



SAUDI BASIC INDUSTRIES CORPORATION (SABIC)

(A SAUDI JOINT STOCK COMPANY)

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



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Report on review of the interim condensed consolidated financial statements

To the shareholders of Saudi Basic Industries Corporation (SABIC)

Introduction

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


Scope of review

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

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim condensed consolidated financial statements is not prepared, in all material respects, in accordance with International Accounting Standard 34 - “Interim Financial Reporting”, that is endorsed in the Kingdom of Saudi Arabia.

PricewaterhouseCoopers


Bader I. Benmohareb
License No. 471



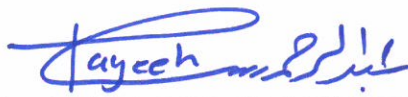
October 31, 2022

Interim condensed consolidated statement of financial position

(All amounts in Saudi Riyals '000 unless otherwise stated)

	As at 30 September 2022	As at 31 December 2021
ASSETS		
Non-current assets:		
Property, plant and equipment	126,174,100	131,018,714
Right-of-use assets	5,883,266	6,357,560
Intangible assets	19,654,556	19,856,254
Investments in associates and joint ventures	43,669,182	42,187,623
Investments in debt and equity instruments	844,494	1,043,007
Deferred tax assets	474,701	565,220
Derivative financial instruments	2,429,250	2,389,875
Other non-current assets and receivables	7,276,227	7,622,444
Total non-current assets	206,405,776	211,040,697
Current assets:		
Inventories	30,006,044	28,621,278
Trade receivables	25,590,990	26,330,104
Prepayments and other current assets	6,174,974	5,977,302
Short-term investments	8,912,552	5,066,554
Cash and bank balances	41,229,779	41,402,842
Total current assets	111,914,339	107,398,080
TOTAL ASSETS	318,320,115	318,438,777
EQUITY AND LIABILITIES		
Equity attributable to equity holders of the Parent	182,877,239	180,140,793
Non-controlling interests	33,188,692	31,692,505
Total equity	216,065,931	211,833,298
Non-current liabilities:		
Long-term debt and lease liabilities	31,003,752	32,304,208
Employee benefits	14,103,183	18,313,670
Deferred tax liabilities	951,804	748,733
Derivatives financial instruments	3,476,794	3,300,827
Provisions and other non-current liabilities	2,261,186	2,533,016
Total non-current liabilities	51,796,719	57,200,454
Current liabilities:		
Short-term borrowings, current portion of long-term debt and lease liabilities	5,467,214	6,255,062
Trade payables, accruals and other liabilities	44,990,251	43,149,963
Total current liabilities	50,457,465	49,405,025
Total liabilities	102,254,184	106,605,479
TOTAL EQUITY AND LIABILITIES	318,320,115	318,438,777


EVP Corporate Finance


Acting CEO


Authorised Board of Directors Member

The accompanying notes from 1 to 11 form an integral part of these interim condensed consolidated financial statements.

Interim condensed consolidated statement of income

(All amounts in Saudi Riyals '000 unless otherwise stated)

	For the three months period ended 30 September		For the nine months period ended 30 September	
	2022	2021	2022	2021
Revenue (Note 7)	46,867,782	43,697,916	155,485,665	123,647,784
Cost of sales (Note 2)	(37,024,857)	(31,403,619)	(114,384,831)	(86,614,825)
Gross profit	9,842,925	12,294,297	41,100,834	37,032,959
General and administrative expenses (Note 2)	(2,598,146)	(2,526,394)	(7,764,986)	(7,405,290)
Selling and distribution expenses	(4,305,877)	(2,834,832)	(12,699,682)	(7,337,728)
	2,938,902	6,933,071	20,636,166	22,289,941
Share of results of integral joint ventures	339,594	770,371	1,757,947	2,451,495
Income from operations	3,278,496	7,703,442	22,394,113	24,741,436
Share of results of non-integral joint ventures and associates (Note 4.1 & 4.6)	621,933	723,544	2,907,896	1,420,174
Finance income	204,729	68,281	446,000	217,144
Finance cost	(992,541)	(557,598)	(1,986,320)	(1,209,234)
	(787,812)	(489,317)	(1,540,320)	(992,090)
Other income, net (Note 2)	369,992	294,296	977,646	456,319
Income before zakat and income tax	3,482,609	8,231,965	24,739,335	25,625,839
Zakat expense	(421,962)	(701,349)	(1,566,363)	(1,433,569)
Income tax expense	(29,400)	(298,070)	(748,451)	(1,322,701)
Net income	3,031,247	7,232,546	22,424,521	22,869,569
Attributable to:				
Equity holders of the Parent	1,835,922	5,594,641	16,237,023	18,100,185
Non-controlling interests	1,195,325	1,637,905	6,187,498	4,769,384
	3,031,247	7,232,546	22,424,521	22,869,569

