

NATIONAL INDUSTRIALIZATION COMPANY
(A Saudi Joint Stock Company)

INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)
FOR THE THREE AND NINE MONTH PERIODS ENDED 30 SEPTEMBER 2022
AND INDEPENDENT AUDITOR'S REVIEW REPORT

NATIONAL INDUSTRIALIZATION COMPANY

(A Saudi Joint Stock Company)

INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED) FOR THE THREE AND NINE MONTH PERIODS ENDED 30 SEPTEMBER 2022

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

To the shareholders of National Industrialization Company
(Saudi Joint Stock Company)

Introduction

We have reviewed the accompanying interim condensed consolidated statement of financial position of National Industrialization Company (the "Company") and its subsidiaries (collectively referred to as the "Group") as of 30 September 2022, the related interim condensed consolidated statements of profit or loss and comprehensive income for the three-month and nine-month periods then ended, and the interim condensed consolidated statements of changes in equity and cash flows for the nine-month period then ended and the notes, comprising a summary of significant accounting policies and other explanatory notes. Management is responsible for the preparation and presentation of these interim condensed consolidated financial statements in accordance with International Accounting Standard No. 34 - "Interim Financial Reporting" ("IAS 34"), as endorsed in the Kingdom of Saudi Arabia. Our responsibility is to express a conclusion on these condensed consolidated interim financial statements based on our review.

Scope of review

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

Conclusion

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

PricewaterhouseCoopers

Bader I. Benmohareb
License Number 471



30 October 2022


NATIONAL INDUSTRIALIZATION COMPANY
(A Saudi Joint Stock Company)

INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
(All amounts in SR'000 unless otherwise stated)

		As at 30 September 2022 (Unaudited)	As at 31 December 2021 (Audited)
	Note		
ASSETS			
Non-current assets			
Property, plant and equipment	5	2,686,157	2,825,486
Projects under progress	6	1,764,999	1,709,944
Right-of-use assets		162,267	116,083
Intangible assets		104,107	106,672
Investments in equity accounted associates and joint ventures	7	12,350,197	12,306,040
Investments in equity instruments designated as FVOCI	13	1,086,507	941,330
Other non-current assets		809,636	565,370
Total non-current assets		18,963,870	18,570,925
Current assets			
Inventories		787,157	699,503
Accounts receivable		1,215,049	1,687,953
Prepayments and other current assets		537,787	627,835
Cash and cash equivalents		3,901,206	3,393,975
Total current assets		6,441,199	6,409,266
Total assets		25,405,069	24,980,191
EQUITY AND LIABILITIES			
Equity			
Share capital		6,689,142	6,689,142
Statutory reserve		1,552,472	1,490,151
Other reserves		(428,572)	(586,603)
Retained earnings		1,713,543	1,109,374
Equity attributable to the equity holders of parent		9,526,585	8,702,064
Non-controlling interests		2,954,930	2,860,844
Net equity		12,481,515	11,562,908
Liabilities			
Non-current liabilities			
Long-term borrowings	8	5,377,763	5,865,343
Employee benefits obligations		452,825	505,397
Lease liabilities		155,828	111,645
Provisions and other non-current liabilities		1,705,184	2,167,045
Total non-current liabilities		7,691,600	8,649,430
Current liabilities			
Long-term borrowings – current portion	8	1,150,397	940,241
Lease liabilities – current portion		29,886	13,816
Accounts payable		1,432,937	1,888,669
Accruals, provisions and other current liabilities		1,736,654	1,160,463
Zakat and income tax payable	9	882,080	764,664
Total current liabilities		5,231,954	4,767,853
Total liabilities		12,923,554	13,417,283
Total equity and liabilities		25,405,069	24,980,191


Chief Financial Officer


Chief Executive Officer


Authorized Board Member

The accompanying notes from (1) to (16) form an integral part of these interim condensed consolidated financial statements.

