



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 2023 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)
(A Saudi Joint Stock Company)

Introduction

We have reviewed the accompanying interim condensed consolidated statement of financial position of Saudi Basic Industries Corporation and its subsidiaries as at 30 September 2023 and the related condensed consolidated statements of income, 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 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 statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing, that are endorsed in the Kingdom of Saudi Arabia, and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim condensed consolidated financial statements are 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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1 November 2023

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Interim condensed consolidated statement of financial position

All amounts in thousands of Saudi Riyals unless otherwise stated

	Note	As at 30 September 2023	As at 31 December 2022
ASSETS			
Non-current assets			
Property, plant and equipment		116,195,053	126,797,000
Right-of-use assets		5,657,908	6,306,719
Intangible assets		19,625,123	20,012,764
Investments in associates and joint ventures	4.1	41,687,223	41,686,763
Investments in debt and equity instruments		576,866	683,684
Deferred tax assets		1,190,596	781,596
Derivative financial instruments		3,952,125	2,687,250
Other assets and receivables		5,978,345	7,332,661
Total non-current assets		194,863,239	206,288,437
Current assets			
Inventories		19,104,618	28,224,642
Trade receivables		19,542,074	23,923,727
Other assets and receivables		5,678,470	5,930,721
Short-term investments		10,474,487	8,678,959
Cash and cash equivalents		34,301,380	40,059,331
		89,101,029	106,817,380
Assets held for sale	4.3	15,343,607	-
Total current assets		104,444,636	106,817,380
Total assets		299,307,875	313,105,817
EQUITY AND LIABILITIES			
Equity			
Equity attributable to equity holders of the Parent		173,900,657	186,046,298
Non-controlling interests		28,874,001	31,570,961
Total equity		202,774,658	217,617,259
Non-current liabilities			
Debt and lease liabilities		25,020,204	27,013,019
Employee benefits		11,215,539	14,074,900
Deferred tax liabilities		807,724	903,549
Derivative financial instruments		2,838,985	2,928,610
Provisions and other liabilities		2,621,605	2,374,803
Total non-current liabilities		42,504,057	47,294,881
Current liabilities			
Short-term borrowings, current portion of debt and lease liabilities		8,827,117	7,800,306
Trade payables, accruals and other liabilities		38,507,706	40,393,371
		47,334,823	48,193,677
Liabilities directly associated with assets held for sale	4.3	6,694,337	-
Total current liabilities		54,029,160	48,193,677
Total liabilities		96,533,217	95,488,558
Total equity and liabilities		299,307,875	313,105,817

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The accompanying notes from 1 to 10 form an integral part of these interim condensed consolidated financial statements.

