

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

Condensed consolidated interim financial statements  
for the quarter ended 31 March 2023 (Unaudited)

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**Commercial registration number** 1010164391

**Directors**

H.E. Yaser Bin Othman Al-Rumayyan - Chairman  
Dr. Abdulaziz bin Saleh Al-Jarbou - Vice chairman  
H.E. Sulaiman Bin Abdulrahman Al-Gwaiz  
H.E. Engr. Khalid Bin Saleh Al-Mudaifer  
Dr. Mohammed Bin Yahya Al-Qahtani  
Mr. Richard O'Brien  
Dr. Ganesh Kishore  
Mr. Abdullah Bin Saleh Bin Jum'ah  
Engr. Nabilah Bint Mohammed Al-Tunisi  
Mr. Robert Wilt  
Ms. Sofia Bianchi\*  
Dr. Samuel Walsh

**Registered address**

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Abi Bakr Asseddiq Road, South  
Exit 6, North Ring Road  
Riyadh 11537  
Kingdom of Saudi Arabia

**Postal address**

P.O. Box 68861  
Riyadh 11537  
Kingdom of Saudi Arabia

**Auditors**

PricewaterhouseCoopers  
Kingdom Tower - 21<sup>st</sup> Floor  
King Fahad Road  
Riyadh 11414  
Kingdom of Saudi Arabia

\* As of 19 December 2022, the Board of Directors appointed Ms. Sofia Bianchi as Non -Executive Board Member. Ms. Sofia Bianchi's appointment as Non -Executive Board Member was approved by the General Assembly on 28 March 2023.

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

Management is responsible for the preparation and presentation of the condensed consolidated interim financial statements that present the condensed consolidated interim financial position of the Group as at 31 March 2023, its condensed consolidated interim financial performance for the quarter ended 31 March 2023, its condensed consolidated interim changes in equity and cash flows for the quarter then ended, in accordance with International Accounting Standard 34 – Interim Financial Reporting ("IAS 34") that is endorsed in the Kingdom of Saudi Arabia and other standards and pronouncements that are issued by the Saudi Organization for Chartered and Professional Accountants ("SOCPA") and should be read in conjunction with the Group's last annual consolidated financial statements for the year ended 31 December 2022.


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


- selecting suitable accounting policies and applying them consistently,
- making judgments and estimates that are reasonable and prudent,
- stating whether IAS 34 that is endorsed in the Kingdom of Saudi Arabia and other standards and pronouncements that are issued by SOCPA, have been followed, subject to any material departures disclosed and explained in the condensed consolidated interim financial statements, and
- preparing and presenting the condensed consolidated interim financial statements on a going concern basis, unless it is inappropriate to presume that the Group and the companies will continue their business for the foreseeable future.

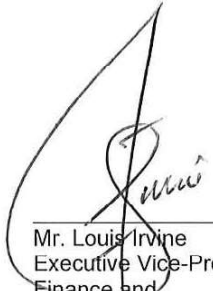
Management is also responsible for:

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

The condensed consolidated interim financial statements for the quarter ended 31 March 2023 set out on pages 5 to 33, were approved and authorized for issue by the Board of Directors on 21 May 2023 and signed on their behalf by:

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

  
Mr. Robert Wilt  
Chief Executive Officer

  
Mr. Louis Irvine  
Executive Vice-President,  
Finance and  
Chief Financial Officer

1st Dhu Al-Qadah, 1444H  
21 May 2023  
Riyadh  
Kingdom of Saudi Arabia



## *Report on review of Condensed Consolidated Interim Financial Statements*

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

### **Introduction**

We have reviewed the accompanying condensed consolidated interim statement of financial position of Saudi Arabian Mining Company (Ma'aden) (the "Company") and its subsidiaries (collectively referred to as the "Group") as of 31 March 2023 and the related condensed consolidated statements of profit or loss, comprehensive income, changes in equity and cash flows for the three-month period then ended and other explanatory notes. Management is responsible for the preparation and presentation of these condensed consolidated interim financial statements in accordance with International Accounting Standard 34 - "Interim Financial Reporting" ("IAS 34"), as endorsed in the Kingdom of Saudi Arabia. Our responsibility is to express a conclusion on these condensed consolidated interim financial statements based on our review.

### **Scope of review**

We conducted our review in accordance with International Standard on Review Engagements 2410, "Review of interim financial information performed by the independent auditor of the entity", as endorsed in the Kingdom of Saudi Arabia. A review of interim financial 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, as endorsed in the Kingdom of Saudi Arabia, and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

### **Conclusion**

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

### **PricewaterhouseCoopers**

A handwritten signature in blue ink, appearing to read 'Bader I. Benmohareb', is written over a faint circular stamp or watermark.

Bader I. Benmohareb  
License Number 471

21 May 2023

	Notes	Quarter ended 31 March 2023	31 March 2022
Sales	6	8,045,093,113	8,914,080,601
Cost of sales		(6,459,462,531)	(5,030,016,591)
<b>Gross profit</b>		<b>1,585,630,582</b>	<b>3,884,064,010</b>
<b>Operating expenses</b>			
Selling, marketing and logistics expenses		(153,915,820)	(220,315,264)
General and administrative expenses		(424,328,871)	(367,632,088)
Exploration and technical services expenses		(77,179,755)	(33,737,353)
<b>Operating profit</b>		<b>930,206,136</b>	<b>3,262,379,305</b>
<b>Other income / (expenses)</b>			
Income from time deposits		201,794,533	17,382,695
Finance cost		(604,024,544)	(294,390,910)
Other income / (expenses), net		(595,628)	(19,205,230)
Share in net profit of joint ventures that have been equity accounted		101,700,693	170,749,931
<b>Profit before zakat and income tax</b>		<b>629,081,190</b>	<b>3,136,915,791</b>
Income tax		(27,871,144)	(57,806,157)
Zakat expense	16	(130,004,017)	(149,608,312)
<b>Profit for the quarter</b>		<b>471,206,029</b>	<b>2,929,501,322</b>
<b>Profit for the quarter is attributable to:</b>			
Ordinary shareholders of the parent company		419,418,967	2,171,921,874
Non-controlling interest		51,787,062	757,579,448
		<b>471,206,029</b>	<b>2,929,501,322</b>
<b>Earnings per ordinary share (Saudi Riyals)</b>			
Basic and diluted earnings per share from continuing operations attributable to ordinary shareholders of the parent company	7	<b>0.17</b>	<b>0.88</b>



		Quarter ended	
	Note	31 March 2023	31 March 2022
<b>Profit for the quarter</b>		<b>471,206,029</b>	2,929,501,322
<b>Other comprehensive income / (loss)</b>			
<i>Items that may be reclassified to profit or loss in subsequent periods</i>			
Gain / (loss) on exchange differences on translation		<b>44,770,236</b>	(8,148,233)
Cash flow hedge – changes in fair value and transfer to profit or loss, net	18	<b>(10,818,728)</b>	147,921,197
<i>Items that will not be reclassified to profit or loss in subsequent periods</i>			
Share in other comprehensive (loss) / income of a joint venture that has been equity accounted		<b>(509,672)</b>	-
Loss attributable to the re-measurements of employees' end of service termination benefits obligation		-	-
<b>Other comprehensive income for the quarter</b>		<b>33,441,836</b>	139,772,964
<b>Total comprehensive income for the quarter</b>		<b>504,647,865</b>	3,069,274,286
<b>Total comprehensive income for quarter is attributable to:</b>			
Ordinary shareholders of the parent company		<b>455,654,241</b>	2,275,177,734
Non-controlling interest		<b>48,993,624</b>	794,096,552
		<b>504,647,865</b>	3,069,274,286

**SAUDI ARABIAN MINING COMPANY (MA'ADEN)**  
(A Saudi Arabian joint stock company)  
**Condensed consolidated interim statement of financial position**  
**as at 31 March 2023 (Unaudited)**  
(All amounts in Saudi Riyals unless otherwise stated)