Basic and diluted earnings per share (Saudi Riyals):

Earnings per share from net income attributable
to equity holders of the Parent

	0.61	1.86	5.41	6.03
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In respect to 2021 comparative periods, refer to Note 2 for certain reclassifications made.

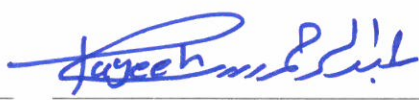
The accompanying notes from 1 to 11 form an integral part of these interim condensed consolidated financial statements.

Interim condensed consolidated statement of comprehensive income

(All amounts in Saudi Riyals '000 unless otherwise stated)

	For the three months period ended 30 September		For the nine months period ended 30 September	
	2022	2021	2022	2021
Net income	3,031,247	7,232,546	22,424,521	22,869,569
Other comprehensive income				
<i>Items that will not be reclassified subsequently to the consolidated statement of income:</i>				
- Re-measurement gain (loss) on defined benefit plans and others, net of tax	2,379,379	(510,916)	4,980,782	683,751
- Share of other comprehensive income of associates and joint ventures	257,097	21,062	365,048	142,751
<i>Items that will be reclassified subsequently to the consolidated statement of income:</i>				
- Exchange difference on translation of foreign operations and others	(1,445,063)	(647,113)	(3,366,290)	(1,250,433)
- Share of other comprehensive (loss) income of associates and joint ventures	(518,781)	130,663	(1,291,033)	(534,905)
Other comprehensive income (loss)	672,632	(1,006,304)	688,507	(958,836)
Total comprehensive income	3,703,879	6,226,242	23,113,028	21,910,733
Attributable to:				
Equity holders of the Parent	2,224,772	4,649,375	16,241,367	17,075,891
Non-controlling interests	1,479,107	1,576,867	6,871,661	4,834,842
	3,703,879	6,226,242	23,113,028	21,910,733


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Interim condensed consolidated statement of changes in equity

(All amounts in Saudi Riyals '000 unless otherwise stated)

	Attributable to the equity holders of the Parent					Non- controlling interests	Total equity
	Share capital	Statutory reserve	General reserve	Other reserves	Retained earnings	Total	
Balance as at 1 January 2021	30,000,000	15,000,000	110,889,032	(3,334,019)	15,071,361	167,626,374	194,237,125
Net income	-	-	-	-	18,100,185	18,100,185	22,869,569
Other comprehensive (loss) income	-	-	-	(1,024,294)	-	(1,024,294)	(958,836)
Total comprehensive (loss) income	-	-	-	(1,024,294)	18,100,185	17,075,891	21,910,733
Changes in shareholdings of a subsidiary	-	-	-	-	(966,805)	(966,805)	-
Dividends and others	-	-	-	-	(9,750,000)	(9,750,000)	(12,597,570)
Balance as at 30 September 2021	30,000,000	15,000,000	110,889,032	(4,358,313)	22,454,741	173,985,460	203,550,288
Balance as at 1 January 2022	30,000,000	15,000,000	110,889,032	(3,542,781)	27,794,542	180,140,793	211,833,298
Net income	-	-	-	-	16,237,023	16,237,023	22,424,521
Other comprehensive income	-	-	-	4,344	-	4,344	688,507
Total comprehensive income	-	-	-	4,344	16,237,023	16,241,367	23,113,028
Changes in shareholdings of a subsidiary (Note 4.3)	-	-	-	-	(4,921)	(4,921)	(229,881)
Dividends and others	-	-	-	-	(13,500,000)	(13,500,000)	(18,650,514)
Balance as at 30 September 2022	30,000,000	15,000,000	110,889,032	(3,538,437)	30,526,644	182,877,239	216,065,931



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Authorised Board of Directors Member

The accompanying notes from 1 to 11 form an integral part of these interim condensed consolidated financial statements.


