

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

Condensed consolidated interim financial statements
for the quarter and six months ended 30 June 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*

Registered address

Building number 395
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 - 21st 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 30 June 2023, its condensed consolidated interim financial performance for the quarter and six months ended 30 June 2023, its condensed consolidated interim changes in equity and cash flows for the six months 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 applicable 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 and six months ended 30 June 2023 set out on pages 5 to 36, were approved and authorized for issue by the Board of Directors on 10 August 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

23rd Muharram, 1445H
10th August 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 30 June 2023 and the related condensed consolidated statements of profit or loss and comprehensive income for the three-month and six-month periods then ended and the condensed consolidated interim statements of changes in equity and cash flows for the six-month period ended 30 June 2023 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

10 August 2023

SAUDI ARABIAN MINING COMPANY (MA'ADEN)
(A Saudi Arabian joint stock company)
Condensed consolidated interim statement of profit or loss
for the quarter and six months ended 30 June 2023 (Unaudited)
(All amounts in Saudi Riyals unless otherwise stated)



	Notes	Quarter ended		Six months ended	
		30 June 2023	30 June 2022	30 June 2023	30 June 2022
Sales	6	6,966,269,838	11,876,156,403	15,011,362,951	20,790,237,004
Cost of sales		<u>(5,350,415,377)</u>	<u>(5,718,162,867)</u>	<u>(11,809,877,908)</u>	<u>(10,748,179,458)</u>
Gross profit		1,615,854,461	6,157,993,536	3,201,485,043	10,042,057,546
Operating expenses					
Selling, marketing and logistics expenses		<u>(168,559,824)</u>	<u>(201,961,650)</u>	<u>(322,475,644)</u>	<u>(422,276,914)</u>
General and administrative expenses		<u>(440,860,783)</u>	<u>(347,152,080)</u>	<u>(858,468,166)</u>	<u>(714,784,168)</u>
Exploration and technical services expenses		<u>(118,995,504)</u>	<u>(55,107,479)</u>	<u>(196,175,259)</u>	<u>(88,844,832)</u>
Expected credit loss allowance		<u>(44,044,755)</u>	-	<u>(50,766,243)</u>	-
Operating profit		843,393,595	5,553,772,327	1,773,599,731	8,816,151,632
Other income / (expenses)					
Income from time deposits		213,071,641	41,377,756	414,866,174	58,760,451
Finance cost		<u>(554,389,631)</u>	<u>(298,100,103)</u>	<u>(1,158,414,175)</u>	<u>(592,491,013)</u>
Other income / (expenses), net		18,628,040	(29,117,732)	18,032,412	(48,322,962)
Share in net profit of joint ventures that have been equity accounted		<u>80,594,610</u>	<u>198,943,930</u>	<u>182,295,303</u>	<u>369,693,861</u>
Profit before zakat, income tax and severance fees		601,298,255	5,466,876,178	1,230,379,445	8,603,791,969
Income tax	16.1	38,774,274	(126,740,481)	10,903,130	(184,546,638)
Zakat expense	16.1	<u>(55,201,930)</u>	<u>(152,484,678)</u>	<u>(185,205,947)</u>	<u>(302,092,990)</u>
Severance fees	16.2	<u>(267,803,620)</u>	-	<u>(267,803,620)</u>	-
Profit for the quarter / period		317,066,979	5,187,651,019	788,273,008	8,117,152,341
Profit / (loss) for the quarter / period is attributable to:					
Ordinary shareholders of the parent company		350,941,901	4,028,117,244	770,360,868	6,200,039,118
Non-controlling interest		<u>(33,874,922)</u>	<u>1,159,533,775</u>	<u>17,912,140</u>	<u>1,917,113,223</u>
		<u>317,066,979</u>	<u>5,187,651,019</u>	<u>788,273,008</u>	<u>8,117,152,341</u>
Earnings per ordinary share (Saudi Riyals)					
Basic and diluted earnings per share from continuing operations attributable to ordinary shareholders of the parent company					
	7	<u>0.10</u>	<u>1.09</u>	<u>0.21</u>	<u>1.68</u>

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


SAUDI ARABIAN MINING COMPANY (MA'ADEN)
(A Saudi Arabian joint stock company)
Condensed consolidated interim statement of comprehensive income
for the quarter and six months ended 30 June 2023 (Unaudited)
(All amounts in Saudi Riyals unless otherwise stated)