NATIONAL INDUSTRIALIZATION COMPANY
(A Saudi Joint Stock Company)

INTERIM CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS (UNAUDITED)

(All amounts in SR'000 unless otherwise stated)

		For the three months period ended 30 September		For the nine months period ended 30 September	
	Note	2022	2021	2022	2021
Revenue	12	887,105	1,004,285	2,943,411	2,510,075
Cost of revenue		(756,996)	(754,375)	(2,266,011)	(1,854,171)
Gross profit		130,109	249,910	677,400	655,904
Selling and distribution expenses		(47,893)	(49,445)	(141,655)	(132,268)
General and administrative expenses		(64,185)	(93,707)	(248,663)	(372,236)
Impairment of financial assets		(2,650)	(6,930)	(13,628)	(8,286)
Share of net profit from associates and joint ventures, net		163,608	426,384	1,011,856	1,553,734
Operating profit		178,989	526,212	1,285,310	1,696,848
Other income / (expenses), net		16,364	73,953	53,372	100,206
Finance costs, net		(49,184)	(42,232)	(136,403)	(131,184)
Profit before zakat and income tax		146,169	557,933	1,202,279	1,665,870
Zakat and income tax		(59,993)	(72,449)	(202,550)	(213,868)
Profit for the period		86,176	485,484	999,729	1,452,002
Attributable to:					
Equity holders of Parent		17,131	333,448	623,208	1,017,698
Non-controlling interests		69,045	152,036	376,521	434,304
		86,176	485,484	999,729	1,452,002
Basic and diluted earnings per share (SR)	10				
From profit attributable to equity holders of Parent		0.03	0.50	0.93	1.52



Chief Financial Officer



Chief Executive Officer



Authorized Board Member

The accompanying notes from (1) to (16) form an integral part of these interim condensed consolidated financial statements.

NATIONAL INDUSTRIALIZATION COMPANY

(A Saudi Joint Stock Company)

INTERIM CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (UNAUDITED)

(All amounts in SR'000 unless otherwise stated)

	Note	For the three months period ended 30 September		For the nine months period ended 30 September	
		2022	2021	2022	2021
Profit for the period		86,176	485,484	999,729	1,452,002
Other comprehensive income / (loss)					
<i>Items that may be reclassified to profit or loss in subsequent periods:</i>					
Cash flow hedge reserve		38,615	2,460	41,423	5,371
Share of other comprehensive income / (loss) of associates and joint ventures, net		5,374	(11,910)	22,305	(10,759)
Total items that may be reclassified to profit or loss in subsequent periods		43,989	(9,450)	63,728	(5,388)
<i>Items that will not be reclassified to profit or loss in subsequent periods:</i>					
Re-measurement of defined benefit plan		86,218	-	86,218	-
(Loss) / gain from investments in equity instruments designated as FVOCI	13.1	(45,509)	2,532	200,992	84,247
Share of other comprehensive loss of associates and joint ventures, net	7	(134,820)	(66,813)	(185,494)	(49,515)
Total items that will not be reclassified to profit or loss in subsequent periods		(94,111)	(64,281)	101,716	34,732
Total other comprehensive (loss) / income for the period		(50,122)	(73,731)	165,444	29,344
Total comprehensive income for the period		36,054	411,753	1,165,173	1,481,346
Attributable to:					
Equity holders of Parent		(7,419)	276,249	821,311	1,059,700
Non-controlling interests		43,473	135,504	343,862	421,646
		36,054	411,753	1,165,173	1,481,346


Chief Financial Officer


Chief Executive Officer


Authorized Board Member

The accompanying notes from (1) to (16) form an integral part of these interim condensed consolidated financial statements.

NATIONAL INDUSTRIALIZATION COMPANY

(A Saudi Joint Stock Company)

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE NINE MONTHS PERIOD ENDED 30 SEPTEMBER 2022

(All amounts in SR'000 unless otherwise stated)

	Attributable to the equity holders of Parent				Total shareholders' equity	Non- controlling interests	Total equity
	Share capital	Statutory reserve	Other reserves	Retained earnings			
As at 1 January 2021 (Audited)	6,689,142	1,354,512	(662,623)	(111,375)	7,269,656	2,313,357	9,583,013
Profit for the period	-	-	-	1,017,698	1,017,698	434,304	1,452,002
Other comprehensive income / (loss)	-	-	42,002	-	42,002	(12,658)	29,344
Total comprehensive income for the period	-	-	42,002	1,017,698	1,059,700	421,646	1,481,346
Transfer to statutory reserve	-	101,770	-	(101,770)	-	-	-
Dividend paid by subsidiaries to non-controlling interests	-	-	-	-	-	(124,535)	(124,535)
As at 30 September 2021 (Unaudited)	6,689,142	1,456,282	(620,621)	804,553	8,329,356	2,610,468	10,939,824
As at 1 January 2022 (Audited)	6,689,142	1,490,151	(586,603)	1,109,374	8,702,064	2,860,844	11,562,908
Profit for the period	-	-	-	623,208	623,208	376,521	999,729
Other comprehensive income / (loss)	-	-	198,103	-	198,103	(32,659)	165,444
Total comprehensive income for the period	-	-	198,103	623,208	821,311	343,862	1,165,173
Transfer on disposal of investment in equity instruments designated as FVOCI (note 13.1)	-	-	(43,282)	43,282	-	-	-
Acquisition of non-controlling interests (note 1)	-	-	3,210	-	3,210	(4,210)	(1,000)
Transfer to statutory reserve	-	62,321	-	(62,321)	-	-	-
Dividend paid by subsidiaries to non-controlling interests	-	-	-	-	-	(245,566)	(245,566)
As at 30 September 2022 (Unaudited)	6,689,142	1,552,472	(428,572)	1,713,543	9,526,585	2,954,930	12,481,515