Interim condensed consolidated statement of cash flows

(All amounts in Saudi Riyals '000 unless otherwise stated)

	Notes	For the nine months period ended 30 September 2022	For the nine months period ended 30 September 2021
Operating activities:			
Income before zakat and income tax		24,739,335	25,625,839
<i>Adjustments to reconcile income before zakat and income tax to net cash from operating activities:</i>			
- Depreciation, amortisation and impairment		10,464,937	10,471,368
- Share of results of non-integral joint ventures and associates	4.6	(2,907,896)	(1,420,174)
- Finance costs		1,986,320	1,209,234
- Provisions and other movements, net		201,311	176,628
<i>Changes in operating assets and liabilities:</i>			
Changes in inventories, trade receivables and payables		(2,533,971)	(9,707,988)
Increase in employee benefits		970,590	297,484
Other assets and liabilities changes		(3,697,818)	1,939,738
		29,222,808	28,592,129
Finance cost paid		(545,227)	(770,624)
Zakat and income tax paid		(3,290,845)	(1,989,379)
Net cash from operating activities		25,386,736	25,832,126
Investing activities:			
Purchase of tangible and intangible assets		(6,671,697)	(7,782,271)
Investments in non-integral joint ventures and associates	4.2	(660,016)	(127,037)
Consideration paid for step acquisition	4.1	(401,625)	-
Dividend received from non-integral joint ventures and associates		810,373	648,213
Short-term investments, net		(3,858,503)	(1,140,472)
Other assets movements		277,806	308,384
Net cash used in investing activities		(10,503,662)	(8,093,183)
Financing activities:			
Proceeds from debt		3,045,868	427,125
Acquisition of non-controlling interests	4.3	(229,881)	1,687,500
Debt and lease repayments		(6,531,926)	(2,974,356)
Dividends paid to shareholders and non-controlling interests		(11,581,991)	(7,467,337)
Net cash used in financing activities		(15,297,930)	(8,327,068)
(Decrease) increase in cash and cash equivalents		(414,856)	9,411,875
Cash and cash equivalents at the beginning of the period		41,389,494	28,938,470
Effects of exchange rate changes on cash and cash equivalents		(129,344)	(20,719)
Cash and cash equivalents at the end of the period		40,845,294	38,329,626
Cash and bank balances		41,229,779	38,768,303
Less: bank overdrafts		(384,485)	(438,677)
Cash and cash equivalents		40,845,294	38,329,626


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Acting CEO


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The accompanying notes from 1 to 11 form an integral part of these interim condensed consolidated financial statements.

Notes to the interim condensed consolidated financial statements

(All amounts in Saudi Riyals '000 unless otherwise stated)

1. Corporate information

Saudi Basic Industries Corporation ("SABIC" or "the Parent") is a Saudi Joint Stock Company established pursuant to Royal Decree Number M/66 dated 13 Ramadan 1396H (corresponding to 6 September 1976) registered in Riyadh under commercial registration No. 1010010813 dated 14 Muharram 1397H (corresponding to 4 January 1977). The registered office is located at Qurtubah district, P.O. Box 5101, Riyadh 11422, Kingdom of Saudi Arabia ("KSA").

Saudi Arabian Oil Co. ("Saudi Aramco") owns 70% of SABIC through one of its subsidiaries, "Aramco Chemicals Company". The other 30% ownership is held by the private sector.

SABIC and its subsidiaries (collectively the "Group") are engaged in the manufacturing, marketing and distribution of chemicals, polymers, plastics, agri-nutrients, and metal products in global markets.

The interim condensed consolidated financial statements of the Group for the three and nine months periods ended 30 September 2022 were authorised for issue in accordance with a resolution of the Board of Directors on 27 October 2022.

2. Basis of preparation

These interim condensed consolidated financial statements for the three and nine months periods ended 30 September 2022 have been prepared in accordance with International Accounting Standard 34 'Interim Financial Reporting' ("IAS 34") as endorsed in the KSA and other standards and pronouncements that are endorsed by the Saudi Organization for Chartered and Professional Accountants ("SOCPA").