	Notes	31 March 2023	31 December 2022
<b>Assets</b>			
<b>Non-current assets</b>			
Mine properties	8	11,818,153,248	11,641,414,963
Property, plant and equipment	9	59,917,384,349	60,782,265,017
Right-of-use assets	10	1,885,271,410	1,933,166,318
Capital work-in-progress	11	2,960,649,375	2,632,264,787
Intangible assets and goodwill	12	341,735,157	352,865,302
Investment in joint ventures		1,290,577,199	1,295,727,119
Deferred tax assets		793,324,713	795,766,671
Investment in debt securities		36,266,000	36,266,000
Derivative financial instruments	18	105,633,379	98,983,269
Other non-current assets		927,370,138	883,416,630
<b>Total non-current assets</b>		<b>80,076,364,968</b>	<b>80,452,136,076</b>
<b>Current assets</b>			
Derivative financial instruments	18	30,272,508	34,053,290
Advances and prepayments		635,789,986	484,041,350
Inventories		6,913,110,054	6,874,231,243
Trade and other receivables		6,703,569,244	7,368,933,495
Time deposits		7,996,177,671	10,034,634,217
Cash and cash equivalents		8,959,184,124	6,338,244,185
<b>Total current assets</b>		<b>31,238,103,587</b>	<b>31,134,137,780</b>
<b>Total assets</b>		<b>111,314,468,555</b>	<b>111,586,273,856</b>
<b>Equity and liabilities</b>			
<b>Equity</b>			
Share capital	13	24,611,822,920	24,611,822,920
Share premium		-	-
Statutory reserve		2,508,926,200	2,508,926,200
Other reserves	14	(56,277,963)	(120,164,957)
Retained earnings	14	18,478,999,890	18,068,605,453
Equity attributable to ordinary shareholders of the parent company		45,543,471,047	45,069,189,616
Non-controlling interest		10,343,337,515	10,970,665,499
<b>Total equity</b>		<b>55,886,808,562</b>	<b>56,039,855,115</b>
<b>Non-current liabilities</b>			
Deferred tax liabilities		1,105,607,322	1,106,378,472
Long-term borrowings	15	36,870,980,059	38,051,945,256
Provision for decommissioning, site rehabilitation and dismantling obligations		544,759,347	522,196,141
Non-current portion of lease liabilities		1,507,959,071	1,578,375,271
Employees' benefits		1,096,794,016	1,102,659,912
Trade, projects and other payables		200,875,986	222,191,275
<b>Total non-current liabilities</b>		<b>41,326,975,801</b>	<b>42,583,746,327</b>
<b>Current liabilities</b>			
Trade, projects and other payables		5,350,780,158	4,267,822,976
Accrued expenses		3,872,202,778	4,551,654,359
Zakat and income tax payable		830,561,991	716,892,771
Severance fees payable		108,213,066	21,886,722
Current portion of long-term borrowings	15	3,647,835,807	3,138,686,170
Current portion of lease liabilities		291,090,392	265,729,416
<b>Total current liabilities</b>		<b>14,100,684,192</b>	<b>12,962,672,414</b>
<b>Total liabilities</b>		<b>55,427,659,993</b>	<b>55,546,418,741</b>
<b>Total equity and liabilities</b>		<b>111,314,468,555</b>	<b>111,586,273,856</b>



**SAUDI ARABIAN MINING COMPANY (MA'ADEN)**
**(A Saudi Arabian joint stock company)**
**Condensed consolidated interim statement of changes in equity for the quarter ended 31 March 2023 (Unaudited)**
**(All amounts in Saudi Riyals unless otherwise stated)**


	Equity attributable to ordinary shareholders of the parent company						Non-controlling interest					Total equity
	Share capital (Note 13)	Share premium	Statutory reserve	Other reserves (Note 14)*	Retained earnings (Note 14)*	Sub-total	Share capital	Payments to increase share capital**	Other reserves (Note 14)	Profit attributable to non-controlling interest	Sub-total	
1 January 2022 – as previously reported	12,305,911,460	10,739,190,039	1,577,021,485	(110,830,112)	11,139,961,591	35,651,254,463	7,952,771,882	68,155,432	(13,388,368)	309,778,090	8,317,317,036	43,968,571,499
Reclassification of cash flow hedge reserve (Note 14)	-	-	-	(152,019,272)	152,019,272	-	-	-	(50,943,708)	50,943,708	-	-
1 January 2022 - as represented	12,305,911,460	10,739,190,039	1,577,021,485	(262,849,384)	11,291,980,863	35,651,254,463	7,952,771,882	68,155,432	(64,332,076)	360,721,798	8,317,317,036	43,968,571,499
Profit for the quarter	-	-	-	-	2,171,921,874	2,171,921,874	-	-	-	757,579,448	757,579,448	2,929,501,322
Other comprehensive income for the quarter	-	-	-	103,255,860	-	103,255,860	-	-	36,517,104	-	36,517,104	139,772,964
Total comprehensive income for the quarter	-	-	-	103,255,860	2,171,921,874	2,275,177,734	-	-	36,517,104	757,579,448	794,096,552	3,069,274,286
Revaluation loss on put option for non-controlling interest (Note 19)	-	-	-	(2,627,860)	-	(2,627,860)	-	-	-	-	-	(2,627,860)
Dividend attributable to non-controlling shareholder	-	-	-	-	-	-	-	-	-	(225,000,000)	(225,000,000)	(225,000,000)
31 March 2022 (Note 14)	12,305,911,460	10,739,190,039	1,577,021,485	(162,221,384)	13,463,902,737	37,923,804,337	7,952,771,882	68,155,432	(27,814,972)	893,301,246	8,886,413,588	46,810,217,925
1 January 2023	24,611,822,920	-	2,508,926,200	(120,164,957)	18,068,605,453	45,069,189,616	7,952,771,882	68,155,432	9,708,509	2,940,029,676	10,970,665,499	56,039,855,115
Profit for the quarter	-	-	-	-	419,418,967	419,418,967	-	-	-	51,787,062	51,787,062	471,206,029
Other comprehensive income / (loss) for the quarter	-	-	-	36,744,946	(509,672)	36,235,274	-	-	(2,793,438)	-	(2,793,438)	33,441,836
Total comprehensive income for the quarter	-	-	-	36,744,946	418,909,295	455,654,241	-	-	(2,793,438)	51,787,062	48,993,624	504,647,865
Transactions with non-controlling interest (Note 14, Note 19)	-	-	-	28,094,276	(8,514,858)	19,579,418	-	-	-	(19,579,418)	(19,579,418)	-
Revaluation loss on put option for non-controlling interest (Note 19)	-	-	-	(952,228)	-	(952,228)	-	-	-	-	-	(952,228)
Dividend attributable to non-controlling shareholder	-	-	-	-	-	-	-	-	-	(656,742,190)	(656,742,190)	(656,742,190)
<b>31 March 2023</b>	<b>24,611,822,920</b>	<b>-</b>	<b>2,508,926,200</b>	<b>(56,277,963)</b>	<b>18,478,999,890</b>	<b>45,543,471,047</b>	<b>7,952,771,882</b>	<b>68,155,432</b>	<b>6,915,071</b>	<b>2,315,495,130</b>	<b>10,343,337,515</b>	<b>55,886,808,562</b>

\* Refer to Note 14 for a voluntary reclassification made for prior periods presented.

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

	Notes	Quarter ended	
		31 March 2023	31 March 2022
<b>Operating activities</b>			
Profit before zakat and income tax		629,081,190	3,136,915,791
<b>Adjustments for non-cash flow items:</b>			
Gain / (loss) on exchange differences on translation		46,993,760	(5,482,400)
Property, plant and equipment written-off		2,188,382	-
Income from time deposits		(201,794,533)	(17,382,695)
Finance cost		604,024,544	294,390,910
Depreciation of mine properties	8	169,369,024	196,677,493
(Gain) / Loss on derecognition of property, plant and equipment		(205,939)	407,888
Depreciation of property, plant and equipment	9	968,993,121	889,882,022
Adjustment to right-of-use assets and the corresponding lease liabilities		(2,003,322)	(913,237)
Depreciation of right-of-use assets	10	91,662,867	44,117,650
Amortisation of intangible assets	12	13,776,471	10,625,062
Share in net profit of joint ventures		(101,700,693)	(170,749,931)
ECL provision/(reversal) of provision on trade and other receivables and time deposit		6,721,488	(2,123,494)
Current service cost of employees' termination benefits		38,865,490	37,022,198
Contribution for the employees' savings plan		13,938,100	46,567,010
Provision for severance fees		98,157,154	32,244,128
<b>Changes in working capital:</b>			
Advances and prepayments		(215,646,454)	(238,738,038)
Inventories		(38,878,811)	(490,914,553)
Trade and other receivables		663,381,263	(1,696,632,546)
Projects and other payables – Trade		1,168,190,042	499,941,983
Accrued expenses – Trade		(677,948,334)	681,426,118
Derivative interest paid / adjustment	18	4,016,529	(52,901,947)
Employees' termination benefits paid		(45,927,765)	(8,954,325)
Employees' savings plan withdrawal		(20,936,022)	(32,991,645)
Zakat paid		(5,833,578)	-
Income tax paid		(38,971,074)	(21,007,932)
Finance cost paid		(386,209,621)	(185,839,418)
<b>Net cash generated from operating activities</b>		<b>2,783,303,279</b>	<b>2,945,586,092</b>
<b>Investing activities</b>			
Income received from time deposits		188,374,850	14,410,570
Additions to mine properties	8	(282,099,982)	(281,698,440)
Proceeds from derecognition of property, plant and equipment		1,459,288	2,979,483
Additions to property, plant and equipment	9	(56,505,375)	(41,134,524)
Additions to capital work-in-progress	11	(367,643,963)	(263,084,729)
Additions to intangible assets	12	(2,646,326)	(1,014,956)
Dividend received from a joint venture	17	110,625,000	121,875,000
Investment in joint venture		(4,284,059)	-
Decrease / (increase) in time deposits		2,051,876,229	(1,440,000,000)
Decrease / (increase) in restricted cash		7,845,600	(12,191,303)
Projects and other payables – Projects		(79,406,101)	(276,206,008)
Accrued expenses – Projects		(1,503,247)	22,504,482
<b>Net cash generated from (utilized in) investing activities</b>		<b>1,566,091,914</b>	<b>(2,153,560,425)</b>