Chief Financial Officer

Chief Executive Officer

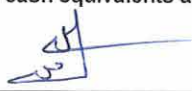
Authorized Board Member

The accompany notes from (1) to (16) form an integral part of these interim condensed consolidated financial statements.


NATIONAL INDUSTRIALIZATION COMPANY
(A Saudi Joint Stock Company)

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS (UNAUDITED)
FOR THE NINE MONTHS PERIOD ENDED 30 SEPTEMBER 2022
(All amounts in SR'000 unless otherwise stated)

	2022	2021
<u>CASH FLOWS FROM OPERATING ACTIVITIES</u>		
Profit before zakat and income tax	1,202,279	1,665,870
Adjustments for:		
Depreciation and amortization	170,824	176,527
Right-of-use assets depreciation	14,315	16,294
Amortization of deferred settlement income	(14,202)	-
Share of net profit from associates and joint ventures	(1,011,856)	(1,553,734)
Impairment of financial assets	13,628	8,286
Provision for slow moving inventory	2,159	-
Employee benefits expenses	54,950	18,622
Finance costs	136,403	131,184
Changes in operating assets and liabilities:		
Other non-current assets	1,516	26,919
Inventories	(89,813)	(83,912)
Accounts receivables	465,358	(458,732)
Prepayments and other current assets	98,695	(104,927)
Provisions and other non-current liabilities	(37,404)	240,031
Accounts payables	(455,732)	222,264
Accruals, provisions and other current liabilities	203,862	99,545
Cash generated from operations	754,982	404,237
Employee benefits paid	(21,304)	(5,684)
Zakat and income tax paid	(86,185)	(88,719)
Net cash generated from operating activities	647,493	309,834
<u>CASH FLOWS FROM INVESTING ACTIVITIES</u>		
Additions to property, plant and equipment	(13,273)	(36,857)
Disposals of property, plant and equipment	700	3,283
Additions to projects under progress	(65,314)	(9,732)
Additions to intangible assets	(6,098)	(1,834)
Disposal of investment in equity instruments designated as FVOCI	55,812	-
Investments in debt securities	(50,000)	-
Dividend received	804,887	490,069
Acquisition of non-controlling interests	(1,000)	-
Loan given to a joint venture	(192,600)	(260,000)
Net cash generated from investing activities	533,114	184,929
<u>CASH FLOWS FROM FINANCING ACTIVITIES</u>		
Repayment of long-term borrowings	(357,417)	(280,630)
Finance costs paid, net	(68,454)	(96,621)
Payment of principal portion of lease liabilities	(1,939)	(47,527)
Dividend paid by subsidiaries to non- controlling interests	(245,566)	(124,535)
Net cash used in financing activities	(673,376)	(549,313)
Net change in cash and cash equivalents	507,231	(54,550)
Cash and cash equivalents at beginning of the period	3,393,975	2,654,849
Cash and cash equivalents at end of the period	3,901,206	2,600,299


Chief Financial Officer


Chief Executive Officer


Authorized Board Member

The accompanying notes from (1) to (16) form an integral part of these interim condensed consolidated financial statements.

NATIONAL INDUSTRIALIZATION COMPANY

(A SAUDI JOINT STOCK COMPANY)

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE NINE MONTHS PERIOD ENDED 30 SEPTEMBER 2022 (UNAUDITED)

(All amounts in SR'000 unless otherwise stated)

1. STATUS AND NATURE OF ACTIVITIES

National Industrialization Company (the "Company" or "Tasnee") is a Saudi Joint Stock Company registered in Riyadh under Commercial Registration no. 1010059693 dated 7 Shawwal 1405H (corresponding to 25 June 1985G). The Company was formed pursuant to the Ministerial Resolution no. 601 dated 24 Dhul Hijja 1404H (corresponding to 19 September 1984G).