Interim condensed consolidated statement of income

All amounts in thousands of Saudi Riyals unless otherwise stated

	Note	For the three months period ended 30 September		For the nine months period ended 30 September	
		2023	2022*	2023	2022*
Revenue	6	35,975,303	43,316,204	106,505,049	143,540,814
Cost of sales		(29,640,269)	(35,134,160)	(89,008,535)	(107,926,213)
Gross profit		6,335,034	8,182,044	17,496,514	35,614,601
General and administrative expenses		(2,235,661)	(2,074,260)	(6,511,020)	(6,184,781)
Research and development expenses		(478,242)	(453,275)	(1,376,836)	(1,364,224)
Selling and distribution expenses		(1,837,738)	(2,804,580)	(5,635,185)	(8,234,314)
Results from integral joint ventures		238,495	339,594	975,311	1,757,947
Other operating income		209,749	308,772	953,049	1,093,172
Other operating expenses		(550,915)	(118,651)	(817,275)	(280,855)
Income from operations		1,680,722	3,379,644	5,084,558	22,401,546
Results from non-integral associates and joint ventures		(195,889)	621,933	48,782	2,907,896
Finance income		842,828	204,601	2,595,056	445,637
Finance cost		(684,311)	(944,691)	(1,895,090)	(1,900,450)
Income before zakat and income tax		1,643,350	3,261,487	5,833,306	23,854,629
Zakat expense		(311,064)	(398,823)	(1,229,931)	(1,483,332)
Income tax expense		(26,789)	(29,400)	(258,650)	(748,451)
Net income from continuing operations		1,305,497	2,833,264	4,344,725	21,622,846
Net (loss) income from discontinued operation	4.3	(3,412,480)	197,983	(3,823,769)	801,675
Net (loss) income		(2,106,983)	3,031,247	520,956	22,424,521
Net income from continuing operations					
Attributable to:					
- Equity holders of the Parent		536,122	1,637,939	2,782,739	15,435,348
- Non-controlling interests		769,375	1,195,325	1,561,986	6,187,498
		1,305,497	2,833,264	4,344,725	21,622,846
Net (loss) income					
Attributable to:					
- Equity holders of the Parent		(2,876,358)	1,835,922	(1,041,030)	16,237,023
- Non-controlling interests		769,375	1,195,325	1,561,986	6,187,498
		(2,106,983)	3,031,247	520,956	22,424,521
Basic and diluted earnings per share attributable to equity holders of the Parent from (Saudi Riyals):					
- Net income from continuing operations		0.18	0.55	0.93	5.15
- Net (loss) income		(0.96)	0.61	(0.35)	5.41

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* Refer to Note 2 for certain reclassifications of prior periods.

The accompanying notes from 1 to 10 form an integral part of these interim condensed consolidated financial statements.

Interim condensed consolidated statement of comprehensive income

All amounts in thousands of Saudi Riyals unless otherwise stated

	Note	For the three months period ended 30 September		For the nine months period ended 30 September	
		2023	2022	2023	2022
Net (loss) income		(2,106,983)	3,031,247	520,956	22,424,521
Other comprehensive income					
<i>Items that will not be reclassified subsequently to the consolidated statement of income</i>					
- Re-measurement gain on defined benefit plans and others, net of tax		870,795	2,379,379	821,839	4,980,782
- Share of other comprehensive income of associates and joint ventures		38,068	257,097	196,065	365,048
		908,863	2,636,476	1,017,904	5,345,830
<i>Items that will be reclassified subsequently to the consolidated statement of income</i>					
- Exchange loss on translation		(598,174)	(1,445,063)	(280,139)	(3,366,290)
- Share of other comprehensive loss of associates and joint ventures		(176,804)	(518,781)	(302,426)	(1,291,033)
		(774,978)	(1,963,844)	(582,565)	(4,657,323)
Net movement of other comprehensive income		133,885	672,632	435,339	688,507
Total comprehensive (loss) income		(1,973,098)	3,703,879	956,295	23,113,028
Attributable to:					
- Equity holders of the Parent		(2,880,285)	2,224,772	(745,641)	16,241,367
- Non-controlling interests		907,187	1,479,107	1,701,936	6,871,661
		(1,973,098)	3,703,879	956,295	23,113,028
Total comprehensive (loss) income attributable to equity holders of the Parent					
- Continuing operations		341,001	1,413,476	2,886,520	14,525,583
- Discontinued operation	4.3	(3,221,286)	811,296	(3,632,161)	1,715,784
		(2,880,285)	2,224,772	(745,641)	16,241,367

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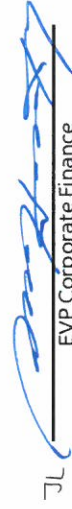
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Interim condensed consolidated statement of changes in equity

All amounts in thousands of Saudi Riyals 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 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	-	-	-	-	(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
Balance as at 1 January 2023	30,000,000	15,000,000	110,889,032	(1,931,155)	32,088,421	186,046,298	217,617,259
Net (loss) income	-	-	-	-	(1,041,030)	(1,041,030)	520,956
Other comprehensive income	-	-	-	295,389	-	295,389	435,339
Total comprehensive income (loss)	-	-	-	295,389	(1,041,030)	(745,641)	956,295
Transfer of statutory reserve (refer to Note 4.2)	-	(15,000,000)	-	-	15,000,000	-	-
Dividends and others	-	-	-	-	(11,400,000)	(11,400,000)	(15,798,896)
Balance as at 30 September 2023	30,000,000	-	110,889,032	(1,635,766)	34,647,391	173,900,657	202,774,658



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The accompanying notes from 1 to 10 form an integral part of these interim condensed consolidated financial statements.