Note	Quarter ended		Six months ended	
	30 June 2023	30 June 2022	30 June 2023	30 June 2022
Profit for the quarter / period	317,066,979	5,187,651,019	788,273,008	8,117,152,341
Other comprehensive (loss) / income				
<i>Items that may be reclassified to profit or loss in subsequent periods</i>				
(Loss) / gain on exchange differences on translation	(11,023,884)	(64,722,849)	33,746,352	(72,871,082)
Cash flow hedge – changes in fair value and transfer to profit or loss, net	18 (11,097,919)	77,990,201	(21,916,647)	225,911,398
<i>Items that will not be reclassified to profit or loss in subsequent periods</i>				
Share in other comprehensive income / (loss) of a joint venture that has been equity accounted	-	1,448,695	(509,672)	1,448,695
Other comprehensive (loss) / income for the quarter / period	(22,121,803)	14,716,047	11,320,033	154,489,011
Total comprehensive income / (loss) for the quarter / period	294,945,176	5,202,367,066	799,593,041	8,271,641,352
Total comprehensive income / (loss) for the quarter / period is attributable to:				
Ordinary shareholders of the parent company	332,019,071	4,028,111,965	787,673,312	6,303,289,699
Non-controlling interest	(37,073,895)	1,174,255,101	11,919,729	1,968,351,653
	294,945,176	5,202,367,066	799,593,041	8,271,641,352


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SAUDI ARABIAN MINING COMPANY (MA'ADEN)
(A Saudi Arabian joint stock company)
Condensed consolidated interim statement of financial position
as at 30 June 2023 (Unaudited)
(All amounts in Saudi Riyals unless otherwise stated)



	Notes	30 June 2023	31 December 2022
Assets			
Non-current assets			
Mine properties	8	11,983,758,677	11,641,414,963
Property, plant and equipment	9	59,234,000,164	60,782,265,017
Right-of-use assets	10	1,854,675,992	1,933,166,318
Capital work-in-progress	11	2,936,330,236	2,632,264,787
Intangible assets and goodwill	12	362,579,617	352,865,302
Investment in joint ventures		1,397,421,809	1,295,727,119
Deferred tax assets		1,344,363,342	795,766,671
Investment in debt securities		36,266,000	36,266,000
Derivative financial instruments	18	-	98,983,269
Other non-current assets		904,110,477	883,416,630
Total non-current assets		80,053,506,314	80,452,136,076
Current assets			
Derivative financial instruments	18	135,048,774	34,053,290
Advances and prepayments		446,885,108	484,041,350
Inventories		7,416,054,657	6,874,231,243
Trade and other receivables		5,949,604,851	7,368,933,495
Time deposits		5,718,638,703	10,034,634,217
Cash and cash equivalents		8,340,886,543	6,338,244,185
Total current assets		28,007,118,636	31,134,137,780
Total assets		108,060,624,950	111,586,273,856
Equity and liabilities			
Equity			
Share capital	13	36,917,734,380	24,611,822,920
Statutory reserve		-	2,508,926,200
Other reserves	14	(67,991,715)	(120,164,957)
Retained earnings	14	9,032,956,531	18,068,605,453
Equity attributable to ordinary shareholders of the parent company		45,882,699,196	45,069,189,616
Non-controlling interest		10,306,263,620	10,970,665,499
Total equity		56,188,962,816	56,039,855,115
Non-current liabilities			
Deferred tax liabilities		1,567,450,493	1,106,378,472
Long-term borrowings	15	33,255,539,505	38,051,945,256
Provision for decommissioning, site rehabilitation and dismantling obligations		540,110,328	522,196,141
Non-current portion of lease liabilities		1,459,131,377	1,578,375,271
Employees' benefits		1,124,651,996	1,102,659,912
Trade, projects and other payables		207,526,135	222,191,275
Total non-current liabilities		38,154,409,834	42,583,746,327
Current liabilities			
Trade, projects and other payables		4,661,042,547	4,267,822,976
Accrued expenses		4,760,833,428	4,551,654,359
Zakat and income tax payable		290,402,529	716,892,771
Severance fees payable	16.2	334,381,440	21,886,722
Current portion of long-term borrowings	15	3,366,162,673	3,138,686,170
Current portion of lease liabilities		304,429,683	265,729,416
Total current liabilities		13,717,252,300	12,962,672,414
Total liabilities		51,871,662,134	55,546,418,741
Total equity and liabilities		108,060,624,950	111,586,273,856