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

An interim period is considered as an integral part of the whole fiscal year, however, the results of operations for the interim periods may not be a fair indication of the results of the full year operations.

Certain prior period's figures have been reclassified to present the appropriate nature of the transactions. As such, the prior period comparative figures have been reclassified. These reclassifications are consistent with Note 42 of the annual consolidated financial statements for the year ended 31 December 2021 and have no impact on previously reported net income, retained earnings or cash positions:

	As previously reported	Amount of reclassification	Reclassified amounts
<i>Interim condensed consolidated statement of income for the nine months period ended 30 September 2021:</i>			
Cost of sales	(86,262,384)	(352,441)	(86,614,825)
General and administrative expenses	(7,814,026)	408,736	(7,405,290)
Finance income	986,333	(769,189)	217,144
Finance cost	(1,978,423)	769,189	(1,209,234)
Other income, net	512,614	(56,295)	456,319
<i>Interim condensed consolidated statement of income for the three months period ended 30 September 2021:</i>			
Cost of sales	(31,216,649)	(186,970)	(31,403,619)
General and administrative expenses	(2,713,364)	186,970	(2,526,394)
Finance income	157,199	(88,918)	68,281
Finance cost	(646,516)	88,918	(557,598)
Other income, net	294,296	-	294,296

Notes to the interim condensed consolidated financial statements (continued)

(All amounts in Saudi Riyals '000 unless otherwise stated)

3. New standards, interpretations and amendments adopted by the Group

The accounting policies adopted in the preparation of these interim condensed consolidated financial statements are consistent with those followed in preparing the Group's annual consolidated financial statements for the year ended 31 December 2021, except for the adopted amendments to IFRS as elaborated in the next paragraph.

The Group has adopted the following relevant amendments to IFRS which are effective for periods beginning on and after 1 January 2022, and have no impact on the Group:

- Amendments to IFRS 3 '*Business Combinations*' include an exception to avoid the issue of potential 'day 2' gains or losses arising for liabilities and contingent liabilities that would be within the scope of IAS 37 '*Provisions, Contingent Liabilities and Contingent Assets*' or IFRIC 21 '*Levies*', if incurred separately.
- Amendment to IFRS 9 '*Financial Instruments*' that clarifies the fees in the 10 percent test for derecognition of financial liabilities to assess whether the terms of a new or modified financial liability are substantially different from the terms of the original financial liability, include only those paid or received between the borrower and the lender, including fees paid or received by either the borrower or lender on the other's behalf.
- Amendments to IAS 37 '*Provisions, Contingent Liabilities and Contingent Assets*' clarify which costs need to be included when assessing whether a contract is onerous or loss-making through a "directly related cost approach". The costs that relate directly to a contract to provide goods or services include both incremental costs and an allocation of costs directly related to contract activities. General and administrative costs do not relate directly to a contract and are excluded unless they are explicitly chargeable to the counterparty under the contract.

The Group has not early adopted any new standard, interpretation or amendment that have been issued but which are not yet effective.

Notes to the interim condensed consolidated financial statements (continued)

(All amounts in Saudi Riyals '000 unless otherwise stated)

4. Significant matters during the period

4.1 Acquisition of Scientific Design group of companies

On 14 April 2022 ("the closing date"), SABIC acquired the remaining 50% shares in the 'Scientific Design group of companies' ("SD Group") from 'Clariant AG' ("CLARIANT") for a cash consideration amounting to SR 522.75 million (USD 139.40 million), which has been disclosed in the interim condensed consolidated statement of cash flows net of cash acquired. The acquisition will expand SABIC's growth in the Specialties segment, ensure long-term development of the catalyst business and support expected synergies.

The acquisition qualifies as a step acquisition with change in control in accordance with IFRS 3 '*Business Combinations*'. From the closing date, SABIC fully owns and controls the SD Group, and therefore consolidates the SD Group. The fair value gain on the original 50% shareholding against the previous carrying value of investments amounting to SR 365.25 million (USD 97.40 million) has been recognised in the interim condensed consolidated statement of income and presented within 'share of results of non-integral joint ventures and associates'.