**Continued**

	Notes	Quarter ended 31 March 2023	31 March 2022
<b>Financing activities</b>			
Transaction cost paid		-	(38,400,000)
Proceeds from long-term borrowings received		-	480,000,000
Repayment of long-term borrowings		<b>(948,953,327)</b>	(1,764,512,173)
Lease liabilities		<b>(86,819,861)</b>	(43,792,560)
Dividend paid		<b>(656,742,190)</b>	(112,500,000)
Transaction with non-controlling interest		<b>(28,094,276)</b>	-
<b>Net cash utilized in financing activities</b>		<b>(1,720,609,654)</b>	(1,479,204,733)
<b>Net change in cash and cash equivalents</b>			
Unrestricted cash and cash equivalents at the beginning of the quarter		<b>2,628,785,539</b>	(687,179,066)
		<b>6,129,074,231</b>	7,957,963,418
<b>Unrestricted cash and cash equivalents at the end of the quarter</b>		<b>8,757,859,770</b>	7,270,784,352
Restricted cash and cash equivalents at the end of the quarter		<b>201,324,354</b>	190,059,167
<b>Cash and cash equivalents at the end of the quarter</b>		<b>8,959,184,124</b>	7,460,843,519
<b>Non-cash flow transactions</b>			
Transfer to mine properties from capital work-in-progress		<b>139,950</b>	-
Adjustment to the provision for decommissioning, site rehabilitation and dismantling obligation	8	<b>15,855,113</b>	(19,923,075)
Transfer to property, plant and equipment from capital work-in-progress		<b>51,052,423</b>	18,222,226
Addition to right-of-use assets and the corresponding lease liabilities	10	<b>50,765,474</b>	2,240,029
Borrowing cost capitalized as part of capital work-in-progress	11	<b>11,883,389</b>	41,296,627
Borrowing cost capitalized as part of mine under construction	11	<b>44,726,281</b>	-
Amortization of transaction cost capitalized as part of mine under construction	11	<b>3,285,983</b>	3,741,761
Revaluation loss on put option for non-controlling interest	19	<b>(952,228)</b>	(2,627,860)

## 1 General information and significant changes

Saudi Arabian Mining Company ("Ma'aden") (the "Company") was formed as a Saudi Arabian joint stock company, following the Council of Ministers Resolution No. 179 dated 8 Zul Qaida 1417H (corresponding to 17 March 1997) and incorporated in the Kingdom of Saudi Arabia pursuant to the Royal Decree No. M/17 dated 14 Zul Qaida 1417H (corresponding to 23 March 1997) with Commercial Registration No. 1010164391, dated 10 Zul Qaida 1421H (corresponding to 4 February 2001). The Company has an authorized and issued share capital of Saudi Riyals ("SAR") 24,611,822,920 divided into 2,461,182,292 with a nominal value of SAR 10 per share (Note 13).

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

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

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

During the quarter, the Group's performance was impacted principally due to lower commodity prices for its phosphate business unit and higher operating costs of its aluminum business unit. Higher operating costs for aluminum business unit were mainly due to recognition of certain industrial utilities charges received during the year 2022 from a supplier for the periods from 1 January 2021 through 31 December 2022. Subsequent to the year ended 31 December 2022, the Group entered into a settlement arrangement with the supplier and accordingly, a net amount of settlement of SAR 493 million was recognised to cost of sales in these condensed consolidated interim financial statements for the period ended 31 March 2023.

Ma'aden's management believes that the war in Ukraine by itself, has had limited direct material effects on Ma'aden's reported results for the quarter ended 31 March 2023. Ma'aden's management continues to monitor the situation closely.

### **Acquisition and Investment Arrangements during the quarter:**

- a) Ma'aden acquired an additional 3.75% of Meridian Consolidated Investments Limited ("MCIL") (Meridian) which has resulted in its percentage of holding to 96.25% as of 31 March 2023 (Note 19).
- b) Ma'aden established a joint venture with Barrick Gold (T7) Limited named Ma'aden Barrick 2 Limited (MBC2). MBC2 is a Limited Liability Company incorporated on 18 February 2023 in Kingdom of Saudi Arabia, which is also its principal place of business and is owned:
  - 50% by Saudi Arabian Mining Company (Ma'aden) and
  - 50% by Barrick Gold (T7) Limited, an affiliate of Barrick Gold (Holding) Limited

The objective of MBC2 is to expedite the exploration of resources in line with the business strategy in Umm Ad Damar. Ma'aden will contribute amount totaling to SAR 28.5 million from its own resources for the exploration. During the period, Ma'aden contributed SAR 4.3 million as investment in MBC2.

- c) Ma'aden signed a Joint Venture Agreement with the PIF to establish a company (the "New Company") to invest in mining assets internationally to secure strategic minerals. Pursuant to the joint venture agreement, Ma'aden will hold 51% stake and PIF will hold 49% stake in the New Company. The New Company's initial paid-up capital will amount to SAR 187.5 million. Ma'aden will finance its share of this investment, totaling SAR 95.63 million, from its own resources. Also, Ma'aden and PIF agree that if additional funding is required as the business of the New Company develops, that Ma'aden and PIF shall fund the New Company in an amount up to SAR 11.95 billion by way of capital increases or otherwise as agreed between Ma'aden and PIF. Hence, Ma'aden's maximum contribution shall be SAR 6.1 billion, unless Ma'aden and PIF agree otherwise in the future.

This arrangement was approved by the General Assembly held on 28 March 2023.

## 1 General information and significant changes (continued)

### *Acquisition and Investment Arrangements during the quarter: (continued)*

- d) Ma'aden signed a Joint Venture Agreement with Barrick Gold (Singapore) Pte Limited, an affiliate of Barrick Gold Corporation ("Barrick"), to establish a limited liability company between the two parties on the Jabal Sayid south exploration licenses owned by Ma'aden, with a 50:50 ownership between Ma'aden and Barrick. The objective of the new company is to expedite the exploration activities in Jabal Sayid south. The new company will be headquartered in the Kingdom of Saudi Arabia.
- e) Ma'aden signed a Heads of Terms agreement (HoT) with Ivanhoe Electric Inc. (IE) to (i) acquire 10,208,162 shares of common stock representing a 9.9% equity interest in IE at the closing of the transaction which is expected to be during Q2 2023 at a price per share of SAR 46.43 with a total amount around SAR 474 million and Ma'aden will finance the transaction from its own resources, and (ii) form a Saudi joint venture company to be 50:50 owned by Ma'aden and IE to explore and develop mining projects in the Kingdom of Saudi Arabia.

Under the HoT, the proceeds paid by Ma'aden for the 9.9% equity interest in IE will be (i) invested in the working capital and general corporate use of IE, (ii) used to purchase Typhoon™ units and (iii) contributed towards the exploration of prospective lands to be provided by Ma'aden for metallic minerals within the Kingdom.

## 2 Basis of preparation

### *Statement of compliance*

These condensed consolidated interim financial statements have been prepared in accordance with International Accounting Standard 34 "Interim Financial Reporting" ("IAS 34") that is endorsed in the Kingdom of Saudi Arabia and other standards and pronouncements issued by the Saudi Organization for Chartered and Professional Accountants ("SOCPA") and should be read in conjunction with the Group's last annual consolidated financial statements for the year ended 31 December 2022, which have been prepared in accordance with International Financial Reporting Standards ("IFRS") that are endorsed in the Kingdom of Saudi Arabia and other standards and pronouncements issued by SOCPA.

These condensed consolidated interim financial statements do not include all of the information and disclosures required for a complete set of consolidated financial statements. However, selected accounting policies and explanatory notes are included to explain the events and transactions that are significant to the understanding of the changes in the Group's financial position and performance since the last annual consolidated financial statements for the year ended 31 December 2022.

During the quarter ended 30 September 2022, the Group has changed its presentation for interim consolidated financial statements from the complete set prepared under IFRS to condensed set prepared under IAS 34. This change in presentation is in accordance with the standards and pronouncements issued by SOCPA.

These condensed consolidated interim financial statements have been prepared on the historical cost basis except where IFRS requires other measurement basis as disclosed in the annual consolidated financial statements for the year ended 31 December 2022.

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

### 3 Summary of significant accounting policies

The accounting policies adopted are consistent with those of the previous financial year and corresponding interim reporting period, except for the adoption of new and amended standards as set out below.

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

Certain new accounting standards, amendments to standards and interpretations have been published by the International Accounting Standards Board ("IASB") that are not mandatory for 31 March 2023 reporting period and have not been early adopted by the Group. These standards are not expected to have a material impact on the Group in the current or future reporting periods.