The principal activities, registered address, shareholding percentages in subsidiaries, associates, joint ventures and joint operation of the Company and its subsidiaries (collectively referred to as "the Group") have not materially changed from prior year except for one subsidiary Khadamat, where the Group has acquired 3.33% shares from a minority shareholder for a price of SR 1 million and now owns 100% (31 December 2021: 96.67%) ownership in Khadamat. The transaction has been accounted for as an equity transaction and resulting gain is recognized in other reserves under equity.

2. BASIS OF PREPARATION

(i) Statement of Compliance

These interim condensed consolidated financial statements are prepared in accordance with the International Accounting Standard No. 34 – "Interim Financial Reporting" as endorsed in the Kingdom of Saudi Arabia and other standards and pronouncements that are issued by the Saudi Organization for Chartered and Professional Accountants ("SOCPA"). The Group has prepared the consolidated financial statements on the basis that it will continue to operate as a going concern.

These interim condensed consolidated financial statements do not include all information and disclosures required in the annual consolidated financial statements and should be read in conjunction with the Group's annual consolidated financial statements for the year ended 31 December 2021.

(ii) Functional and presentation currency

These interim condensed consolidated financial statements are presented in Saudi Riyals, which is also Tasnee's functional currency. All amounts have been rounded to the nearest thousand (SR '000), unless otherwise indicated.

3. SIGNIFICANT ACCOUNTING POLICIES

The accounting policies used in the preparation of these interim condensed consolidated financial statements are consistent with those used in the preparation of the Group's annual consolidated financial statements for the year ended 31 December 2021. There are no new standards effective from 1 January 2022, however, several amendments to existing standards which are effective from 1 January 2022 as explained in the Group's annual consolidated financial statements are applied for the first time in 2022 and are explained as follows:

(i) Amendments to IAS 16 - Property, Plant and Equipment: Proceeds before Intended Use

In May 2020, the IASB issued Property, Plant and Equipment — Proceeds before Intended Use, which prohibits entities deducting from the cost of an item of property, plant and equipment, any proceeds from selling items produced while bringing that asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Instead, an entity recognizes the proceeds from selling such items, and the costs of producing those items, in profit or loss.

(ii) Amendments to IFRS 3 - Reference to the Conceptual Framework

The amendments update IFRS 3 so that it refers to the 2018 Conceptual Framework instead of the 1989 Framework. They also add to IFRS 3 a requirement that, for obligations within the scope of IAS 37, an acquirer applies IAS 37 to determine whether at the acquisition date a present obligation exists as a result of past events.

(iii) Amendments to IAS 37 - Onerous Contracts-Cost of Fulfilling a Contract

The amendments specify that the 'cost of fulfilling' a contract comprises the 'costs that relate directly to the contract'. Costs that relate directly to a contract consist of both the incremental costs of fulfilling that contract (examples would be direct labor or materials) and an allocation of other costs that relate directly to fulfilling contracts.

(iv) IFRS 9 Financial Instruments – Fees in the '10 per cent' test for derecognition of financial liabilities

As part of its 2018-2020 annual improvements to IFRS standards process the IASB issued amendment to IFRS 9. The amendment clarifies the fees that an entity includes when assessing whether the terms of a new or modified financial liability are substantially different from the terms of the original financial liability.

These amendments to existing standards do not have a material effect on these interim condensed consolidated financial statements.

**NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE NINE MONTHS PERIOD ENDED 30 SEPTEMBER 2022 (UNAUDITED)**
(All amounts in SR'000 unless otherwise stated)

4. USE OF CRITICAL ESTIMATES AND JUDGMENTS

In preparing these interim condensed consolidated financial statements, management has made judgments, estimates and assumptions that affect the application of the accounting policies and the reported amount of assets, liabilities, income and expenses. Actual result may differ from these estimates. Estimates and judgments are regularly evaluated and are based on historical experience and other factors, including expectation of future events that are believed to be reasonable under the circumstances. The significant judgments made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that were applied to the annual consolidated financial statements for the year ended 31 December 2021.