Interim condensed consolidated statement of cash flows

All amounts in thousands of Saudi Riyals unless otherwise stated

	Note	For the nine months period ended 30 September 2023	For the nine months period ended 30 September 2022*
Operating activities			
Income (loss) before zakat and income tax			
- from continuing operations		5,833,306	23,854,629
- from discontinued operation		(3,729,917)	884,706
<i>Adjustments to reconcile income before zakat and income tax to net cash from operating activities:</i>			
- Depreciation, amortisation and impairment		11,430,827	10,464,937
- Fair value re-measurement on assets held for sale	4.3	2,931,042	-
- Results from non-integral associates and joint ventures		(48,782)	(2,907,896)
- Finance income		(2,609,851)	(446,000)
- Finance cost		2,019,369	1,986,320
- Other movements, net		40,097	63,744
<i>Change in operating assets and liabilities:</i>			
Changes in inventories, trade receivables and payables		2,606,847	(2,392,085)
Increase in employee benefits		406,529	511,121
Other assets and liabilities changes		1,020,587	(4,079,621)
		19,900,054	27,939,855
Interest received		1,303,807	394,027
Interest paid		(1,024,933)	(520,879)
Zakat and income tax paid		(2,777,148)	(3,290,845)
Net cash from operating activities		17,401,780	24,522,158
Investing activities			
Purchase of property, plant and equipment and intangible assets		(8,009,481)	(6,671,697)
Investments in non-integral associates and joint ventures		(1,429,613)	(660,016)
Consideration paid for step acquisition		-	(401,625)
Dividend received from non-integral associates and joint ventures		1,099,340	810,373
Short-term investments, net		(1,965,784)	(3,910,477)
Other assets movements		306,154	277,806
Net cash used in investing activities		(9,999,384)	(10,555,636)

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*Refer to Note 2 for certain reclassifications of prior periods.

The accompanying notes from 1 to 10 form an integral part of these interim condensed consolidated financial statements.

Interim condensed consolidated statement of cash flows (continued)

All amounts in thousands of Saudi Riyals unless otherwise stated

	Note	For the nine months period ended 30 September 2023	For the nine months period ended 30 September 2022*
Financing activities			
Proceeds from debt		600,000	3,045,868
Acquisition of non-controlling interests		-	(229,881)
Debt and lease repayments		(2,783,380)	(6,531,926)
Dividends paid to shareholders		(6,024,267)	(6,747,397)
Dividends paid to non-controlling interests		(4,201,868)	(4,834,594)
Net cash used in financing activities		(12,409,515)	(15,297,930)
Decrease in cash and cash equivalents		(5,007,119)	(1,331,408)
Net foreign exchange loss on cash and cash equivalents		(40,472)	(129,344)
Cash and cash equivalents at the beginning of the period		40,039,135	42,306,046
Cash and cash equivalents at the end of the period		34,991,544	40,845,294
Cash and cash equivalents		34,301,380	41,229,779
Cash and cash equivalents (included in the assets held for sale)	4.3.2	749,137	-
Less: Short-term borrowings (bank overdrafts)		(58,973)	(384,485)
Cash and cash equivalents at the end of the period		34,991,544	40,845,294
Cash flows of discontinued operation	4.3.1		


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*Refer to Note 2 for certain reclassifications of prior periods.

The accompanying notes from 1 to 10 form an integral part of these interim condensed consolidated financial statements.