#### **New and amended IFRS standards adopted by the Group**

There are certain new standards or amendments to standards which are effective from 1 January 2023, however, they do not have a material effect on the Group's condensed consolidated interim financial statements.

### 4 Critical accounting judgments, estimates and assumptions

There are no significant changes in critical accounting judgments, estimates and assumptions used by management in the preparation of these condensed consolidated interim financial statements from those that were applied and disclosed in the Group's last annual consolidated financial statements for the year ended 31 December 2022.

### 5 Segmental information

#### 5.1 Segment reporting

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

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

The accounting policies used by the Group in reporting business segments internally are the same as those contained in the annual consolidated financial statement for the year ended 31 December 2022.



## 5 Segmental information (continued)

### 5.2 Business segment

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

- **Phosphate Strategic Business Unit Segment**, consist of operations related to:
  - **Phosphate fertilizers & ammonia:** Mining and beneficiation of phosphate concentrated rock at Al-Jalamid & Al-Khabra. The utilization of natural gas and sulphur to produce phosphate fertilizers as well as ammonia products at Ras-Al-Khair.
  - **Industrial Minerals:** the mining of industrial minerals at a kaolin and low grade bauxite mine in the central zone of Az-Zabirah and a high grade magnesite mine at Al-Ghazallah, Multiple Hearth Furnace (MHF) processing plant and a Vertical Shaft Kiln (VSK) processing plant at Al-Madinah Al Munawarah.
  - **Marketing and distribution:** Fertilizer distribution business in the most important global fertilizer markets, mainly in Indian Sub-continent, Africa and South America.
- **Aluminium Strategic Business Unit Segment**, consists of the operations related to:
  - **Primary Aluminium:** the mining of bauxite at the Al-Ba'itha mine, its processing using alumina refinery to produce feedstock for the Aluminium Smelter and produce ingot, billet and slabs.
  - **Flat rolled products:** the use of slabs to produce sheets for auto industry and beverage can body, tab and end for the beverage can industry.
  - **Caustic soda and ethylene dichloride (EDC):** the production of concentrated caustic soda (CCS) and ethylene dichloride (EDC) through Sahara and Ma'aden Petrochemicals Company ("SAMAPCO") (a joint venture). CCS is mostly use in the alumina refinery while EDC is sold to wholesale and retail market.
  - **Aluminium division under Corporate:** responsible for sale and distribution of Ma'aden share of primary aluminium to the market.
- **Base Metals and New Minerals Strategic Business Unit Segment**, consists of operations related to:
  - **Gold:** Gold mines, i.e. Mahd Ad-Dahab, Al-Amar, Bulghah, As-Suq and Ad-Duwayhi, Mansourah-Massarrah and a processing plant at Sukhaybarat which are located in different geographical areas in the Kingdom of Saudi Arabia.
  - **Copper:** Production of copper concentrate and associated minerals through Ma'aden Barrick Copper Company ("MBCC") (a joint venture). The mine is located in the southeast of Al Madinah Al Munawarah.
- **All other segments**, consists of operations related to:
  - **Corporate management functions & support functions:** responsible for effective management, governance and support of overall business including procurement, marketing, project management and execution, exploration, funding & treasury management and other support activities.
  - **Cooperative Insurance:** Insurance represents the operation of Ma'aden RE Limited which carry out cooperative reinsurance and related activities.
  - **Infrastructure:** Involved in the development, construction and delivery of services to Ma'aden entities in the Ras Al Khair area and other mining and industrial locations in the Kingdom of Saudi Arabia. The revenue, costs, assets and liabilities of infrastructure business are apportioned to the Phosphate and Aluminium segment at 67% & 33% respectively.

Corporate management & support functions and Cooperative Insurance are not reportable operating segments, as they are not separately included in the reports provided to the Management Committee.

**SAUDI ARABIAN MINING COMPANY (MA'ADEN)**  
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**Notes to the condensed consolidated interim financial statements for the quarter ended 31 March 2023 (Unaudited)**

(All amounts in Saudi Riyals unless otherwise stated)

**5 Segmental information (continued)**

**5.3 Business segment financial information**

	Notes	Phosphate	Aluminium	Base metals and new minerals	All other segments	Total
<b>Quarter ended 31 March 2023</b>						
Sales of goods and services to external customers	6	5,415,197,438	2,079,788,084	540,733,693	9,373,898	8,045,093,113
Gross profit / (loss)		1,916,674,547	(556,448,948)	216,458,372	8,946,611	1,585,630,582
<b>Net profit / (loss) before zakat and income tax</b>		<b>1,327,944,926</b>	<b>(879,640,703)</b>	<b>227,678,153</b>	<b>(46,901,186)</b>	<b>629,081,190</b>
Less: Income from time deposits		(1,962,746)	(29,850,279)	-	(169,981,508)	(201,794,533)
Add: Finance cost		333,440,815	251,532,638	4,100,343	14,950,748	604,024,544
Add: Non-operating other expense / (income), net		2,091,031	(5,376,414)	1,039,462	2,841,549	595,628
Less: Share in net profit of joint ventures		-	(24,269)	(101,676,424)	-	(101,700,693)
Add: Depreciation and amortization		772,749,614	382,010,491	84,097,863	4,943,515	1,243,801,483
Add: Assets written-off		2,188,382	-	-	-	2,188,382
<b>Underlying EBITDA</b>		<b>2,436,452,022</b>	<b>(281,348,536)</b>	<b>215,239,397</b>	<b>(194,146,882)</b>	<b>2,176,196,001</b>
Net profit / (loss) attributable to ordinary shareholders of the parent company		<b>912,827,707</b>	<b>(634,478,533)</b>	<b>224,247,668</b>	<b>(83,177,875)</b>	<b>419,418,967</b>
<b>Quarter ended 31 March 2022</b>						
Sales of goods and services to external customers	6	5,535,531,129	2,796,622,484	581,926,988	-	8,914,080,601
Gross profit		2,832,697,145	842,202,671	209,164,194	-	3,884,064,010
<b>Net profit / (loss) before zakat and income tax</b>		<b>2,398,594,632</b>	<b>580,558,182</b>	<b>279,037,495</b>	<b>(121,274,518)</b>	<b>3,136,915,791</b>
Less: Income from time deposits		(3,262,376)	(4,356,250)	-	(9,764,069)	(17,382,695)
Add: Finance cost		133,044,517	150,445,816	1,432,985	9,467,592	294,390,910
Add: Non-operating other expenses / (income), net		11,843,732	6,135,440	1,536,000	(309,942)	19,205,230
Less: Share in net profit of joint ventures		-	(23,800,000)	(146,949,931)	-	(170,749,931)
Add: Depreciation and amortization		604,365,643	406,819,596	124,101,121	6,015,867	1,141,302,227
<b>Underlying EBITDA</b>		<b>3,144,586,148</b>	<b>1,115,802,784</b>	<b>259,157,670</b>	<b>(115,865,070)</b>	<b>4,403,681,532</b>
Net profit / (loss) attributable to ordinary shareholders of the parent company		<b>1,660,146,035</b>	<b>421,167,332</b>	<b>273,485,822</b>	<b>(182,877,315)</b>	<b>2,171,921,874</b>

## 5 Segmental information (continued)

## 5.3 Business segment financial information (continued)

	Notes	Phosphate	Aluminium	Base metals and new minerals	All other segments	Total
<b>As at 31 March 2023</b>						
Mine properties	8	5,229,230,711	1,140,551,357	5,448,371,180	-	11,818,153,248
Property, plant and equipment	9	32,703,342,632	27,117,557,416	658,283	95,826,018	59,917,384,349
Right-of-use assets	10	836,486,654	1,004,191,945	41,712,598	2,880,213	1,885,271,410
Capital work-in-progress	11	2,084,789,888	748,045,414	19,605,863	108,208,210	2,960,649,375
Intangible assets and goodwill	12	249,796,869	54,940,506	12,040,199	24,957,583	341,735,157
Investment in joint ventures		-	347,949,837	942,627,362	-	1,290,577,199
Total assets		50,320,755,555	37,635,762,097	7,508,857,241	15,849,093,662	111,314,468,555
Long-term borrowings		22,957,417,313	15,751,927,366	1,334,311,974	-	40,043,656,653
Lease liabilities		796,689,567	952,588,084	46,803,637	2,968,175	1,799,049,463
Total liabilities		30,030,897,640	21,119,555,275	2,432,350,362	1,844,856,716	55,427,659,993
<b>As at 31 December 2022</b>						
Mine properties	8	5,305,251,439	1,147,214,122	5,188,949,402	-	11,641,414,963
Property, plant and equipment	9	33,258,229,108	27,425,887,969	706,487	97,441,453	60,782,265,017
Right-of-use assets	10	862,246,987	1,016,337,177	51,362,211	3,219,943	1,933,166,318
Capital work-in-progress	11	1,908,162,330	613,952,622	17,528,797	92,621,038	2,632,264,787
Intangible assets and goodwill	12	253,555,297	58,841,957	12,522,605	27,945,443	352,865,302
Investment in joint ventures		-	347,925,568	947,801,551	-	1,295,727,119
Total assets		52,172,089,233	38,891,774,075	7,303,566,755	13,218,843,793	111,586,273,856
Long-term borrowings		23,020,018,826	16,613,054,474	1,331,025,990	-	40,964,099,290
Lease liabilities		823,611,145	960,137,807	57,045,418	3,310,317	1,844,104,687
Total liabilities		29,991,914,762	21,087,917,474	2,426,121,966	2,040,464,539	55,546,418,741

