

SAUDI BASIC INDUSTRIES CORPORATION (SABIC)

(A SAUDI JOINT STOCK COMPANY)

INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE THREE AND SIX MONTHS PERIODS ENDED 30 JUNE 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 June 30, 2022 and the related interim condensed consolidated statements of income and comprehensive income for the three-month and six-month periods then ended and the related interim condensed consolidated statements of changes in equity and cash flows for the six-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.

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Bader I. Benmohareb
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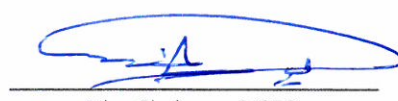
August 9, 2022

Interim condensed consolidated statement of financial position

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

	As at 30 June 2022	As at 31 December 2021
ASSETS		
Non-current assets:		
Property, plant and equipment	128,000,984	131,018,714
Right-of-use assets	6,229,982	6,357,560
Intangible assets	20,084,913	19,856,254
Investments in associates and joint ventures	43,594,526	42,187,623
Investments in debt and equity instruments	1,054,765	1,043,007
Deferred tax assets	442,968	565,220
Derivative financial instruments	2,294,625	2,389,875
Other non-current assets and receivables	7,393,190	7,622,444
Total non-current assets	209,095,953	211,040,697
Current assets:		
Inventories	30,151,917	28,621,278
Trade receivables	31,591,251	26,330,104
Prepayments and other current assets	4,432,637	5,977,302
Short-term investments	9,765,141	5,066,554
Cash and bank balances	35,462,510	41,402,842
Total current assets	111,403,456	107,398,080
TOTAL ASSETS	320,499,409	318,438,777
EQUITY AND LIABILITIES		
Equity attributable to equity holders of the Parent	180,656,166	180,140,793
Non-controlling interests	32,839,574	31,692,505
Total equity	213,495,740	211,833,298
Non-current liabilities:		
Long-term debt and lease liabilities	31,367,007	32,304,208
Employee benefits	16,392,534	18,313,670
Deferred tax liabilities	879,916	748,733
Derivatives financial instruments	3,114,995	3,300,827
Provisions and other non-current liabilities	2,333,461	2,533,016
Total non-current liabilities	54,087,913	57,200,454
Current liabilities:		
Short-term borrowings, current portion of long-term debt and lease liabilities	5,112,673	6,255,062
Trade payables, accruals and other liabilities	47,803,083	43,149,963
Total current liabilities	52,915,756	49,405,025
Total liabilities	107,003,669	106,605,479
TOTAL EQUITY AND LIABILITIES	320,499,409	318,438,777


EVP Corporate Finance


Vice Chairman & 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 June		For the six months period ended 30 June	
	2022	2021	2022	2021
Revenue (Note 7)	55,976,295	42,419,191	108,617,883	79,949,868
Cost of sales (Note 2)	(39,418,043)	(28,766,588)	(77,359,974)	(55,211,206)
Gross profit	16,558,252	13,652,603	31,257,909	24,738,662
General and administrative expenses (Note 2)	(2,609,759)	(2,452,061)	(5,166,840)	(4,878,896)
Selling and distribution expenses	(4,837,507)	(2,383,761)	(8,393,805)	(4,502,896)
	9,110,986	8,816,781	17,697,264	15,356,870
Share of results of integral joint ventures	687,317	1,236,605	1,418,353	1,681,124
Income from operations	9,798,303	10,053,386	19,115,617	17,037,994
Share of results of non-integral joint ventures and associates (Note 4.1 & 4.6)	1,829,405	530,538	2,285,963	696,630
Finance income	140,239	61,499	241,271	148,862
Finance cost	(669,949)	(487,835)	(993,779)	(651,635)
	(529,710)	(426,336)	(752,508)	(502,773)
Other income, net (Note 2)	452,340	221,830	607,654	162,023
Income before zakat and income tax	11,550,338	10,379,418	21,256,726	17,393,874
Zakat expense	(607,569)	(232,220)	(1,144,401)	(732,220)
Income tax expense	(241,285)	(624,919)	(719,051)	(1,024,631)
Net income	10,701,484	9,522,279	19,393,274	15,637,023
Attributable to:				
Equity holders of the Parent	7,926,154	7,643,174	14,401,101	12,505,544
Non-controlling interests	2,775,330	1,879,105	4,992,173	3,131,479
	10,701,484	9,522,279	19,393,274	15,637,023