Notes to the interim condensed consolidated financial statements

All amounts in thousands of Saudi Riyals 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 Company ("Saudi Aramco") owns 70% of SABIC through one of its subsidiaries, "Aramco Chemicals Company". The Saudi Arabian Government is the largest shareholder with 90.19% direct shareholding in Saudi Aramco. The remaining 30% of SABIC shares are held by the private sector.

SABIC and its subsidiaries (collectively the "Group") are engaged in the manufacturing, marketing and distribution of chemicals, polymers, plastics and agri-nutrient products in global markets. The Metals business unit has been classified as discontinued operation during the current period, refer Note 4.3.

The interim condensed consolidated financial statements of the Group for the three and nine months periods ended 30 September 2023 were authorised for issue in accordance with a resolution of the Board of Directors on 1 November 2023.

2. Basis of preparation

These interim condensed consolidated financial statements for the three and nine months periods ended 30 September 2023 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 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 2022.

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 periods' figures have been reclassified to present the appropriate nature of the transactions. These reclassifications are consistent with Note 38 to the annual consolidated financial statements for the year ended 31 December 2022. These reclassifications 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 three months period ended 30 September 2022:</i>			
Cost of sales	33,749,677	1,384,483	35,134,160
General and administrative expenses	2,529,058	(454,798)	2,074,260
Research and development expenses	-	453,275	453,275
Selling and distribution expenses	4,187,540	(1,382,960)	2,804,580
Income from operations	3,009,652	369,992	3,379,644
<i>Interim condensed consolidated statement of income for the nine months period ended 30 September 2022:</i>			
Cost of sales	103,853,887	4,072,326	107,926,213
General and administrative expenses	7,555,885	(1,371,104)	6,184,781
Research and development expenses	-	1,364,224	1,364,224
Selling and distribution expenses	12,299,760	(4,065,446)	8,234,314
Income from operations	21,423,900	977,646	22,401,546

Transactions pertaining to the discontinued operation have been excluded from previously reported amounts for better presentation of the reclassified amounts.

The impact of the reclassifications in the interim condensed consolidated statement of income in prior periods have a corresponding impact on the interim condensed consolidated statement of cash flows.

Notes to the interim condensed consolidated financial statements (continued)

All amounts in thousands of Saudi Riyals unless otherwise stated

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

The accounting policies adopted in the preparation of the 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 2022, except for the adopted amendments to IFRS as elaborated below.

The Group has adopted the following relevant amendments to IFRS as endorsed in the KSA, which are effective for periods beginning on and after 1 January 2023, and have no impact on the Group:

- Amendments to IAS 8 '*Definition of accounting estimates*' clarifies the distinction between changes in accounting estimates and changes in accounting policies and the correction of errors. The amendments also clarify how measurement techniques and inputs to develop accounting estimates should be used.
- Amendments to IAS 12 '*Income Taxes, International Tax Reform – Pillar Two Model Rules*' was issued on 23 May 2023 and is to be applied from 1 January 2023. This amendment introduced an exception to the accounting treatment of deferred taxes. An entity will not recognize and will not disclose information about deferred tax assets and liabilities related to the Pillar Two taxes, established under an OECD Inclusive Framework. Multinational groups with consolidated revenues over EUR 750 million will be required to top-up their income taxes in each jurisdiction to a minimum effective tax rate of 15%. The exception for deferred taxes has been applied since issuance of the IAS 12 amendments on 23 May 2023. The remaining disclosure requirements are applicable for annual reporting periods beginning on or after 1 January 2024.

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 investment

On 19 Ramadan 1444H (corresponding to 10 April 2023), SABIC Agri-Nutrients Investment Company ("SANIC"), a subsidiary of SABIC Agri-Nutrients Company has completed the acquisition procedure of 49% shareholding in ETG Inputs Holdco Limited ("EIHL") by virtue of receipt of regulatory approvals in compliance with the terms and conditions of acquisition agreement. During the period ended 30 September 2023, SANIC has finalised the total amount of consideration of SR 1,207 million at the completion date. The investment is recognised as a joint venture investment under equity method of accounting.