## 6 Sales

	Quarter ended	
	31 March 2023	31 March 2022
<b>Phosphate segment</b>		
Ammonia phosphate fertilizer and ammonia		
• Sale of goods	5,161,919,947	5,055,500,974
Movement in provisional product prices during the quarter	(128,739,116)	126,016,109
	<b>5,033,180,831</b>	<b>5,181,517,083</b>
• Rendering of transportation services	<b>226,988,598</b>	173,479,840
	<b>5,260,169,429</b>	5,354,996,923
Industrial minerals		
• Sale of goods	36,268,319	51,726,424
• Rendering of transportation services	<b>605,050</b>	1,640,712
	<b>36,873,369</b>	53,367,136
<b>Sub-total</b>	<b>5,297,042,798</b>	5,408,364,059
<b>Aluminium segment</b>		
Primary aluminium		
• Sale of goods	774,756,557	1,576,281,149
Movement in provisional product prices during the quarter	<b>8,580</b>	(1,650,933)
	<b>774,765,137</b>	1,574,630,216
• Rendering of transportation services	<b>4,977,140</b>	21,781,703
	<b>779,742,277</b>	1,596,411,919
Alumina		
• Sale of goods	<b>223,410,565</b>	59,877,296
Flat rolled products		
• Sale of goods	<b>1,060,523,755</b>	1,138,435,734
• Rendering of transportation services	<b>16,111,486</b>	1,889,997
	<b>1,076,635,241</b>	1,140,325,731
<b>Sub-total</b>	<b>2,079,788,083</b>	2,796,614,946
<b>Precious and base metals segment</b>		
Gold		
• Sale of goods	<b>522,377,194</b>	569,960,404
Movement in provisional product prices during the quarter	<b>18,356,499</b>	11,966,584
<b>Sub-total</b>	<b>540,733,693</b>	581,926,988
<b>Infrastructure</b>		
Rendering of services	-	11,250
<b>Insurance premium earned</b>	<b>9,373,898</b>	-
<b>Others</b>	<b>118,154,641</b>	127,163,358
<b>Total</b>	<b>8,045,093,113</b>	8,914,080,601

## 6 Sales (continued)

### 6.1 Timing of revenue recognition

	Quarter ended	
	31 March 2023	31 March 2022
At a point in time		
- sale of goods	7,778,923,559	8,714,832,012
- rendering of services	-	11,250
<b>Sub-total</b>	<b>7,778,923,559</b>	<b>8,714,843,262</b>
Over a period of time		
- rendering of transportation and personnel services	256,795,656	199,237,339
- Insurance services	9,373,898	-
<b>Sub-total</b>	<b>266,169,554</b>	<b>199,237,339</b>
<b>Total</b>	<b>8,045,093,113</b>	<b>8,914,080,601</b>

## 7 Earnings per ordinary share

	Note	Quarter ended	
		31 March 2023	31 March 2022
Earnings attributable to ordinary shareholders of the parent company		419,418,967	2,171,921,874
Weighted average number of ordinary shares used as the denominator in calculating basic and diluted earnings per share *	13	2,461,182,292	2,461,182,292
Basic and diluted earnings per ordinary share from continuing operations *		0.17	0.88

Basic and diluted earnings per ordinary share is calculated by dividing the profit attributable to the ordinary shareholders of the parent company by the weighted average number of ordinary shares in issue during the period (Note 13).

\* As a result of issuance of bonus shares during 2022, (Note 13), the outstanding weighted average number of ordinary shares post the bonus shares issuance have been used for calculation of basic and diluted earnings per ordinary share from continuing operations, for period presented.

## 8 Mine properties

	Exploration and evaluation assets	Mines under construction	Operating mines							Stripping activity asset	Mining capital work-in-progress	Total
			Land and buildings*	Plant and equipment*	Office equipment*	Motor vehicles	Furniture and fittings*	Mine closure and rehabilitation provision				
<b>Cost</b>												
1 January 2023	229,110,226	3,497,398,717	4,247,416,903	8,225,152,437	31,632,346	26,543,591	33,052,427	247,139,648	694,581,301	443,043,582	17,675,071,178	
Additions during the quarter	6,935,705	263,358,988	-	3,060,852	-	-	-	-	32,349,358	24,407,343	330,112,246	
Transfers within mine properties	-	-	10,943,115	-	-	-	-	-	-	(10,943,115)	-	
Transfer from capital work-in-progress	-	-	-	-	-	-	-	-	-	139,950	139,950	
Decrease in mine closure and rehabilitation provision	-	4,773,519	-	-	-	-	-	11,081,594	-	-	15,855,113	
<b>31 March 2023</b>	<b>236,045,931</b>	<b>3,765,531,224</b>	<b>4,258,360,018</b>	<b>8,228,213,289</b>	<b>31,632,346</b>	<b>26,543,591</b>	<b>33,052,427</b>	<b>258,221,242</b>	<b>726,930,659</b>	<b>456,647,760</b>	<b>18,021,178,487</b>	
<b>Accumulated depreciation</b>												
1 January 2023	-	-	1,582,911,311	3,881,583,006	21,610,726	24,225,932	32,700,494	88,120,486	402,504,260	-	6,033,656,215	
Charge for the quarter	-	-	31,990,435	121,306,856	507,975	312,717	258,663	2,383,271	12,609,107	-	169,369,024	
<b>31 March 2023</b>	<b>-</b>	<b>-</b>	<b>1,614,901,746</b>	<b>4,002,889,862</b>	<b>22,118,701</b>	<b>24,538,649</b>	<b>32,959,157</b>	<b>90,503,757</b>	<b>415,113,367</b>	<b>-</b>	<b>6,203,025,239</b>	
<b>Net book value as at</b>												
31 December 2022	229,110,226	3,497,398,717	2,664,505,592	4,343,569,431	10,021,620	2,317,659	351,933	159,019,162	292,077,041	443,043,582	11,641,414,963	
<b>31 March 2023</b>	<b>236,045,931</b>	<b>3,765,531,224</b>	<b>2,643,458,272</b>	<b>4,225,323,427</b>	<b>9,513,645</b>	<b>2,004,942</b>	<b>93,270</b>	<b>167,717,485</b>	<b>311,817,292</b>	<b>456,647,760</b>	<b>11,818,153,248</b>	

\*During the period, the Group has combined following previously presented asset categories, based on similar nature, to achieve better and uniform presentation as explained below:

- "Mine infrastructure / Buildings" and "Civil works" are combined and presented as "Land and buildings".
- "Fixed plant" and "Heavy equipment" are combined and presented as "Plant and equipment".
- "Others" has been segregated and presented as "Office equipment", "Furniture and fittings" and "Plant and equipment".



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**Notes to the condensed consolidated interim financial statements for the quarter ended 31 March 2023 (Unaudited)**

(All amounts in Saudi Riyals unless otherwise stated)

**9 Property, plant and equipment**

	-----Non-mining assets-----					Total
	Land and buildings*	Plant and equipment*	Office equipment	Furniture and fittings	Motor vehicles	
<b>Cost</b>						
1 January 2023	29,465,700,140	56,332,959,352	111,939,905	95,200,794	55,906,566	86,061,706,757
Addition during the quarter	6,977,566	45,198,944	496,291	535,852	3,296,722	56,505,375
Transfer from capital work-in-progress	-	51,052,423	-	-	-	51,052,423
Written-off during the quarter	-	(12,530,485)	-	(336,432)	-	(12,866,917)
Foreign currency translation adjustments	-	-	(3,065)	(5,293)	-	(8,358)
Disposal	-	(1,769,159)	(1,213,768)	(327,582)	(2,513,818)	(5,824,327)
<b>31 March 2023</b>	<b>29,472,677,706</b>	<b>56,414,911,075</b>	<b>111,219,363</b>	<b>95,067,339</b>	<b>56,689,470</b>	<b>86,150,564,953</b>
<b>Accumulated depreciation</b>						
1 January 2023	5,731,828,011	19,321,064,485	95,952,525	84,127,264	46,469,455	25,279,441,740
Charge for the quarter	223,693,975	740,230,344	2,189,143	1,502,536	1,377,123	968,993,121
Written-off during the quarter	-	(10,361,728)	-	(316,807)	-	(10,678,535)
Foreign currency translation adjustments	-	-	(1,831)	(2,913)	-	(4,744)
Disposal	-	(1,201,672)	(905,527)	(208,247)	(2,255,532)	(4,570,978)
<b>31 March 2023</b>	<b>5,955,521,986</b>	<b>20,049,731,429</b>	<b>97,234,310</b>	<b>85,101,833</b>	<b>45,591,046</b>	<b>26,233,180,604</b>
<b>Net book value as at</b>						
31 December 2022	23,733,872,129	37,011,894,867	15,987,380	11,073,530	9,437,111	60,782,265,017
<b>31 March 2023</b>	<b>23,517,155,720</b>	<b>36,365,179,646</b>	<b>13,985,053</b>	<b>9,965,506</b>	<b>11,098,424</b>	<b>59,917,384,349</b>

\*During the period, the Group has combined following previously presented asset categories, based on similar nature, to achieve better and uniform presentation as explained below:

- "Land", "Civil works" and "Buildings" are combined and presented as "Land and buildings".
- "Fixed plant", "Heavy equipment" and "Other equipment" are combined and presented as "Plant and equipment".