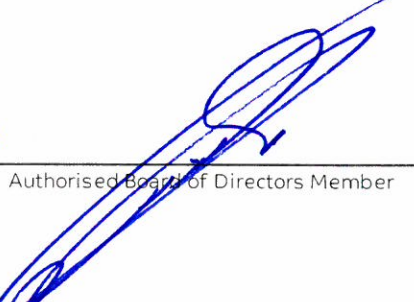
Basic and diluted earnings per share (Saudi Riyals):

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

2.64	2.55	4.80	4.17
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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.

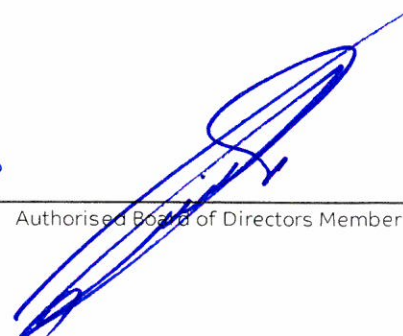
Interim condensed consolidated statement of comprehensive income

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

	For the three months period ended 30 June		For the six months period ended 30 June	
	2022	2021	2022	2021
Net income	10,701,484	9,522,279	19,393,274	15,637,023
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	1,152,682	(658,148)	2,601,403	1,194,667
- Share of other comprehensive (loss) income of associates and joint ventures	(30,258)	(8,841)	107,951	121,689
<i>Items that will be reclassified subsequently to the consolidated statement of income:</i>				
- Exchange difference on translation of foreign operations and others	(1,583,469)	267,004	(1,921,227)	(603,322)
- Share of other comprehensive (loss) income of associates and joint ventures	(697,205)	312,130	(772,252)	(665,566)
Other comprehensive (loss) income	(1,158,250)	(87,855)	15,875	47,468
Total comprehensive income	9,543,234	9,434,424	19,409,149	15,684,491
Attributable to:				
Equity holders of the Parent	6,573,442	7,654,837	14,016,595	12,426,515
Non-controlling interests	2,969,792	1,779,587	5,392,554	3,257,976
	9,543,234	9,434,424	19,409,149	15,684,491


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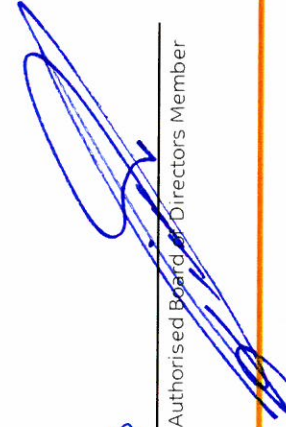

Authorised Board of Directors Member

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

Interim condensed consolidated statement of changes in equity

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

	Attributable to the equity holders of the Parent					Non-	
	Share capital	Statutory reserve	General reserve	Other reserves	Retained earnings	controlling interests	Total equity
Balance as at 1 January 2021	30,000,000	15,000,000	110,889,032	(3,334,019)	15,071,361	26,610,751	194,237,125
Net income	-	-	-	-	12,505,544	3,131,479	15,637,023
Other comprehensive (loss) income	-	-	-	(79,029)	-	126,497	47,468
Total comprehensive (loss) income	-	-	-	(79,029)	12,505,544	3,257,976	15,684,491
Changes in shareholdings of a subsidiary	-	-	-	-	(966,805)	966,805	-
Dividends and others	-	-	-	-	(9,750,000)	(1,949,040)	(11,699,040)
Balance as at 30 June 2021	30,000,000	15,000,000	110,889,032	(3,413,048)	16,860,100	28,886,492	198,222,576
Balance as at 1 January 2022	30,000,000	15,000,000	110,889,032	(3,542,781)	27,794,542	31,692,505	211,833,298
Net income	-	-	-	-	14,401,101	4,992,173	19,393,274
Other comprehensive (loss) income	-	-	-	(384,506)	-	400,381	15,875
Total comprehensive (loss) income	-	-	-	(384,506)	14,401,101	5,392,554	19,409,149
Changes in shareholdings of a subsidiary (Note 4.3)	-	-	-	-	(1,222)	(179,909)	(181,131)
Dividends and others	-	-	-	-	(13,500,000)	(4,065,576)	(17,565,576)
Balance as at 30 June 2022	30,000,000	15,000,000	110,889,032	(3,927,287)	28,694,421	32,839,574	213,495,740