H.E. Sulaiman Bin Abdulrahman Al-Gwaiz
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Chief Executive Officer

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

SAUDI ARABIAN MINING COMPANY (MA'ADEN)

(A Saudi Arabian joint stock company)


Condensed consolidated interim statement of changes in equity for the six months ended 30 June 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	Retained earnings	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 period	-	-	-	-	6,200,039,118	6,200,039,118	-	-	-	1,917,113,223	1,917,113,223	8,117,152,341
Other comprehensive income for the period	-	-	-	101,801,886	1,448,695	103,250,581	-	-	51,238,430	-	51,238,430	154,489,011
Total comprehensive income for the period	-	-	-	101,801,886	6,201,487,813	6,303,289,699	-	-	51,238,430	1,917,113,223	1,968,351,653	8,271,641,352
Revaluation loss on put option for non-controlling interest (Note 19)	-	-	-	(5,255,720)	-	(5,255,720)	-	-	-	-	-	(5,255,720)
Dividend attributable to non-controlling interest	-	-	-	-	-	-	-	-	-	(225,000,000)	(225,000,000)	(225,000,000)
Issuance of bonus shares	12,305,911,460	(10,739,190,039)	-	-	(1,566,721,421)	-	-	-	-	-	-	-
30 June 2022	24,611,822,920	-	1,577,021,485	(166,303,218)	15,926,747,255	41,949,288,442	7,952,771,882	68,155,432	(13,093,646)	2,052,835,021	10,060,668,689	52,009,957,131
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 period	-	-	-	-	770,360,868	770,360,868	-	-	-	17,912,140	17,912,140	788,273,008
Other comprehensive income / (loss) for the period	-	-	-	17,822,116	(509,672)	17,312,444	-	-	(5,992,411)	-	(5,992,411)	11,320,033
Total comprehensive income / (loss) for the period	-	-	-	17,822,116	769,851,196	787,673,312	-	-	(5,992,411)	17,912,140	11,919,729	799,593,041
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)	-	-	-	(2,699,055)	-	(2,699,055)	-	-	-	-	-	(2,699,055)
Dividend attributable to non-controlling interest	-	-	-	-	-	-	-	-	-	(656,742,190)	(656,742,190)	(656,742,190)
Charge for the employees' share-based payment plan which will be equity-settled (Note 14.1)	-	-	-	8,955,905	-	8,955,905	-	-	-	-	-	8,955,905
Issuance of bonus shares (Note 13)	12,305,911,460	-	(2,508,926,200)	-	(9,796,985,260)	-	-	-	-	-	-	-
30 June 2023	36,917,734,380	-	-	(67,991,715)	9,032,956,531	45,882,699,196	7,952,771,882	68,155,432	3,716,098	2,281,620,208	10,306,263,620	56,188,962,816

* 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.



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
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SAUDI ARABIAN MINING COMPANY (MA'ADEN)
(A Saudi Arabian joint stock company)
Condensed consolidated interim statement of cash flows
for the six months ended 30 June 2023 (Unaudited)
(All amounts in Saudi Riyals unless otherwise stated)