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(A Saudi Arabian joint stock company)

**Notes to the condensed consolidated interim financial statements for the quarter ended 31 March 2023 (Unaudited)**

(All amounts in Saudi Riyals unless otherwise stated)

**10 Right-of-use assets**

	<b>Equipment*</b>	<b>Land and buildings*</b>	<b>Motor vehicles</b>	<b>Vessels</b>	<b>Total</b>
<b>Cost</b>					
1 January 2023	1,326,941,979	550,609,817	146,514,432	894,173,769	2,918,239,997
Additions during the quarter	-	16,172,817	-	34,592,657	50,765,474
Retirement / re-measurement	-	(6,997,515)	-	(62,634,337)	(69,631,852)
<b>31 March 2023</b>	<b>1,326,941,979</b>	<b>559,785,119</b>	<b>146,514,432</b>	<b>866,132,089</b>	<b>2,899,373,619</b>
<b>Accumulated depreciation</b>					
1 January 2023	456,558,549	157,457,866	81,937,348	289,119,916	985,073,679
Charge for the quarter	17,642,368	8,487,501	9,163,002	56,369,996	91,662,867
Retirement / re-measurement	-	-	-	(62,634,337)	(62,634,337)
<b>31 March 2023</b>	<b>474,200,917</b>	<b>165,945,367</b>	<b>91,100,350</b>	<b>282,855,575</b>	<b>1,014,102,209</b>
<b>Net book value as at</b>					
31 December 2022	870,383,430	393,151,951	64,577,084	605,053,853	1,933,166,318
<b>31 March 2023</b>	<b>852,741,062</b>	<b>393,839,752</b>	<b>55,414,082</b>	<b>583,276,514</b>	<b>1,885,271,410</b>

\*During the period, the Group has combined following previously presented asset categories, based on similar nature, to achieve better and uniform presentation as explained below:

- a) "Fixed plant" and "Heavy equipment" are combined and presented as "Equipment".
- b) "Land" and "Infrastructure" are combined and presented as "Land and buildings".

**SAUDI ARABIAN MINING COMPANY (MA'ADEN)**  
**(A Saudi Arabian joint stock company)**  
**Notes to the condensed consolidated interim financial statements**  
**for the quarter ended 31 March 2023 (Unaudited)**  
 (All amounts in Saudi Riyals unless otherwise stated)

**11 Capital work-in-progress**

	<b>Property, plant and equipment</b>	<b>Phosphate 3 project</b>	<b>Total</b>
1 January 2023	2,312,231,411	320,033,376	2,632,264,787
Additions during the quarter	371,159,814	8,367,538	379,527,352
Transfer to property, plant and equipment	(51,052,423)	-	(51,052,423)
Transfer to mine properties	(139,950)	-	(139,950)
Foreign currency translation adjustments	49,609	-	49,609
<b>31 March 2023</b>	<b><u>2,632,248,461</u></b>	<b><u>328,400,914</u></b>	<b><u>2,960,649,375</u></b>

The Group has capitalized the following financial charges as part of qualifying assets during the quarter:

<b>Notes</b>	<b>31 March 2023</b>	<b>31 March 2022</b>
Net borrowing cost attributable to qualifying assets under capital work-in-progress and mine properties, using a capitalization rate ranging from 3.1% to 6.3% per annum (31 March 2022: 2.6% to 3.55% per annum)	<b>56,609,670</b>	41,296,627
Amortization of transaction cost on long-term borrowings	<b>3,285,983</b>	3,741,761
<b>Total</b>	<b><u>59,895,653</u></b>	<u>45,038,388</u>

**SAUDI ARABIAN MINING COMPANY (MA'ADEN)**

(A Saudi Arabian joint stock company)

Notes to the condensed consolidated interim financial statements for the quarter ended 31 March 2023 (Unaudited)

(All amounts in Saudi Riyals unless otherwise stated)

**12 Intangible assets and goodwill**

	Internally developed software	Technical development	Software and licenses	Goodwill	Customer relationships*	Non-core contract*	Total
<b>Cost</b>							
1 January 2023	12,380,781	18,229,675	376,041,955	159,465,843	75,375,000	10,500,000	651,993,254
Additions during the quarter	-	-	2,646,326	-	-	-	2,646,326
<b>31 March 2023</b>	<b>12,380,781</b>	<b>18,229,675</b>	<b>378,688,281</b>	<b>159,465,843</b>	<b>75,375,000</b>	<b>10,500,000</b>	<b>654,639,580</b>
<b>Accumulated amortization</b>							
1 January 2023	12,380,781	17,990,964	234,034,332	-	25,753,125	8,968,750	299,127,952
Charge for the quarter	-	26,228	11,209,618	-	1,884,375	656,250	13,776,471
<b>31 March 2023</b>	<b>12,380,781</b>	<b>18,017,192</b>	<b>245,243,950</b>	<b>-</b>	<b>27,637,500</b>	<b>9,625,000</b>	<b>312,904,423</b>
<b>Net book value as at</b>							
31 December 2022	-	238,711	142,007,623	159,465,843	49,621,875	1,531,250	352,865,302
<b>31 March 2023</b>	<b>-</b>	<b>212,483</b>	<b>133,444,331</b>	<b>159,465,843</b>	<b>47,737,500</b>	<b>875,000</b>	<b>341,735,157</b>

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

### 13 Share capital

	Note	31 March 2023	31 December 2022
<b>Authorized, issued and fully paid</b>			
1,230,591,146		12,305,911,460	12,305,911,460
Ordinary shares with a nominal value of SAR 10 per share			
1,230,591,146	13.1	12,305,911,460	12,305,911,460
Ordinary shares with a nominal value of SAR 10 per share, following the issuance of bonus shares			
<b><u>2,461,182,292</u></b>	<b>Total</b>	<b><u>24,611,822,920</u></b>	<b><u>24,611,822,920</u></b>

#### 13.1 Issuance of bonus shares during 2022

On 24th February 2022, the Board of Directors of the Group recommended to the Extraordinary General Assembly to increase the Company's capital from SAR 12,305,911,460 to SAR 24,611,822,920 by granting bonus shares (1 share for every 1 share owned). The increase in the paid-up capital of SAR 12,305,911,460 was recommended to be capitalized from share premium and part of retained earnings.

The recommended grant of bonus shares was approved by the Extraordinary General Assembly on 30 May 2022 and the related legal formalities for issuance of such bonus shares were completed.

#### 13.2 Proposed grant of bonus shares during 2023

On 12th of February 2023, the Board of Directors of the Group recommended to the Extraordinary General Assembly to increase the Company's capital from SAR 24,611,822,920 to SAR 36,917,734,380 by granting bonus shares (1 share for every 2 shares owned). The increase in the paid-up capital of SAR 12,305,911,460 will be capitalized from statutory reserve and part of retained earnings.

The proposed grant of bonus shares is subject to obtaining necessary approvals from official authorities and Extraordinary General Assembly on the capital increase and number of bonus shares.

#### 14 Other reserves

	Notes	31 March 2023	31 March 2022	31 December 2022
<b>Attributable to ordinary shareholders of the parent company</b>				
Accumulated (gain) / losses on cash flow hedge reserve	18	<b>(81,964,884)</b>	41,226,296	(90,068,111)
Accumulated loss on exchange differences on translation		<b>103,335,716</b>	68,325,017	148,183,889
Put option on non-controlling interest	19	<b>26,717,841</b>	44,480,781	53,859,889
Share of other non-distributable reserves		<b>8,189,290</b>	8,189,290	8,189,290
<b>Sub-total</b>		<b>56,277,963</b>	162,221,384	120,164,957
<b>Attributable to non-controlling interest</b>				
Accumulated (gain) / losses on cash flow hedge reserve	18	<b>(27,467,537)</b>	13,815,487	(30,183,038)
Accumulated loss on exchange differences on translation		<b>19,107,297</b>	12,554,316	19,029,360
Share of other non-distributable reserves		<b>1,445,169</b>	1,445,169	1,445,169
<b>Sub-total</b>		<b>(6,915,071)</b>	27,814,972	(9,708,509)
<b>Total</b>		<b>49,362,892</b>	190,036,356	110,456,448

During the 2022, the Group has voluntarily reclassified the "cash flow hedge reserve attributable to ordinary shareholders of the parent company" from "Retained earnings" and presented it within "Other reserves" for better presentation. The comparative information as of 31 March 2022 has been restated to conform to the new presentation.