The impact of the transaction is summarised as follows:

Total equity consideration on 100% basis	1,045,500
<u>of which:</u>	
Net cash acquired	121,130
Tangible assets	209,250
Intangible assets	399,750
Deferred tax liability	(102,370)
Total fair value of net assets	506,630
Goodwill	417,740

The Purchase Price Allocation ("PPA") has been done through an independent appraiser, and this is subject to further assessment of the fair value of the (net) assets of SD Group during the next 12 months from the closing date.

4.2 Additional capital contribution in DUSSUR

During the period ended 30 September 2022, SABIC contributed SR 325 million as equity contribution pertaining to SABIC's 25% shareholding in 'Saudi Arabian Industrial Investment Company' ("DUSSUR"), as associate which was established by 'Public Investment Fund' ("PIF"), Saudi Aramco and SABIC.

4.3 Acquisition of 4% shareholding in GAS and 49% shareholding in MVPP

During the period ended 30 September 2022, SABIC has acquired 4% of additional shareholding in 'National Industrial Gases Company' ("GAS"), a subsidiary of SABIC, and paid a consideration amounting to SR 181.13 million. As a result, SABIC's shareholding has increased from 70% to 74%, with no change in control and the impact of transaction has been reflected in the interim condensed consolidated statement of changes in equity. In addition, SABIC has acquired the remaining 49% shareholding in 'Mt. Vernon Phenol Plant Partnership' ("MVPP"), now integrated into 'SABIC Innovative Plastics Mt. Vernon, LLC', a wholly owned subsidiary. SABIC paid consideration amounting to SR 48.75 million.

4.4 Refinancing of loans of IBN RUSHD

On 20th January 2022, loans of 'Arabian Industrial Fibers Company' ("IBN RUSHD"), a subsidiary of SABIC, amounting to SR 2.88 billion have been refinanced for 10 years with an interest rate of SAIBOR plus 0.7% per annum. Property, plant and equipment of IBN RUSHD have been pledged to the 'Saudi Industrial Development Fund' ("SIDF") as a security for these loans.

Notes to the interim condensed consolidated financial statements (continued)

(All amounts in Saudi Riyals '000 unless otherwise stated)

4. Significant matters during the period (continued)

4.5 Acquisition of investment in subsidiaries

On 24 January 2022, 'SABIC Agri-Nutrients Company' ("SABIC AN"), a subsidiary of SABIC has signed binding agreement to acquire 49% in the share capital of 'ETG Inputs Holdco Limited', the transaction is subject to obtaining the required regulatory approvals and other terms and conditions of acquisition agreement.

4.6 Impairment assessment of equity investments

During the period ended 30 September 2022, the share price of CLARIANT has declined driven mainly by impacts from the Russian-Ukrainian conflict and other factors. These events have triggered an additional impairment provision of SR 1.34 billion which is recognised in these interim condensed consolidated financial statements. As at 30 September 2022, the carrying amount of investment in CLARIANT is SR 8.28 billion which also represents its recoverable amount.

The strong demand for aluminum and a positive business outlook driven by additional production capacities at Aluminium Bahrain BSC ("ALBA") have had a positive effect on its share price in the nine month period ended 30 September 2022. Consequently, the impairment loss in respect of investment in ALBA of SR 441 million was reversed during the period then ended. As at 30 September 2022, the carrying amount of investment in ALBA is SR 3.54 billion which also represents its recoverable amount.

The impairment in respect of investment in CLARIANT and reversal of impairment in respect of investment in ALBA are presented within 'share of results of non-integral joint ventures and associates' in the interim condensed consolidated statement of income and interim condensed consolidated statement of cash flows.

4.7 Conflict in Ukraine

The Russian-Ukrainian conflict started in February 2022 resulting a steep increase of crude oil and natural gas prices and at the same time affected share prices at stock exchanges. The course of events required a reassessment of certain accounting estimates, assumptions and judgements of the Group's exposure on impairment risks and expected credit losses. No significant operational costs were recognised in these interim condensed consolidated financial statements directly associated with the Russian-Ukrainian conflict. Management will keep monitoring the situation and further developments.