5. PROPERTY, PLANT AND EQUIPMENT

During the nine-months period ended 30 September 2022, the Group added property, plant, and equipment with a cost of SR 13.3 million (nine-months period ended 30 September 2021: SR 36.9 million). Property, plant, and equipment with a net book value of SR 0.7 million were disposed of the Group during the nine-months period ended 30 September 2022 (nine-months period ended 30 September 2021: SR 3.3 million).

6. PROJECTS UNDER PROGRESS

Projects under progress mainly represent costs of establishing a project (Slagger) relating to Titanium metals of various types and other related substances including Titanium ore, Iron ore and manufacturing of Titanium dioxide through high pressure oxidation at Jizan by a subsidiary and certain costs of expansion of facilities of production lines, safety and environment improvement costs.

6.1 Option agreement for slag asset in AMIC

AMIC, a subsidiary of the Group, has signed an option agreement with Tronox Holding Plc ("Tronox") with the following key terms:

(1) AMIC shall (a) incorporate a wholly owned Special Purpose Vehicle ("SPV") in the Kingdom of Saudi Arabia and (b) subject to certain exceptions as set out in the Option Agreement, transfer (or procure the transfer of) the assets, liabilities and contracts used for its Jazan-based titanium slag smelting Slagger Business (as defined in the Option Agreement) to the SPV;

(2) subject to the satisfaction of certain conditions precedent set out in the Option Agreement including reaching the Sustainable Operations (as defined in the Option Agreement), AMIC shall have an option to require Tronox to purchase, and Tronox shall have an option to require AMIC to sell, 90% of AMIC's ownership in the SPV.

As part of the Option Agreement, Tronox also advanced loan to AMIC USD 125 million (equivalent to SR 469 million) for capital expenditures and operational expenses (as detailed in the Option Agreement) at SAIBOR plus agreed margin.

At the interim condensed consolidated statement of financial position date, the Group's management is of the view that the high probability test of transaction completion as required by IFRS 5: "Non-current Assets Held-for-Sale and Discontinued Operations" before assets and liabilities are reclassified as "held for sale" had not been met due to the conditions precedent for the exercise of call or put option, and consequently no reclassification has been made in these interim condensed consolidated financial statements.

**NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE NINE MONTHS PERIOD ENDED 30 SEPTEMBER 2022 (UNAUDITED)**
(All amounts in SR'000 unless otherwise stated)

7. INVESTMENTS IN EQUITY ACCOUNTED ASSOCIATES AND JOINT VENTURES

	30 September 2022 (Unaudited)	31 December 2021 (Audited)
Investments in associates	3,058,681	2,968,264
Investments in joint ventures	9,291,516	9,337,776
	12,350,197	12,306,040

The share of other comprehensive income / (loss) of associates and joint ventures mainly includes exchange loss due to foreign currency translation differences.

8. LONG-TERM BORROWINGS

The Group's long-term borrowings were as follows:

	30 September 2022 (Unaudited)	31 December 2021 (Audited)
Saudi Industrial Development Fund	1,015,511	1,246,680
Commercial banks	5,559,806	5,619,430
Total loans	6,575,317	6,866,110
Less: Unamortized finance cost	(47,157)	(60,526)
	6,528,160	6,805,584
Less: Long term borrowings – current portion	(1,150,397)	(940,241)
Total non-current loans	5,377,763	5,865,343

9. ZAKAT AND INCOME TAX PAYABLE

Status of Zakat and income tax returns and assessments

The Company

During 2015, the Company received an approval from ZATCA in the Kingdom of Saudi Arabia to file consolidated zakat returns of the Company and its 100% owned Saudi subsidiaries since 2008. The Company has filed consolidated zakat returns while non-wholly owned subsidiaries have filed their zakat and income tax returns with ZATCA up to the years ended 31 December 2021. The Company has finalized its Zakat and income tax status with ZATCA up to 2007 and received initial assessments for the years up to 2018 resulting in additional liability of SR 246 million (31 December 2021: SR 246 million). The Company has submitted appeal against these assessments which are still under review. The management believes that sufficient provisions are recorded, and no additional material liability is likely to arise from open assessments, once finalized.