4.2 Transfer of statutory reserve

The General Assembly in its extraordinary meeting held on 4 Dhu Al-Hijjah 1444H (corresponding to 22 June 2023) approved the amendment in article 42 – '*Dividend Distribution*' of SABIC bylaws to transfer the statutory reserve balance of SR 15,000 million to retained earnings.

4.3 Discontinued operation

On 3 September 2023, the group announced signing an agreement with the 'Public Investment Fund' ("PIF") to acquire all SABIC shares in the 'Saudi Iron and Steel Company' ("HADEED"). The divestment will enable SABIC to optimise its portfolio and focus on its core business, in order to maintain its leadership competitiveness, to prepare for a new era of growth and to realise its vision to become the preferred world leader in chemicals. The transaction is subject to customary conditions and regulatory approvals and the closing is expected to be before the end of the first quarter of 2024.

Following the signing of the agreement, Hadeed has been presented as 'discontinued operation' under '*IFRS 5 – Non-current Assets Held for Sale and Discontinued Operations*'. The assets and liabilities of the disposal group are therefore classified and presented separately as '*held for sale*' in these interim condensed consolidated financial statements. These are measured at lower of their carrying amount and fair value less costs to sell (based on the agreement) and depreciation is ceased on relevant assets from the date of their classification as '*held for sale*'.

Notes to the interim condensed consolidated financial statements (continued)

All amounts in thousands of Saudi Riyals unless otherwise stated

4. Significant matters during the period (continued)

4.3 Discontinued operation (continued)

4.3.1 Financial performance and cash flow information

The financial performance presented below refers to the discontinued operation for the three and nine months periods ended 30 September 2023 and 30 September 2022.

	For the three months period ended 30 September		For the nine months period ended 30 September	
	2023	2022	2023	2022
Revenue	3,428,319	3,551,578	9,758,744	11,944,851
Depreciation and amortisation	(290,352)	(307,390)	(842,578)	(895,900)
Cost of sales and other expenses, net	(3,544,218)	(2,975,344)	(9,605,557)	(10,078,738)
Finance income and expenses	(37,065)	(47,722)	(109,484)	(85,507)
(Loss) income before zakat	(443,316)	221,122	(798,875)	884,706
Zakat expense	(38,122)	(23,139)	(93,852)	(83,031)
(Loss) income after zakat	(481,438)	197,983	(892,727)	801,675
Fair value re-measurement on assets held for sale	(2,931,042)	-	(2,931,042)	-
(Loss) income from discontinued operation	(3,412,480)	197,983	(3,823,769)	801,675
Re-measurement gain on defined benefit plans, net of tax	191,194	613,313	191,608	914,109
Total comprehensive (loss) income from discontinued operation	(3,221,286)	811,296	(3,632,161)	1,715,784

The cash flow information presented below are for the nine months periods ended 30 September 2023 and 30 September 2022.

	For the nine months period ended 30 September	
	2023	2022
Net cash inflow from operating activities	109,572	863,743
Net cash used in investing activities	(518,535)	(311,811)
Net cash used in financing activities	(184,948)	(202,107)
Net (decrease) increase in cash and cash equivalents	(593,911)	349,825

Loss before zakat and income tax from discontinued operation, as presented in the interim condensed consolidated statement of cash flows amounting to SR 3,730 million, comprises of loss before zakat from discontinued operation and fair value re-measurement on assets held for sale.

4.3.2 Assets and liabilities of disposal group classified as held for sale

The carrying amounts of assets and liabilities of disposal group classified as held for sale as at 30 September 2023 were:

	As at 30 September 2023
<i>Assets held for sale</i>	
Property, plant and equipment, right-of-use assets and intangible assets	5,275,410
Inventories	4,291,019
Trade receivables	3,001,733
Other non-current and current assets	2,026,308
Cash and cash equivalents	749,137
Total assets	15,343,607
<i>Liabilities directly associated with assets held for sale</i>	
Employee benefits	2,969,229
Other non-current and current liabilities	2,816,673
Trade payables	908,435
Total liabilities	6,694,337
Net assets	8,649,270

The fair value re-measurement has been entirely allocated to 'Property, plant and equipment, right-of-use assets and intangible assets'. As at 30 September 2023, the fair value did not materially differ from the agreement's signing date.