5. COVID-19 assessment

In response to the spread of the COVID-19 in 'Gulf Cooperation Council' ("GCC") and other regions where the Group operates and its resulting potential disruptions to the social and economic activities in those markets, management proactively assessed its impacts on its operations and took a series of preventive measures, including the creation of on-going crisis management teams and processes, to ensure the health and safety of its employees, customers and the wider community as well as to ensure the continuity of supply of its products throughout its markets. Further, management has implemented active prevention programs at its sites and contingency plans in order to minimize the impact of risks related to COVID-19 and to safeguard the continuity of its business operations. Based on the current assessment, no significant adjustments were required in the interim condensed consolidated financial statements for the period ended 30 September 2022.

Notes to the interim condensed consolidated financial statements (continued)

(All amounts in Saudi Riyals '000 unless otherwise stated)

6. Fair value measurement

	As at 30 September 2022				As at 31 December 2021			
	Level I	Level II	Level III	Total	Level I	Level II	Level III	Total
Financial assets								
Investment in debt instruments (unquoted)	-	-	5,678	5,678	-	-	4,449	4,449
Investment in equity instruments (unquoted)	-	104,391	181,691	286,082	-	97,298	190,705	288,003
Derivatives financial instruments	-	-	2,429,250	2,429,250	-	-	2,389,875	2,389,875
Other short-term investments	-	52,836	-	52,836	-	52,824	-	52,824
Total	-	157,227	2,616,619	2,773,846	-	150,122	2,585,029	2,735,151
Financial liabilities								
Derivatives financial instruments	-	-	3,476,794	3,476,794	-	-	3,300,827	3,300,827
Total	-	-	3,476,794	3,476,794	-	-	3,300,827	3,300,827

The classification methodology used in this disclosure is in line with the annual consolidated financial statements. There were no transfers between Level I, Level II or Level III for the period ended 30 September 2022.

Description of valuation techniques used and key inputs for valuation of derivative financial instruments is as follows:

Valuation technique	Significant non-observable input	Range
Market approach	• Put options, forward contracts and equity instruments	
	- Equity value to EBITDA multiple	3.8 to 10.8
	• Call option valuation:	
	- Implied volatility	25% to 30%
	- Assumed dividend yield	7.8% to 13.3%
	- Risk free rate	3.4% to 3.7%

The Group has a number of financial instruments which are measured at amortized cost and the fair value of majority of these instruments approximate their carrying values.

The Group assessed that the fair value of trade receivables, short-term investments, cash and bank balances, trade payables and other financial assets and financial liabilities approximate their carrying amounts largely due to the short-term maturities of these instruments.

The key movements during the period ended 30 September 2022 in Level III fair values of financial assets and liabilities was amounting to SR 137 million (30 September 2021: SR 578 million) related to fair value loss of derivative financial instruments.

A change in the assumptions underlying the valuation of the options of +/- 10% would reflect in a change in the value of the call option up to approximately +/- USD 200 million and approximately +/- USD 70 million in the value of the put/call options.

Notes to the interim condensed consolidated financial statements (continued)

(All amounts in Saudi Riyals '000 unless otherwise stated)

7. Revenue

	For the three months period ended 30 September		For the nine months period ended 30 September	
	2022	2021	2022	2021
Sale of goods	45,387,280	42,644,399	151,348,346	120,780,445
Logistic services	1,387,568	925,622	3,761,221	2,501,517
Rendering of services	92,934	127,895	376,098	365,822
	46,867,782	43,697,916	155,485,665	123,647,784

Refer to Note 9 for the segment and geographical distribution of revenue.

8. Related party transactions and balances

The significant related party transactions and balances are broken down as follows:

Sales to related parties				
	For the three months period ended 30 September		For the nine months period ended 30 September	
	2022	2021	2022	2021
Associates	8,320	32,945	134,056	128,634
Joint ventures and partners	2,817,210	2,838,969	9,190,439	7,790,060
Saudi Aramco and its subsidiaries	4,020,232	2,578,413	10,318,617	6,723,494
Purchase from related parties				
	For the three months period ended 30 September		For the nine months period ended 30 September	
	2022	2021	2022	2021
Associates	1,576,070	1,188,489	4,793,688	3,211,413
Joint ventures and partners	5,733,019	6,271,867	19,156,652	18,630,866
Saudi Aramco and its subsidiaries	12,935,954	10,712,163	42,094,147	21,346,563
Amounts owed by related parties				
	As at 30 September 2022		As at 30 September 2022	
Associates	28,665	872,608	31,588	
Joint ventures and partners	2,655,938	4,713,935	534,375	
Saudi Aramco and its subsidiaries	1,394,069	7,836,849	-	
Amounts owed to related parties				
	As at 31 December 2021		As at 31 December 2021	
Associates	31,971	473,585	43,407	
Joint ventures and partners	3,091,650	6,283,826	609,375	
Saudi Aramco and its subsidiaries	1,002,110	7,952,932	-	

Amounts owed by and owed to related parties include current and non-current receivables and payables including amounts, in relation to 'Joint Operation and Production Agreements' ("JOPA") with certain joint ventures.