Subsidiaries

Non-wholly owned subsidiaries in KSA file their Zakat and income tax returns individually. Some of these subsidiaries have received initial assessments for several years from the ZATCA, resulting in additional liability amounting to SR 378 million (31 December 2021: SR 323 million). The subsidiaries have submitted appeal against these assessments which are still under review. The management believes sufficient provisions are recorded by the Group wherever necessary and no material additional liability is likely to arise from open assessments, once finalized. Any additional zakat and income tax liabilities or adjustments are recorded when known and finalized.

10. BASIC AND DILUTED EARNINGS PER SHARE

Basic and diluted earnings per share are calculated by dividing net profit attributable to equity holder of Parent by the weighted average number of ordinary shares issued, that is 668,914 thousand shares as at 30 September 2022 (30 September 2021: 668,914 thousand shares).

**NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE NINE MONTHS PERIOD ENDED 30 SEPTEMBER 2022 (UNAUDITED)**
(All amounts in SR'000 unless otherwise stated)

11. RELATED PARTIES TRANSACTIONS AND BALANCES

In the ordinary course of its activities, the Group transacts business with related parties, based on mutually agreed terms and conditions. Balances and transactions between the Company and its subsidiaries are eliminated. A summary of such transactions and balances with the related parties are as follows:

11.1 Trading transactions

The following are the significant related party transactions:

	Sale of goods and services		Purchase of goods and services	
	For the nine-months period ended		For the nine-months period ended	
	30 September 2022 (Unaudited)	30 September 2021 (Unaudited)	30 September 2022 (Unaudited)	30 September 2021 (Unaudited)
Associates	165,576	-	812	25,570
Joint ventures	570,832	686,522	841,274	791,046

11.2 Amounts due from / to related parties

The following balances were outstanding as of 30 September 2022:

	Due from related parties			Due to related parties		
	Associates	Joint Ventures	Total	Associates	Joint Ventures	Total
Current						
Trade	705	108,002	108,707	3,024	983,087	986,111
Other non-trade	19,787	129,664	149,451	-	127,198	127,198
	20,492	237,666	258,158	3,024	1,110,285	1,113,309
Non-current						
Long term advance	-	84,598	84,598	-	-	-
Loans	-	305,467	305,467	507,099	343,254	850,353
	-	390,065	390,065	507,099	343,254	850,353
Total	20,492	627,731	648,223	510,123	1,453,539	1,963,662

The following balances were outstanding as of 31 December 2021:

	Due from related parties			Due to related parties		
	Associates	Joint Ventures	Total	Associates	Joint Ventures	Total
Current						
Trade	178	145,839	146,017	31,799	1,500,819	1,532,618
Other non-trade	1,330	293,681	295,011	-	-	-
	1,508	439,520	441,028	31,799	1,500,819	1,532,618
Non-current						
Long term advance	-	82,015	82,015	-	-	-
Loans	-	88,626	88,626	498,419	381,803	880,222
	-	170,641	170,641	498,419	381,803	880,222
Total	1,508	610,161	611,669	530,218	1,882,622	2,412,840

Compensation of key management personnel

The remuneration of key management personnel during the nine-months period ended 30 September 2022 amounts to SR 30.8 million (nine-months period ended 30 September 2021: SR 19.7 million).

**NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE NINE MONTHS PERIOD ENDED 30 SEPTEMBER 2022 (UNAUDITED)**
(All amounts in SR'000 unless otherwise stated)

12. SEGMENT INFORMATION

For management purposes, the Group is organized into business units based on their products and services and has three reportable segments, Chemicals, Petrochemicals and Downstream & Others. The Group's total revenue, expenses items for the nine-months period ended 30 September 2022 and 2021 by operating segments, are as follows:

	Chemicals	Petrochemicals	Downstream & Others	Total
For the nine-months period ended 30 September 2022				
Sale of goods	165,576	1,577,402	933,024	2,676,002
Rendering of services	-	-	90,086	90,086
Others	-	122,856	54,467	177,323
Total segment revenue	165,576	1,700,258	1,077,577	2,943,411
Segment expenses	196,310	1,392,569	1,081,078	2,669,957
Share of profit from associates and joint ventures, net	309,697	705,781	(3,622)	1,011,856
Depreciation and amortization	4,790	78,126	102,223	185,139
Segment EBITDA	236,387	1,176,917	110,517	1,523,821
For the nine-months period ended 30 September 2021				
Sale of goods	-	1,317,471	871,659	2,189,130
Rendering of services	-	-	78,886	78,886
Others	-	189,361	52,698	242,059
Total segment revenue	-	1,506,832	1,003,243	2,510,075
Segment expenses	150,112	1,136,945	1,079,904	2,366,961
Share of profit (loss) from associates and joint ventures, net	147,862	1,412,311	(6,439)	1,553,734
Depreciation and amortization	4,790	77,682	110,349	192,821
Segment EBITDA	26,215	1,894,105	69,555	1,989,875