Below table shows the effect of such reclassification on the comparative information:

	As previously reported	Reclassification	As restated
<b>As at 31 March 2022</b>			
Retained earnings	13,422,676,441	41,226,296	13,463,902,737
Other reserve	(120,995,088)	(41,226,296)	(162,221,384)
Total equity	46,810,217,925	-	46,810,217,925



## 15 Long-term borrowings

	31 March 2023	31 December 2022
<b>Facilities utilized under:</b>		
Common Terms Agreements ("CTAs"):		
MAC	7,994,660,998	8,862,587,036
MRC	1,155,000,000	1,155,000,000
MBAC	6,426,386,175	6,426,386,175
MWSPC	17,639,657,182	17,639,657,182
MGBM facility	1,400,000,000	1,400,000,000
Murabaha Facility Agreements ("MFAs"):		
MIC	493,000,000	493,000,000
MPC	-	-
Sukuk Facility Agreement ("SFA"):		
MPC	3,500,000,000	3,500,000,000
MFC Facility	1,200,000,000	1,200,000,000
MCIL	787,100,545	868,127,834
<b>Total borrowings</b>	<b>40,595,804,900</b>	41,544,758,227
Less: Transaction cost balance at the quarter / year end	<b>(552,148,247)</b>	(580,658,937)
<b>Total borrowings, net of transaction cost</b>	<b>40,043,656,653</b>	40,964,099,290
<b>Add: Accrued finance cost</b>	<b>475,159,213</b>	226,532,136
<b>Less: Current portion of borrowings shown under current liabilities</b>	<b>(3,647,835,807)</b>	(3,138,686,170)
<b>Long-term portion of borrowings</b>	<b><u>36,870,980,059</u></b>	<u>38,051,945,256</u>

### Transition from IBORs to risk free rates

IBOR reform represents the reform and replacement of interest rate benchmarks by global regulators. The Group has a number of contracts, primarily referenced to USD London Interbank offer rates ("USD LIBOR") and Saudi Interbank offer rates (SIBOR). For USD LIBOR, the most applicable tenor (6-month USD LIBOR) for the Group is expected to cease to be published on 30 June 2023.

The Group is currently analyzing the exposure to IBOR benchmarks and evaluating the potential impact of the transition. As per the initial transition plan, all contracts and agreements that are based on USD LIBOR and are not expiring at the cessation dates, will be renegotiated with counterparties to reflect the alternative benchmarks.

## 15 Long-term borrowings (continued)

The following table contains details of all financial instruments of the Group which are based on USD LIBOR as at 31 March 2023 and are currently in process of transitioning to an alternative benchmark:

### Financial instruments:

Non-derivative financial liabilities	13,890,684,770
Derivative financial assets	89,270,148

LIBOR reforms and expectation of cessation of LIBOR will impact the Group's current risk management strategy and possibly accounting for certain financial instruments.

As part of the Group's risk management strategy, the Group uses financial instruments to manage exposures arising from variation of interest rates that could affect profit or loss and other comprehensive income and applies hedge accounting to these instruments. Majority of those financial instruments are also referenced to LIBOR.

The Group is assessing the impact and next steps to ensure a smooth transition from LIBOR to the new benchmark rates.

## 16 Zakat and income tax assessments

The Company and its wholly owned subsidiaries have filed their consolidated zakat returns up to 31 December 2022 and have received zakat certificates for the same. The Company and its wholly owned subsidiaries have finalized its assessments with the Zakat, Tax and Customs Authority "ZATCA" up to 31 December 2013.

The ZATCA has issued revised assessments for the years ended 31 December 2014 to 2018 with an additional zakat liability of approximately SAR 63 million. The Company has filed an appeal against the ZATCA's revised assessments with the General Secretariat of Tax Committees ("GSTC") for the years 2014 to 2018 which resulted in a reduction of zakat liability by SAR 47 million. The Company filed an appeal with Appellate Committee for Tax Violations and Disputes Resolution ("ACTVDR") on items not accepted by GSTC for the years ended 31 December 2014 to 2018.

In respect of partly owned subsidiaries, comprising of Saudi and foreign shareholders, zakat and income tax returns have been filed from the date of incorporation until 31 December 2022 and zakat and income tax certificates up to 31 December 2022 have been received.

The ZATCA has issued revised assessments for the years 2015 to 2018 for MAC and MBAC and for 2015 for MRC with an additional zakat liability of approximately SAR 24 million, SAR 34 million and SAR 10 million, respectively. MAC, MBAC and MRC have filed an appeal against the ZATCA's revised assessments with the GSTC. GSTC has subsequently revised assessments for MAC and MBAC with a reduction in zakat liability by SAR 6 million and SAR 29 million, respectively. MAC and MBAC have filed an appeal against the GSTC resolution on the remaining zakat claim of SAR 18 million and SAR 5 million, respectively. In relation to MRC, the ZATCA issued a final assessment for the year 2016 with an additional zakat liability of approximately SAR 8 million which was accepted without appeal by MRC and therefore was fully settled. MWSPC received assessment for the year 2016 with an additional zakat of SAR 0.78 million which was accepted without appeal by MWSPC and therefore was fully settled. During the quarter, MWSPC received notification of clearance for years 2017 and 2018 with no additional liability. MPC zakat declaration for the years up to 2017 have been finalized by ZATCA. Based on the Group's assessment, it is not anticipated that any material liabilities, other than currently recognized, will be incurred as a result of outstanding assessments.

## 17 Related party transactions and balances

### 17.1 Related party transactions

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

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

	Quarter ended 31 March 2023	31 March 2022
Sales of MAC to Alcoa Inespal, S.A., in accordance with a shareholders off-take agreement, during the quarter	197,166,968	412,409,646
Sales of MPC through SABIC (a government controlled entity), in accordance with a marketing agreement, during the quarter	397,501,638	549,171,650
Sales of MWSPC through SABIC, in accordance with a marketing agreement, during the quarter	336,831,621	372,994,350
Sales of MWSPC through The Mosaic Company, in accordance with a marketing agreement, during the quarter	497,907,985	286,516,103
Cost of seconded employees, technology fee and other cost charged by Alcoa Corporation during the quarter to MAC and MBAC	2,912,638	7,943,524
Cost of seconded employees, technology fee and other cost charged by The Mosaic Company during the quarter to MWSPC	11,740,904	5,447,874
Purchase of raw material from SAMAPCO (a joint venture) during the quarter	114,156,541	126,430,318
Purchase of raw material supplies from Saudi Aramco (a government controlled entity)	433,184,832	586,526,672
MPC	167,385,589	267,688,820
MWSPC	265,799,243	318,837,852
Finance cost incurred on long term borrowings from Public Investment Fund (MAC and MBAC)	99,328,203	32,333,212
Dividend received from MBCC (a joint venture)	110,625,000	121,875,000
Dividend declared attributable to non-controlling shareholders:		
SABIC (MPC and MWSPC)	506,250,000	225,000,000
Mosaic Company (MWSPC)	93,750,000	-
Alcoa Saudi Smelting Inversiones S.L. (MAC)	56,742,190	-

### 17.2 Related party balances

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

	31 March 2023	31 December 2022
<b>Trade and other receivables due from:</b>		
Non-controlling shareholders:		
• SABIC in MPC – trade	183,824,975	129,194,835
• SABIC in MWSPC - trade	227,815,103	265,949,560
<b>Sub-total – trade receivables due from SABIC</b>	<b>411,640,078</b>	<b>395,144,395</b>
• The Mosaic Company in MWSPC - trade	142,281,371	275,937,379
<b>Sub-total – trade receivables due from non-controlling shareholders</b>	<b>553,921,449</b>	<b>671,081,774</b>
Subsidiaries of a non-controlling shareholder:		
• Alcoa Inespal, S.A. in MAC - trade	197,698,106	266,737,806
A joint venture company:		
• MBCC - other	284,846	141,818
Parent company of a non-controlling shareholder:		
• Rebate receivable from Saudi Aramco related to purchase of molten sulfur by MPC and MWSPC	296,803,481	619,914,001
<b>Total</b>	<b>1,048,707,882</b>	<b>1,557,875,399</b>

## 17 Related party transactions and balances (continued)

### 17.2 Related party balances (continued)

	31 March 2023	31 December 2022
<b>Long-term borrowings from Public Investment Fund (“PIF”) (a sovereign wealth fund of the Kingdom of Saudi Arabia), a 67.18% shareholder in Ma’aden</b>		
Due to PIF for the financing of the:		
• MAC facility	3,404,241,950	3,912,137,330
• MBAC facility	2,583,195,425	2,583,195,425
<b>Total</b>	<b>5,987,437,375</b>	<b>6,495,332,755</b>

The Group also has borrowing arrangements with certain other governmental agencies at market terms.