Notes to the interim condensed consolidated financial statements (continued)

(All amounts in Saudi Riyals '000 unless otherwise stated)

8. Related party transactions and balances (continued)

During 2021, SABIC and Saudi Aramco entered into a framework agreement, whereby, SABIC markets the petrochemical and polymers products of certain affiliates of Saudi Aramco. The purchase and sale transactions of these agreements are accordingly disclosed as related party transactions during the period ended 30 September 2022.

Transactions and balances with the entities controlled by Saudi Government can be shown as follows:

	For the three months period ended 30 September		For the nine months period ended 30 September	
	2022	2021	2022	2021
Purchases of goods and services	604,919	667,470	2,016,991	1,935,192
Sales of goods and services	3,207	3,426	12,374	8,257
			As at 30 September 2022	As at 31 December 2021
Due to entities controlled by Saudi Government			160,202	278,301
Due from entities controlled by Saudi Government			2,991	3,882

9. Segment information

SABIC is organised in three Strategic Business Units ("SBUs") and Hadeed, a wholly owned manufacturing business, which based on its products are grouped in three reporting segments.

The Executive Management Committee, chaired by the Chief Executive Officer monitors the results of its operating segments for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on income statement using the 'Income from operations before depreciation, amortisation and impairment' as measure of profit or loss for each reporting segment, and is measured consistently with profit or loss in the consolidated financial statements.

All intercompany transactions within the reporting segments have been appropriately eliminated. The segments' financial details are shown below:

	For the three months period ended 30 September 2022			
	Petrochemicals & Specialties	Agri-nutrients	Hadeed	Consolidated
Revenue	39,051,731	4,264,324	3,551,727	46,867,782
Depreciation, amortisation and impairment	(2,991,360)	(207,380)	(307,362)	(3,506,102)
Income from operations	725,125	2,546,217	7,154	3,278,496
Share of results of non-integral joint ventures and associates	(186,530)	808,463	-	621,933
Finance income				204,729
Finance cost				(992,541)
Other income, net				369,992
Income before zakat and income tax				3,482,609

Notes to the interim condensed consolidated financial statements (continued)

(All amounts in Saudi Riyals '000 unless otherwise stated)

9. Segment information (continued)

	For the three months period ended 30 September 2021			
	Petrochemicals & Specialties	Agri-nutrients	Hadeed	Consolidated
Revenue	37,856,329	2,742,030	3,099,557	43,697,916
Depreciation, amortisation and impairment	(2,993,164)	(224,204)	(277,022)	(3,494,390)
Income (loss) from operations	6,595,212	1,151,228	(42,998)	7,703,442
Share of results of non-integral joint ventures and associates	566,016	157,528	-	723,544
Finance income				68,281
Finance cost				(557,598)
Other income, net				294,296
Income before zakat and income tax				8,231,965

	For the nine months period ended 30 September 2022			
	Petrochemicals & Specialties	Agri-nutrients	Hadeed	Consolidated
Revenue	129,544,473	13,996,253	11,944,939	155,485,665
Depreciation, amortisation and impairment	(8,930,093)	(638,999)	(895,845)	(10,464,937)
Income from operations	13,620,802	8,219,758	553,553	22,394,113
Share of results of non-integral joint ventures and associates	709,850	2,198,046	-	2,907,896
Finance income				446,000
Finance cost				(1,986,320)
Other income, net				977,646
Income before zakat and income tax				24,739,335

	For the nine months period ended 30 September 2021			
	Petrochemicals & Specialties	Agri-nutrients	Hadeed	Consolidated
Revenue	106,996,348	7,060,080	9,591,356	123,647,784
Depreciation, amortisation and impairment	(9,002,408)	(633,985)	(834,975)	(10,471,368)
Income from operations	21,961,828	2,423,819	355,789	24,741,436
Share of results of non-integral joint ventures and associates	990,654	429,520	-	1,420,174
Finance income				217,144
Finance cost				(1,209,234)
Other income, net				456,319
Income before zakat and income tax				25,625,839