The Group's total assets and liabilities as at 30 September 2022 and 31 December 2021 by operating segments are as follows:

	Chemicals	Petrochemicals	Downstream & Others	Total
As at 30 September 2022 (Unaudited)				
Segment assets	5,647,752	10,161,972	9,595,345	25,405,069
Segment liabilities	2,614,102	2,803,500	7,505,952	12,923,554
Investments in equity accounted associates and joint ventures	2,889,662	9,301,931	158,604	12,350,197
As at 31 December 2021 - Audited				
Segment assets	5,343,054	10,261,098	9,376,039	24,980,191
Segment liabilities	2,716,238	3,207,188	7,493,857	13,417,283
Investments in equity accounted associates and joint ventures	2,796,000	9,348,190	161,850	12,306,040

13. FAIR VALUE MEASUREMENT OF FINANCIAL INSTRUMENTS

All financial assets and liabilities have been accounted at amortized cost except for the investments in equity instruments designated at FVOCI which have been carried at fair value.

The management assessed that fair value of other current financial assets and liabilities approximate their carrying amounts largely due to the short-term maturities of these instruments.

The following table shows the carrying amounts and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy. It does not include fair value information for financial assets and financial liabilities not measured at fair value if the carrying amount (amortized cost) is a reasonable approximation of fair value.

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(All amounts in SR'000 unless otherwise stated)

13. FAIR VALUE MEASUREMENT OF FINANCIAL INSTRUMENTS (continued)

Nature of financial instrument	Carrying value	Level 1	Level 2	Level 3
As at 30 September 2022				
Investments in quoted equity shares	681,779	681,779	-	-
Investments in unquoted equity shares	404,728	-	-	404,728
	1,086,507	681,779	-	404,728
As at 31 December 2021				
Investments in quoted equity shares	412,380	412,380	-	-
Investments in unquoted equity shares	528,950	-	-	528,950
	941,330	412,380	-	528,950

Apart from the above financial instruments, other financial instruments have been carried at amortized cost.

13.1 Transfers between levels

During the nine-months period ended 30 September 2022, an investee company, AMAK, which was previously included as unlisted entity (Level 3) completed process of listing its shares on Saudi stock exchange, and accordingly moved from level 3 to level 1 and the Group has recognized fair valuation gain in OCI amounting to SR 236 million during the nine-months period ended 30 September 2022. Further, during the same period the Group has sold part of its investment in AMAK, and the related gain of SR 43 million realized from this disposal has been reclassified from other reserves to retained earnings.

Other than the above, there have been no transfers between the levels during the nine-months period ended 30 September 2022. There were also no changes made during the period ended 30 September 2022 to any of the valuation techniques applied as of 31 December 2021.

14. COMMITMENTS AND CONTINGENCIES

14.1 Capital commitments

The Group's capital commitments as of reporting date are as follows:

	30 September 2022 (Unaudited)	31 December 2021 (Audited)
Capital commitments for projects under progress and property, plant and equipment	33,741	61,447

14.2 Contingencies

The Group contingencies as of reporting date are as follows:

	30 September 2022 (Unaudited)	31 December 2021 (Audited)
Letters of guarantee	335,675	304,069
Letters of credit	157	2,564
	335,832	306,633

Additionally, the Group has issued corporate guarantees to commercial banks and Saudi Industrial Development Fund by its share owned in share capital of some joint ventures against the loans, which have been obtained by these joint ventures from such parties. As at 30 September 2022 such guarantees amounted to SR 1,829 million (31 December 2021: SR 1,921 million).

NATIONAL INDUSTRIALIZATION COMPANY

(A SAUDI JOINT STOCK COMPANY)

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15. EVENTS AFTER THE REPORTING DATE

No material events have occurred subsequent to the reporting date and before the issuance of these interim condensed consolidated financial statements which require adjustment to, or disclosure, in these interim condensed consolidated financial statements.

16. APPROVAL OF THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

These interim condensed consolidated financial statements were approved from the Board of Directors on 30 October 2022 (corresponding to 5 Rabi' al-Thani 1444H).