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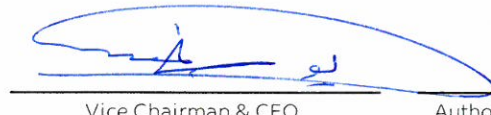
The accompanying notes from 1 to 11 form an integral part of these interim condensed consolidated financial statements.

Interim condensed consolidated statement of cash flows

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

	Notes	For the six months period ended 30 June 2022	For the six months period ended 30 June 2021
Operating activities:			
Income before zakat and income tax		21,256,726	17,393,874
<i>Adjustments to reconcile income before zakat and income tax to net cash from operating activities:</i>			
- Depreciation, amortisation and impairment		6,958,835	6,976,978
- Share of results of non-integral joint ventures and associates	4.6	(2,285,963)	(696,630)
- Finance costs		993,779	651,635
- Provisions and other movements, net		98,891	(286,807)
<i>Changes in operating assets and liabilities:</i>			
Changes in inventories, trade receivables and payables		(5,164,816)	(7,437,407)
Increase in employee benefits		1,075,054	926,053
Other assets and liabilities changes		(3,287,396)	(237,326)
		19,645,110	17,290,370
Finance cost paid		(416,435)	(560,726)
Zakat and income tax paid		(3,031,029)	(1,824,946)
Net cash from operating activities		16,197,646	14,904,698
Investing activities:			
Purchase of tangible and intangible assets		(4,307,593)	(4,944,319)
Investments in non-integral joint ventures and associates	4.2	(366,377)	(22,274)
Consideration paid for step acquisition	4.1	(401,625)	-
Dividend received from non-integral joint ventures and associates		507,676	5,625
Short-term investments, net		(4,908,827)	52,960
Other assets movements		277,263	230,547
Net cash used in investing activities		(9,199,483)	(4,677,461)
Financing activities:			
Proceeds from debt		2,922,156	341,000
Acquisition of non-controlling interests	4.3	(181,131)	1,687,500
Debt and lease repayments		(5,893,412)	(2,204,944)
Dividends paid to shareholders and non-controlling interests		(9,742,944)	(6,124,030)
Net cash used in financing activities		(12,895,331)	(6,300,474)
(Decrease) increase in cash and cash equivalents		(5,897,168)	3,926,763
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		(49,832)	(3,582)
Cash and cash equivalents at the end of the period		35,442,494	32,861,651
Cash and bank balances		35,462,510	33,489,733
Less: bank overdrafts		(20,016)	(628,082)
Cash and cash equivalents		35,442,494	32,861,651


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Vice Chairman & CEO


Authorised Board of Directors Member

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 six months periods ended 30 June 2022 were authorised for issue in accordance with a resolution of the Board of Directors on 8 August 2022.

2. Basis of preparation

These interim condensed consolidated financial statements for the three and six months periods ended 30 June 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 six months period ended 30 June 2021:</i>			
Cost of sales	(55,045,735)	(165,471)	(55,211,206)
General and administrative expenses	(5,100,662)	221,766	(4,878,896)
Other income, net	218,318	(56,295)	162,023
<i>Interim condensed consolidated statement of income for the three months period ended 30 June 2021:</i>			
Cost of sales	(28,625,592)	(140,996)	(28,766,588)
General and administrative expenses	(2,585,852)	133,791	(2,452,061)
Other income, net	214,625	7,205	221,830

In June 2021, finance costs were presented net of finance income in the interim condensed consolidated statement of income. In the current period, finance costs and finance income are presented on a gross basis. The comparative information has been amended accordingly for the three and six months periods ended June 30, 2021, gross finance income of SR 61 million and SR 149 million, respectively, and gross finance cost of SR 488 million and SR 652 million, respectively.