Notes to the interim condensed consolidated financial statements (continued)

(All amounts in Saudi Riyals '000 unless otherwise stated)

9. Segment information (continued)

	As at 30 September 2022			
	Petrochemicals & Specialties	Agri-nutrients	Hadeed	Consolidated
Total assets	281,940,492	18,493,695	17,885,928	318,320,115
Capital expenditure	5,946,211	332,153	393,333	6,671,697
Investment in associates and joint ventures	36,620,152	6,872,184	176,846	43,669,182
Total liabilities	94,232,767	3,101,522	4,919,895	102,254,184

	As at 31 December 2021			
	Petrochemicals & Specialties	Agri-nutrients	Hadeed	Consolidated
Total assets	287,062,886	13,199,668	18,176,223	318,438,777
Capital expenditure	9,770,745	636,568	564,148	10,971,461
Investment in associates and joint ventures	37,027,575	4,983,202	176,846	42,187,623
Total liabilities	97,922,202	2,192,580	6,490,697	106,605,479

Geographical distribution of revenue

	For the three months period ended 30 September 2022		For the three months period ended 30 September 2021	
KSA	10,274,645	22%	7,791,821	18%
China	7,850,030	17%	8,041,005	18%
Rest of Asia	9,564,366	20%	10,243,165	24%
Europe	9,435,515	20%	9,630,002	22%
Americas	5,112,203	11%	4,098,604	9%
Others	4,631,023	10%	3,893,319	9%
	46,867,782	100%	43,697,916	100%

	For the nine months period ended 30 September 2022		For the nine months period ended 30 September 2021	
KSA	32,418,201	21%	22,047,766	18%
China	25,519,954	16%	21,702,656	18%
Rest of Asia	34,158,715	22%	30,034,298	24%
Europe	32,572,623	21%	27,249,090	22%
Americas	15,845,148	10%	11,597,426	9%
Others	14,971,024	10%	11,016,548	9%
	155,485,665	100%	123,647,784	100%

The revenue information above is based on the locations of the customers.

Notes to the interim condensed consolidated financial statements (continued)

(All amounts in Saudi Riyals '000 unless otherwise stated)

9. Segment information (continued)

Geographical distribution for non-current assets excluding financial assets and deferred tax assets

	As at 30 September 2022		As at 31 December 2021	
KSA	112,310,723	72%	115,759,070	71%
Europe	17,911,697	11%	19,669,569	12%
Americas	23,286,421	15%	23,711,526	15%
Asia	2,779,556	2%	2,849,245	2%
Others	15,081	-	16,668	-
	156,303,478	100%	162,006,078	100%

10. Appropriations

The Annual General Assembly ("AGA"), in its meeting held on 9 Ramadan 1443H (corresponding to 10 April 2022), approved final cash dividends of SR 6.75 billion (at SR 2.25 per share) for the second half of 2021 which has been recognised in the interim condensed consolidated financial statements for the period ended 30 September 2022.

On 20 Dhul Al Qidah 1443H (corresponding to 19 June 2022), SABIC declared interim cash dividends for the first half of the year 2022 amounting to SR 6.75 billion (at SR 2.25 per share), which has been recognised in these interim condensed consolidated financial statements for the period ended 30 September 2022.

11. Subsequent events

On 2 October 2022, Marafiq, an associate of SABIC, announced its intention to proceed with an 'Initial Public Offer' ("IPO") and list its shares on Tadawul. The IPO comprises shares being offered by the majority shareholders of Marafiq, including SABIC in proportion to their shareholding. Upon completion of the IPO, the equity ownership of SABIC in Marafiq will reduce from 24.81% to 17.50%. The carrying value of the investment in Marafiq in the interim condensed consolidated financial statements at 30 September 2022 was SAR 2.01 billion (31 December 2021: SAR 1.92 billion).

In the opinion of management, there have been no further significant subsequent events since the period ended 30 September 2022, which would have a material impact on the financial position of the Group as reflected in these interim condensed consolidated financial statements.