Notes to the interim condensed consolidated financial statements (continued)

All amounts in thousands of Saudi Riyals unless otherwise stated

5. Fair value measurement

	As at 30 September 2023				As at 31 December 2022			
	Level I	Level II	Level III	Total	Level I	Level II	Level III	Total
Financial assets								
Investment in equity instruments	3,535	35,555	205,317	244,407	4,290	33,612	197,517	235,419
Derivatives financial instruments	-	-	3,952,125	3,952,125	-	-	2,687,250	2,687,250
Other short-term investments	-	158,638	-	158,638	-	53,011	-	53,011
Total	3,535	194,193	4,157,442	4,355,170	4,290	86,623	2,884,767	2,975,680
Financial liabilities								
Derivatives financial instruments	-	-	2,838,985	2,838,985	-	-	2,928,610	2,928,610
Total	-	-	2,838,985	2,838,985	-	-	2,928,610	2,928,610

The classification methodology used in this disclosure is in line with the annual consolidated financial statements. No transfers were recorded between Level I, Level II or Level III for the nine months period ended 30 September 2023.

The following table summarises significant non-observable assumptions used in Level III fair value measurements:

Description	Valuation technique	Significant non-observable input	Range
Derivative financial instruments	Market approach	Put options and forward contracts: - Equity value to EBITDA multiple	5.8
		Call option valuation: - Implied volatility	25% to 30%
		- Assumed dividend yield	8.5% to 14.2%
		- Risk free rate	4.3% to 4.6%

SABIC accounts for a number of financial instruments at amortized cost and the fair value of the majority of these instruments approximate their carrying values. The fair value of trade receivables, short-term investments, cash and cash equivalents, 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 nine months period ended 30 September 2023 in Level III fair values of financial assets and liabilities amounted to SR 1,354 million (30 September 2022: fair value loss amounting to SR 136 million) driven by a fair value gain of derivative financial instruments.

A change in the underlying assumptions of the valuation of call options of +/- 10% would result in a change in their value of up to approximately +/- SR 750 million. The respective sensitivity in the value of put/call options is approximately +/- SR 225 million.

There is no material unquoted equity instrument at FVOCI to be disclosed separately.

Notes to the interim condensed consolidated financial statements (continued)

All amounts in thousands of Saudi Riyals unless otherwise stated

6. Revenue

Revenue can be broken down as follows:

	For the three months period ended 30 September		For the nine months period ended 30 September	
	2023	2022	2023	2022
Sales of goods	34,929,691	41,783,798	103,090,093	139,149,535
Logistic services	908,923	1,439,472	2,997,306	4,015,181
Rental income	136,689	92,934	417,650	376,098
	35,975,303	43,316,204	106,505,049	143,540,814

Refer Note 8 for the segment and geographical distribution of revenue.

7. Related party transactions and balances

Significant related party transactions and balances can be broken down as follows:

Sales to related parties

	For the three months period ended 30 September		For the nine months period ended 30 September	
	2023	2022	2023	2022
Associates	16,702	8,320	66,564	134,056
Joint ventures	1,846,451	1,954,160	5,318,921	6,206,289
Saudi Aramco and its subsidiaries, associates and joint ventures	4,107,512	4,020,232	9,886,085	10,318,617

Purchase from related parties

	For the three months period ended 30 September		For the nine months period ended 30 September	
	2023	2022	2023	2022
Associates	1,049,329	1,576,070	3,573,392	4,793,688
Joint ventures	4,194,784	4,615,354	12,736,554	15,930,301
Saudi Aramco and its subsidiaries, associates and joint ventures	9,580,221	12,935,954	29,837,703	42,094,147