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.

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:

	SR '000
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.

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)

4.2 Additional capital contribution in DUSSUR

On 1 June 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

During the period ended 30 June 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 results, 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.

4.4 Refinancing of loans of IBN RUSHD

On 20 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.

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 June 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 825 million which is recognised in these interim condensed consolidated financial statements. As at 30 June 2022, the carrying amount of investment in CLARIANT is SR 9.11 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 six month period ended 30 June 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 June 2022, the carrying amount of investment in ALBA is SR 3.54 billion which also represents its recoverable amount which was determined using value in use.

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 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.

Notes to the interim condensed consolidated financial statements (continued)

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

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 June 2022.

6. Fair value measurement

	30 June 2022				31 December 2021			
	Level I	Level II	Level III	Total	Level I	Level II	Level III	Total
Financial assets								
Investment in debt instruments (unquoted)	-	-	4,418	4,418	-	-	-	-
Investment in equity instruments (unquoted)	-	107,096	184,780	291,876	-	97,298	195,154	292,452
Derivatives financial instruments	-	-	2,294,625	2,294,625	-	-	2,389,875	2,389,875
Other short-term investments	-	52,832	-	52,832	-	52,824	-	52,824
Total	-	159,928	2,483,823	2,643,751	-	150,122	2,585,029	2,735,151
Financial liabilities								
Derivatives financial instruments	-	-	3,114,995	3,114,995	-	-	3,300,827	3,300,827
Total	-	-	3,114,995	3,114,995	-	-	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 1, Level 2 or Level 3 for the period ended 30 June 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	3.6 to 9.2
	• Call option valuation:	
	- Implied volatility	25% to 35%
	- Assumed dividend yield	7.8% to 17%
	- Risk free rate	3.2% to 3.6%

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 June 2022 in Level 3 fair values of financial assets and liabilities was amounting to SR 91 million (30 June 2021: SR 130 million) related to fair value gain 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 150 million and approximately +/- USD 60 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 June		For the six months period ended 30 June	
	2022	2021	2022	2021
Sale of goods	54,288,102	41,206,481	105,422,809	77,662,239
Logistic services	1,531,694	1,080,949	2,911,910	2,049,702
Rendering of services	156,499	131,761	283,164	237,927
	55,976,295	42,419,191	108,617,883	79,949,868

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 June		For the six months period ended 30 June	
	2022	2021	2022	2021
Associates	72,799	51,181	125,736	95,689
Joint ventures and partners	3,448,406	2,550,697	6,373,229	4,951,091
Saudi Aramco and its subsidiaries	3,763,187	2,444,321	6,298,385	4,145,081
Purchase from related parties				
	For the three months period ended 30 June		For the six months period ended 30 June	
	2022	2021	2022	2021
Associates	1,890,137	1,132,223	3,217,618	2,022,924
Joint ventures and partners	6,650,652	6,399,677	13,423,633	12,358,998
Saudi Aramco and its subsidiaries	14,712,059	5,149,922	29,158,193	10,634,400
	Amounts owed by related parties		Amounts owed to related parties	
	As at 30 June 2022		Loans to related parties	
Associates	42,185		739,141	
Joint ventures and partners	3,153,339		5,340,525	
Saudi Aramco and its subsidiaries	2,721,709		9,075,132	
	As at 31 December 2021			
Associates	31,971		473,585	
Joint ventures and partners	3,091,650		6,283,826	
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 June 2022. These agreements became effective after 30 June 2021, and hence, no significant transactions were reported during the period ended 30 June 2021.

