	**3,346,288,235**
Financial liabilities					
Derivative financial instruments	38	**-**	**60,805,330**	**-**	**60,805,330**
Projects, trade and other payables	40	**-**	**-**	**44,480,781**	**44,480,781**
		-	**60,805,330**	**44,480,781**	**105,286,111**

	Notes	Level 1	Level 2	Level 3	Total
As at 31 March 2021					
Financial assets					
Trade receivables	48	-	1,602,454,135	-	1,602,454,135
Financial liabilities					
Derivative financial instruments	38	-	351,542,560	-	351,542,560
Projects, trade and other payables	40	-	-	105,328,190	105,328,190
		-	351,542,560	105,328,190	456,870,750

	Notes	Level 1	Level 2	Level 3	Total
As at 31 December 2021					
Financial assets					
Trade receivables	48	-	2,973,365,373	-	2,973,365,373
Financial liabilities					
Derivative financial instruments	38	-	229,266,382	-	229,266,382
Projects, trade and other payables	40	-	-	41,852,921	41,852,921
		-	229,266,382	41,852,921	271,119,303

There were no transfers between fair value levels during the quarter and year 2022 and 2021 respectively.

50 Proposed grant of bonus shares

On 24th of February 2022, the Board of Directors of the Group recommended to the Extraordinary General Assembly to increase the Company’s capital from SAR 12,305,911,460 to SAR 24,611,822,920 by granting bonus shares (1 share for every 1 share owned). The increase in the paid-up capital of SAR 12,305,911,460 will be capitalized from share premium and part of retained earnings.

The proposed grant of bonus shares is subject to obtaining necessary approvals from official authorities and Extraordinary General Assembly on the capital increase and number of bonus shares.

(All amounts in Saudi Riyals unless otherwise stated)

51 Detailed information about the subsidiaries and joint ventures

Subsidiaries	Nature of business	Issued and paid-up share capital 31 March 2022	31 March 2021	31 December 2021	Effective group interest % 31 Mar. 2022	31 Mar. 2021	31 Dec. 2021	Cost of investment by parent company 31 March 2022	31 March 2021	31 December 2021
MGBM	Gold mining	**867,000,000**	867,000,000	867,000,000	**100**	100	100	**867,000,000**	867,000,000	867,000,000
MIC	Manage and develop infrastructure projects	**500,000**	500,000	500,000	**100**	100	100	**500,000**	500,000	500,000
IMC	Kaolin, low grade bauxite and magnesite mining	**344,855,200**	344,855,200	344,855,200	**100**	100	100	**344,855,200**	344,855,200	344,855,200
MFC	Phosphate mining and production of urea, phosphate and potassium fertilizer	**1,000,000**	1,000,000	1,000,000	**100**	100	100	**1,000,000**	1,000,000	1,000,000
MMDC	Phosphate fertilizer distribution	**1,000,000**	1,000,000	1,000,000	**100**	100	100	**1,000,000**	1,000,000	1,000,000
MRC	Aluminium sheets for can body and lids and automotive heat treated and non-heat treated sheet	**2,477,371,807**	2,477,371,807	2,477,371,807	**100**	100	100	**2,477,371,807**	2,477,371,807	2,477,371,807
MAC	Aluminium ingots, T-shape ingots, slabs and billets	**6,573,750,000**	6,573,750,000	6,573,750,000	**74.9**	74.9	74.9	**4,923,738,750**	4,923,738,750	4,923,738,750
MBAC	Bauxite mining and refining	**4,828,464,412**	4,828,464,412	4,828,464,412	**74.9**	74.9	74.9	**3,616,519,845**	3,616,519,845	3,616,519,845
MPC	Phosphate mining and fertilizer producer	**6,208,480,000**	6,208,480,000	6,208,480,000	**70**	70	70	**4,345,936,000**	4,345,936,000	4,345,936,000
MWSPC	Phosphate mining and fertilizer producer	**7,942,501,875**	7,942,501,875	7,942,501,875	**60**	60	60	**4,765,501,125**	4,765,501,125	4,765,501,125
Sub-total								**21,343,422,727**	21,343,422,727	21,343,422,727
Joint ventures										
SAMAPCO	Production of concentrated caustic soda and ethylene dichloride	**900,000,000**	900,000,000	900,000,000	**50**	50	50	**450,000,000**	450,000,000	450,000,000
MBCC	Production of copper and associated minerals	**404,965,291**	404,965,291	404,965,291	**50**	50	50	**202,482,646**	202,482,646	202,482,646
Sub-total								**652,482,646**	652,482,646	652,482,646
Total								**21,995,905,373**	21,995,905,373	21,995,905,373

All the subsidiaries and joint ventures listed above are incorporated in the Kingdom of Saudi Arabia except as mentioned in Note 2.