	Notes	Six months end	
		30 June 2023	30 June 2022
Operating activities			
Profit before zakat, income tax and severance fees		1,230,379,445	8,603,791,969
Adjustments for non-cash flow items:			
Gain / (loss) on exchange differences on translation		36,123,259	(47,202,820)
Property, plant and equipment written-off	9	3,153,494	-
Income from time deposits		(414,866,174)	(58,760,451)
Finance cost		1,158,414,175	592,491,013
Depreciation of mine properties	8	326,087,244	362,859,977
(Gain) / loss on derecognition of property, plant and equipment		(327,323)	3,624,686
Depreciation of property, plant and equipment	9	1,988,374,151	1,801,091,424
Adjustment to right-of-use assets and the corresponding lease liabilities		(3,336,339)	3,835,445
Depreciation of right-of-use assets	10	178,936,851	251,141,839
Amortisation of intangible assets	12	25,973,555	24,196,165
Share in net profit of joint ventures that have been equity accounted		(182,295,303)	(369,693,861)
Expected credit loss allowance		50,766,243	(1,983,563)
Adjustment to mine closure provision		(36,372)	-
Current service cost of employees' benefits		70,729,257	69,283,460
Contribution for the employees' savings plan		26,701,834	66,583,934
Charge for employees' share-based payment plan which will be equity-settled	14.1	8,955,905	-
Provision for severance fees	16.2	30,528,879	94,355,667
Changes in working capital:			
Advances and prepayments		(47,962,683)	(243,923,146)
Inventories		(541,823,414)	(406,320,149)
Trade and other receivables		1,391,263,404	(2,668,558,004)
Projects and other payables – Trade		507,097,023	(74,894,165)
Accrued expenses – Trade		233,526,307	401,284,239
Derivative interest paid / adjustment	18	21,513,500	(64,493,081)
Employees' benefits paid		(60,213,717)	(23,616,509)
Employees' savings plan withdrawal		(31,652,200)	(47,163,898)
Zakat paid		(491,882,825)	(266,275,910)
Income tax paid		(148,368,699)	(110,432,629)
Severance fees paid	16.2	(1,208,755)	-
Finance cost paid		(1,212,769,758)	(528,043,151)
Net cash generated from operating activities		4,151,780,964	7,363,178,481
Investing activities			
Income received from time deposits		378,985,459	47,160,158
Additions to mine properties	8	(491,188,479)	(597,259,749)
Proceeds from derecognition of property, plant and equipment		2,090,676	13,365,550
Additions to property, plant and equipment	9	(59,151,690)	(94,113,580)
Additions to capital work-in-progress	11	(733,100,080)	(481,120,629)
Additions to intangible assets	12	-	(23,462,062)
Dividend received from a joint venture	17	180,000,000	262,500,000
Investment in joint ventures		(99,909,059)	928,557
Decrease / (increase) in time deposits		4,351,876,229	(3,900,000,000)
Decrease / (increase) in restricted cash		5,779,121	(17,716,692)
Projects and other payables – Projects		(103,147,371)	(522,109,528)
Accrued expenses – Projects		(24,347,238)	6,496,939
Net cash generated from (utilized in) investing activities		3,407,887,568	(5,305,331,036)


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SAUDI ARABIAN MINING COMPANY (MA'ADEN)
(A Saudi Arabian joint stock company)
Condensed consolidated interim statement of cash flows
for the six months ended 30 June 2023 (Unaudited)
(All amounts in Saudi Riyals unless otherwise stated)

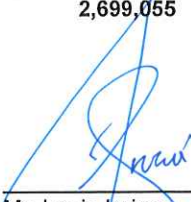


Continued

	Notes	Six months end 30 June 2023	30 June 2022
Financing activities			
Transaction cost paid		-	(55,656,000)
Proceeds from long-term borrowings received		-	776,795,085
Repayment of long-term borrowings		(4,688,756,774)	(3,182,193,348)
Lease liabilities		(177,653,813)	(242,742,226)
Dividend paid to non-controlling interest		(656,742,190)	(225,000,000)
Transaction with non-controlling interest		(28,094,276)	-
Net cash utilized in financing activities		(5,551,247,053)	(2,928,796,489)
Net change in cash and cash equivalents			
Unrestricted cash and cash equivalents at the beginning of the period		2,008,421,479	(870,949,044)
		6,129,074,231	7,957,963,418
Unrestricted cash and cash equivalents at the end of the period		8,137,495,710	7,087,014,374
Restricted cash and cash equivalents at the end of the period		203,390,833	195,584,556
Cash and cash equivalents at the end of the period		8,340,886,543	7,282,598,930
Non-cash flow transactions			
Transfer to mine properties from capital work-in-progress	8, 11	34,435,020	1,505,146
Increase / (decrease) provision for decommissioning, site rehabilitation and dismantling obligation	8	4,481,524	(193,239,961)
Transfer to property, plant and equipment from capital work-in-progress	9, 11	385,972,498	347,873,512
Addition to right-of-use assets and the corresponding lease liabilities	10	102,228,154	697,553,378
Borrowing cost capitalized as part of capital work-in-progress	11	27,060,757	76,127,543
Borrowing cost capitalized as part of mine under construction	11	131,952,778	23,354,073
Amortization of transaction cost capitalized as part of mine under construction	11	6,373,157	6,840,699
Transfer to intangible assets from capital work-in-progress	12, 11	35,687,870	54,414,280
Revaluation loss on put option for non-controlling interest	19	2,699,055	5,255,720


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


Mr. Robert Wilt
Chief Executive Officer


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

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 Dhu Al. Qa'dah 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") 36,917,734,380 divided into 3,691,773,438 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.