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

	For the three months period ended 30 June		For the six months period ended 30 June	
	2022	2021	2022	2021
Purchases of goods and services	738,135	2,284,681	1,412,072	1,267,722
Sales of goods and services	5,922	623,440	9,167	4,831
			As at 30 June 2022	As at 31 December 2021
Due to entities controlled by Saudi Government			274,870	278,301
Due from entities controlled by Saudi Government			6,011	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 June 2022			
	Petrochemicals & Specialties	Agri-nutrients	Hadeed	Consolidated
Revenue	46,210,881	5,687,481	4,077,933	55,976,295
Depreciation, amortisation and impairment	(2,974,372)	(211,838)	(298,339)	(3,484,549)
Income from operations	6,398,950	3,038,962	360,391	9,798,303
Share of results of non-integral joint ventures and associates	991,501	837,904	-	1,829,405
Finance income				140,239
Finance cost				(669,949)
Other income, net				452,340
Income before zakat and income tax				11,550,338

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 June 2021			
	Petrochemicals & Specialties	Agri-nutrients	Hadeed	Consolidated
Revenue	36,430,342	2,478,047	3,510,802	42,419,191
Depreciation, amortisation and impairment	(3,086,609)	(213,823)	(272,857)	(3,573,289)
Income from operations	9,096,508	893,506	63,372	10,053,386
Share of results of non-integral joint ventures and associates	310,472	220,066	-	530,538
Finance income				61,499
Finance cost				(487,835)
Other income, net				221,830
Income before zakat and income tax				10,379,418

	For the six months period ended 30 June 2022			
	Petrochemicals & Specialties	Agri-nutrients	Hadeed	Consolidated
Revenue	90,492,742	9,731,929	8,393,212	108,617,883
Depreciation, amortisation and impairment	(5,938,733)	(431,619)	(588,483)	(6,958,835)
Income from operations	12,895,677	5,673,541	546,399	19,115,617
Share of results of non-integral joint ventures and associates	896,380	1,389,583	-	2,285,963
Finance income				241,271
Finance cost				(993,779)
Other income, net				607,654
Income before zakat and income tax				21,256,726

	For the six months period ended 30 June 2021			
	Petrochemicals & Specialties	Agri-nutrients	Hadeed	Consolidated
Revenue	69,140,152	4,318,049	6,491,667	79,949,868
Depreciation, amortisation and impairment	(6,009,242)	(409,781)	(557,955)	(6,976,978)
Income from operations	15,367,391	1,272,591	398,012	17,037,994
Share of results of non-integral joint ventures and associates	424,638	271,992	-	696,630
Finance income				148,862
Finance cost				(651,635)
Other income, net				162,023
Income before zakat and income tax				17,393,874

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 June 2022			
	Petrochemicals & Specialties	Agri-nutrients	Hadeed	Consolidated
Total assets	284,632,300	17,672,026	18,195,083	320,499,409
Capital expenditure	3,795,691	232,699	279,203	4,307,593
Investment in associates and joint ventures	37,209,292	6,208,388	176,846	43,594,526
Total liabilities	96,569,168	3,691,613	6,742,888	107,003,669
	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 June 2022		For the three months period ended 30 June 2021	
KSA	11,513,649	20%	7,664,192	18%
China	8,602,903	15%	6,211,463	15%
Rest of Asia	12,730,612	23%	9,602,990	23%
Europe	11,300,044	20%	9,831,099	23%
Americas	5,914,596	11%	3,425,939	8%
Others	5,914,491	11%	5,683,508	13%
	55,976,295	100%	42,419,191	100%
	For the six months period ended 30 June 2022		For the six months period ended 30 June 2021	
KSA	22,143,556	20%	14,192,375	18%
China	17,669,924	16%	12,336,246	15%
Rest of Asia	24,594,349	23%	17,655,986	22%
Europe	23,137,108	21%	18,492,088	23%
Americas	10,732,945	10%	6,361,202	8%
Others	10,340,001	10%	10,911,971	14%
	108,617,883	100%	79,949,868	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 June 2022		As at 31 December 2021	
KSA	113,717,077	71%	115,759,070	71%
Europe	19,009,855	12%	19,669,569	12%
Americas	23,476,653	15%	23,711,526	15%
Asia	2,789,555	2%	2,849,245	2%
Others	14,090	-	16,668	-
	159,007,230	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 June 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 June 2022.

11. Subsequent events

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