	31 March 2023	31 December 2022
<b>Payable to the parent company (ultimate shareholder) of a non-controlling shareholder:</b>		
• Accrued expenses due to Alcoa Corporation in MAC and MBAC	4,197,340	1,616,821
<b>Payable to the parent company of a non-controlling shareholder:</b>		
• Trade payable to Saudi Aramco by MPC and MWSPC	17,539,391	88,439,998
<b>Payable to a non-controlling shareholder:</b>		
• Accrued expenses due to The Mosaic Company in MWSPC	2,568,225	-
<b>Payable to a joint venture company:</b>		
• SAMAPCO – trade	51,759,927	68,230,333

### 17.3 Key management personnel compensation

	Quarter ended 31 March 2023	31 March 2022
Short-term employee benefits	30,195,148	11,908,447
Employees’ end of service termination benefits	1,130,799	526,275
<b>Total</b>	<b>31,325,947</b>	<b>12,434,722</b>

## 18 Derivative financial instruments (asset) / liability

	Quarter ended 31 March 2023	31 March 2022	Year ended 31 December 2022
1 January	(133,036,559)	229,266,382	229,266,382
Net accrued derivative interest	(13,688,056)	(20,539,855)	(39,088,812)
Accrual / (reversal) during the quarter / year	(17,704,585)	32,362,092	56,112,449
Received / (paid) during the quarter / year	4,016,529	(52,901,947)	(95,201,261)
Loss / (gain) in fair value of hedge instrument 31 March / 31 December	10,818,728 (135,905,887)	(147,921,197) 60,805,330	(323,214,129) (133,036,559)
<b>Less: current portion derivative financial instruments</b>	<b>30,272,508</b>	-	34,053,290
<b>Non-current portion</b>	<b>(105,633,379)</b>	60,805,330	(98,983,269)

Loss / (gain) in fair value of hedge instrument is attributable to:

	Quarter ended 31 March 2023	31 March 2022	Year ended 31 December 2022
Ordinary shareholders of the parent company	8,103,227	(110,792,976)	(242,087,383)
Non-controlling interest	2,715,501	(37,128,221)	(81,126,746)
<b>Total</b>	<b>10,818,728</b>	(147,921,197)	(323,214,129)

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

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

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

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

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

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

	31 March 2023	31 March 2022	31 December 2022
Carrying amount (asset) / liability – MBAC	(58,997,640)	1,043,032	(54,730,074)
Carrying amount (asset) / liability – MAC	(76,908,247)	59,762,298	(78,306,485)
Carrying amount (asset) / liability	(135,905,887)	60,805,330	(133,036,559)
Notional amount	4,847,437,500	4,847,437,500	4,847,437,500
Hedge ratio	1:1	1:1	1:1
Loss / (gain) in value of hedge item used to determine hedge effectiveness	10,818,728	(147,921,197)	(323,214,129)

## 18 Derivative financial instruments (asset) / liability (continued)

Accumulated (gain) / loss in fair value of outstanding hedging instruments:

	Quarter ended 31 March 2023	31 March 2022	Year ended 31 December 2022
1 January	(120,251,149)	202,962,980	202,962,980
Change in fair value of hedging instrument recognized in OCI	(6,885,857)	(115,559,105)	(267,101,680)
Transferred from OCI to profit or loss	17,704,585	(32,362,092)	(56,112,449)
Changes in fair value and transfer to profit or loss, net	10,818,728	(147,921,197)	(323,214,129)
<b>31 March / 31 December</b>	<b>(109,432,421)</b>	<b>55,041,783</b>	<b>(120,251,149)</b>

## 19 Projects, trade and other payables (Non-controlling interest Put options)

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

	31 March 2023	31 December 2022
1 January	53,859,889	41,852,921
Settlement during the quarter	(28,094,276)	-
Revaluation loss	952,228	12,006,968
<b>31 March / 31 December</b>	<b>26,717,841</b>	<b>53,859,889</b>

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

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

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

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

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

During 2021, the Group acquired first and second tranche and acquired additional 3.75% against each tranche from the non-controlling equity holders of Meridian. On 13 October 2021 and 6 December 2021, such acquisition of additional cumulative 7.5% of Meridian was completed after obtaining all the necessary regulatory and legal approvals. During Q1 2023, the Group acquired third tranche with an additional 3.75% from the non-controlling equity holders of Meridian. For the remaining fourth tranche, the Group has estimated the fair value of liability using the probabilities of un-discounted cash outflow scenarios in the range up to SAR 32 million at the exercise of the option. A pre-tax discount rate of 28.9% has been used for redemptions values based on the options. This is a level 3 fair valuation as per IFRS 13.



## 20 Commitments and contingent liabilities

### 20.1 Capital commitments

	31 March 2023	31 December 2022
<b>Capital expenditure contracted for:</b>		
Property, plant and equipment	<b>1,668,608,030</b>	574,052,923

### 20.2 Guarantees

	31 March 2023	31 December 2022
Guarantee in favor of Saudi Aramco, for future diesel and gas feedstock supplies	<b>234,517,088</b>	234,030,088
Guarantee in favor of Saudi Aramco for future supply of molten sulfur	<b>426,937,500</b>	426,937,500
Guarantees in favor of Ministry of Industry and Mineral Resources, for future purified phosphoric acid, fuel and feed stocks supplies	<b>262,500,000</b>	262,500,000
Guarantee in favor of Saudi Ports Authority (a government-controlled entity)	<b>6,671,580</b>	6,671,580
Guarantee in favor of Ras Al-Khair Port for land lease	<b>30,916,900</b>	30,916,900
Others	<b>1,575,791</b>	2,134,622
<b>Total</b>	<b>963,118,859</b>	963,190,690

### 20.3 Letters of credit

	31 March 2023	31 December 2022
Sight letters of credit for purchasing equipment and materials	<b>27,225,000</b>	26,606,250
Letter of Credit in favor of Jordan Phosphate Mine for future supply of concentrated rock	<b>46,406,250</b>	4,383,750
Letter of Credit in favor of Glama Maschinenbau GMBH	<b>3,327,931</b>	3,266,466
Letter of Credit in favor of SMS Group GMBH	<b>4,724,947</b>	4,637,680
Letter of Credit in favor of Engro Eximp FZE	-	14,175,000
<b>Total</b>	<b>81,684,128</b>	53,069,146

### 20.4 Contingencies

The Group has contingent liabilities from time to time with respect to certain disputed matters, including claims by and against contractors and lawsuits and arbitrations involving a variety of issues relating to the Group's capital projects. Based on the Group's assessment, it is not anticipated that any material liabilities will be incurred as a result of these contingencies.

## 21 Fair value estimation

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Management believes that the fair values of the Group's financial assets and liabilities are not materially different from their carrying values.

Financial instruments are carried at fair value, using the following different levels of valuation methods:

- Level 1 -** inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the Group can access at the measurement date.
- Level 2 -** inputs are inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.
- Level 3 -** inputs are unobservable inputs for the asset or liability.

If the inputs used to measure the fair value of an asset or liability falls into different levels of the fair value hierarchy, then the fair value measurement is categorized in its entirety in the same level of the fair value hierarchy as the lowest input level that is significant to the entire measurement.

The Group recognizes transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.

The fair value of trade receivables carried at FVTPL are valued using valuation techniques, which employ the use of market observable inputs. The valuation techniques incorporate various inputs including the credit quality of counterparties and forward rate curves of the underlying commodity. As at the reporting date, the marked-to-market value of provisionally priced trade receivables is net of a credit valuation adjustment attributable to customer default risk. The changes in counterparty credit risk had no material effect on financial instruments recognised at fair value.

The table below presents the financial assets and financial liabilities at their fair values as at the reporting date based on the fair value hierarchy:

	Notes	Level 1	Level 2	Level 3	Total
<b>As at 31 March 2023</b>					
<b>Financial assets</b>					
Derivative financial instrument (asset)	18	-	135,905,887	-	135,905,887
Trade receivables		-	3,120,767,798	-	3,120,767,798
		-	3,256,673,685	-	3,256,673,685
<b>Financial liabilities</b>					
Projects, trade and other payables (Non-controlling interest put options)	19	-	-	26,717,841	26,717,841
<b>As at 31 December 2022</b>					
<b>Financial assets</b>					
Derivative financial instruments (asset)	18	-	133,036,559	-	133,036,559
Trade receivables		-	3,539,666,792	-	3,539,666,792
		-	3,672,703,351	-	3,672,703,351
<b>Financial liabilities</b>					
Trade, projects, and other payables (Non-controlling interest put options)	19	-	-	53,859,889	53,859,889
		-	-	53,859,889	53,859,889

There were no transfers between fair value levels during the quarter and year 2023 and 2022 respectively.