Amounts owed by related parties	Amounts owed to related parties
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As at 30 September 2023

Associates	30,905	522,901
Joint ventures	1,855,400	3,549,091
Saudi Aramco and its subsidiaries, associates and joint ventures	1,391,308	5,854,946

As at 31 December 2022

Associates	38,555	515,963
Joint ventures	1,328,005	4,081,365
Saudi Aramco and its subsidiaries, associates and joint ventures	1,562,175	7,338,667

Amounts owed by and owed to related parties include current and non-current receivables and payables.

Loans to related parties

	As at 30 September 2023	As at 31 December 2022
Associates	31,357	34,414
Joint ventures	612,863	561,796
Entities (FVOCI equity accounted)	45,725	41,648

Loans to related parties include current and non-current receivables.

Notes to the interim condensed consolidated financial statements (continued)

All amounts in thousands of Saudi Riyals unless otherwise stated

7. Related party transactions and balances (continued)

Transactions and balances with entities controlled by the Saudi government can be detailed as follows:

	For the three months period ended 30 September		For the nine months period ended 30 September	
	2023	2022	2023	2022
Purchases of goods and services	560,631	604,919	1,756,440	2,016,991
Sales of goods and services	2,698	3,207	10,796	12,374
			As at 30 September 2023	As at 31 December 2022
Due to entities controlled by the Saudi government			249,772	348,752
Due from entities controlled by the Saudi government			2,802	8,246

8. Segment information

For management purposes, the Group is organised into three Strategic Business Units ("SBU"), and Hadeed, a wholly owned metal manufacturing business. The Chief Executive Officer monitors the results of its operating segments for the purpose of making decisions about resource allocation and performance assessment.

The reportable segments and regions are identified and the disclosures are selected in line with the internal financial reporting system (management reporting) and based on the SABIC accounting policies.

Hadeed is reported as '*discontinued operation*' in these interim condensed consolidated financial statements (Refer to the Note 4.3).

All intercompany transactions within the reporting segments have been appropriately eliminated.

The segments' key financial data is as follows:

	For the three months period ended 30 September 2023		
	Petrochemicals & Specialties	Agri-nutrients	Continuing Operations
Revenue	33,505,353	2,469,950	35,975,303
Depreciation, amortisation and impairments	(3,704,588)	(225,563)	(3,930,151)
Income from operations	710,738	969,984	1,680,722
Share of results of non-integral associates and joint ventures	(11,697)	(184,192)	(195,889)
Finance income			842,828
Finance cost			(684,311)
Income before zakat and income tax			1,643,350

	For the three months period ended 30 September 2022		
	Petrochemicals & Specialties	Agri-nutrients	Continuing Operations
Revenue	39,051,880	4,264,324	43,316,204
Depreciation, amortisation and impairment	(2,991,305)	(207,380)	(3,198,685)
Income from operations	833,427	2,546,217	3,379,644
Share of results of non-integral associates and joint ventures	(186,530)	808,463	621,933
Finance income			204,601
Finance cost			(944,691)
Income before zakat and income tax			3,261,487

Notes to the interim condensed consolidated financial statements (continued)

All amounts in thousands of Saudi Riyals unless otherwise stated

8. Segment information (continued)

	For the nine months period ended 30 September 2023		
	Petrochemicals & Specialties	Agri-nutrients	Continuing Operations
Revenue	99,115,542	7,389,507	106,505,049
Depreciation, amortisation and impairments	(9,950,556)	(637,693)	(10,588,249)
Income from operations	2,533,368	2,551,190	5,084,558
Share of results of non-integral associates and joint ventures	(240,216)	288,998	48,782
Finance income			2,595,056
Finance cost			(1,895,090)
Income before zakat and income tax			5,833,306

	For the nine months period ended 30 September 2022		
	Petrochemicals & Specialties	Agri-nutrients	Continuing Operations
Revenue	129,544,561	13,996,253	143,540,814
Depreciation, amortisation and impairment	(8,930,038)	(638,999)	(9,569,037)
Income from operations	14,181,788	8,219,758	22,401,546
Share of results of non-integral associates and joint ventures	709,850	2,198,046	2,907,896
Finance income			445,637
Finance cost			(1,900,450)
Income before zakat and income tax			23,854,629

	As at 30 September 2023		
	Petrochemicals & Specialties	Agri-nutrients	Continuing Operations
Total assets	266,856,151	17,108,117	283,964,268
Capital expenditure	6,569,655	731,048	7,300,703
Investment in associates and joint ventures	33,793,588	7,893,635	41,687,223
Total liabilities	87,110,475	2,728,405	89,838,880

	As at 31 December 2022			
	Petrochemicals & Specialties	Agri-nutrients	Hadeed	Total
Total assets	271,936,874	21,536,224	19,632,719	313,105,817
Capital expenditure	8,862,914	771,621	589,147	10,223,682
Investment in associates and joint ventures	34,668,964	6,844,654	173,145	41,686,763
Total liabilities	86,874,558	2,983,373	5,630,627	95,488,558

Notes to the interim condensed consolidated financial statements (continued)

All amounts in thousands of Saudi Riyals unless otherwise stated

8. Segment information (continued)

Geographical distribution of revenue of the continuing operations:

	For the three months period ended 30 September 2023		For the three months period ended 30 September 2022	
		%		%
KSA	4,788,255	13	5,975,086	14
China	7,308,389	20	8,301,525	19
Rest of Asia	7,972,458	22	7,704,347	18
Europe	7,059,235	20	9,636,211	22
Americas	4,006,245	11	5,319,559	12
Africa	1,974,521	6	2,856,477	7
Others	2,866,200	8	3,522,999	8
	35,975,303	100	43,316,204	100

	For the nine months period ended 30 September 2023		For the nine months period ended 30 September 2022	
		%		%
KSA	14,417,570	14	19,589,391	14
China	21,106,458	20	25,999,543	18
Rest of Asia	21,628,878	20	25,998,631	18
Europe	23,402,491	22	33,351,461	23
Americas	11,083,032	10	16,475,235	11
Africa	5,626,863	5	9,478,689	7
Others	9,239,757	9	12,647,864	9
	106,505,049	100	143,540,814	100

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

Geographical distribution for non-current assets excluding financial assets and deferred tax assets of the continuing operations:

	As at 30 September 2023		As at 31 December 2022	
		%		%
KSA	100,743,072	70	112,506,034	71
Europe	18,544,141	13	18,939,974	12
Americas	22,717,148	15	23,517,746	15
Asia	2,840,136	2	2,913,423	2
Africa	38,177	-	12,860	-
	144,882,674	100	157,890,037	100

Notes to the interim condensed consolidated financial statements (continued)

All amounts in thousands of Saudi Riyals unless otherwise stated

9. Appropriations

On 11 Ramadan 1444H (corresponding to 2 April 2023), SABIC distributed cash dividends amounting to SR 6,000 million (at SR 2.00 per share) for the second half of financial year 2022, resulting in a full year cash dividend distribution of SR 12,750 million (at SR 4.25 per share), which was ratified by the General Assembly ("GA") in its meeting held on 4 Dhu Al-Hijjah 1444H (corresponding to 22 June 2023) and recognised in these interim condensed consolidated financial statements for the period ended 30 September 2023.

On 26 Dhu Al Qidah 1444H (corresponding to 15 June 2023), SABIC declared interim cash dividends upon the Board's decision for the first half of the year 2023 amounting to SR 5,400 million (at SR 1.80 per share), which has been recognised in these interim condensed consolidated financial statements for the period ended 30 September 2023.

10. Subsequent events

There have been no significant subsequent events since the period ended 30 September 2023, which would have a material impact on the financial position of the Group as reflected in these interim condensed consolidated financial statements.