Ma'aden's management believes that the war in Ukraine by itself, has had limited direct material effect on Ma'aden's reported results for the quarter and six months ended 30 June 2023. Ma'aden's management continues to monitor the situation closely.

The financial position and performance of the Group was particularly affected by the following material events and transactions during the period to 30 June 2023:

- a) lower commodity prices for aluminium and phosphate business units, which was partially offset by higher sales volumes for phosphate business unit.
- b) higher operating costs for aluminum business unit also 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 30 June 2023.
- c) higher finance costs during the period due to higher interest rates on borrowings.
- d) one-off operating costs in aluminium business unit amounting to SAR 132 million for relining of pots within smelter plants which were initially written-off during 2022.
- e) higher operating costs in aluminium business unit amounting to SAR 204 million for certain industrial utilities charges from a supplier on a gross demand consumption.
- f) additional severance fees charge in phosphate and base metals and new minerals business units amounting to SAR 137 million and SAR 55 million, respectively, which was assessed during the quarter under the Saudi Mining Investment Law relating to severance fees return for the year 2022 (Note 16.2).
- g) net deferred severance fees credit amounting to SAR 50 million recognised for certain components of severance fees accounted during the quarter under IAS 12 "Income Taxes" (Note 16.2). Accordingly, deferred severance fees assets and liabilities were recognised amounting to SAR 508 million and SAR 458 million, respectively.
- h) Ma'aden Wa'ad Al-Shamal Phosphate Company ("MWSPC") made repayment of long-term borrowings amounting to SAR 3 billion ahead of repayment schedule.

1 General information and significant changes (continued)

Acquisition and investment arrangements during the period:

- 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 30 June 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 the Kingdom of Saudi Arabia, which is also its principal place of business and is owned:
- 50% by 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 established a wholly owned company named Ma'aden Strategic Minerals Mining Company ("MSMM") with a share capital of SAR 1 million. MSMM is a Limited Liability Company incorporated on 17 April 2023 in the Kingdom of Saudi Arabia, which is also its principal place of business.
- d) Ma'aden established a joint venture with Public Investment Fund ("PIF") named Manara Minerals Investment Company ("Manara"). Manara is a Limited Liability Company incorporated on 6 June 2023 in the Kingdom of Saudi Arabia, which is also its principal place of business and is owned:
- 51% by Ma'aden and
 - 49% by PIF

The objective of Manara is to invest in mining assets internationally to secure strategic minerals. Manara initial paid-up capital amounts to SAR 187.5 million. Ma'aden and PIF agreed that if additional funding is required as the business of Manara develops, Ma'aden and PIF shall fund Manara in an amount up to SAR 11.95 billion by way of capital increases or otherwise as and when 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. During the period, Ma'aden contributed SAR 95.6 million to Manara as its initial paid-up capital. Subsequent to the period end, on 27 July 2023, Manara through its wholly owned subsidiary signed a binding agreement to acquire 10% of Vale Base Metals Limited ("Vale"), based on an enterprise value of SAR 97.5 billion. Ma'aden share of contribution in acquiring interest in Vale amounts to approximately SAR 5 billion which will be contributed to Manara as capital contribution from the Group's own resources. Vale has projects in world leading mining jurisdictions including Canada, Brazil and Indonesia. Manara's investment into Vale will play a key role in helping it expand the production of copper and nickel across its asset portfolio, which are critical to the development of new technologies that will benefit the global energy transition.

- e) Ma'aden established a joint venture with Barrick Gold (Singapore) Pte Limited named Ma'aden Barrick 3 Limited (MBC3). MBC3 is a Limited Liability Company incorporated on 22 June 2023 in the Kingdom of Saudi Arabia, which is also its principal place of business and is owned:
- 50% by Ma'aden and
 - 50% by Barrick Gold (Singapore) Pte Limited, an affiliate of Barrick Gold Corporation

The objective of MBC3 is to expedite the exploration of resources in line with the business strategy in Jabal Sayid south.

- f) As a result of Heads of Terms agreement (HoT) between Ma'aden and Ivanhoe Electric Inc. (IE), a company incorporated in Delaware, on 15 May 2023, Ma'aden executed Common Stock Subscription Agreement with IE to acquire 9.9% equity interest in IE. Subsequent to the period ended 30 June 2023, Ma'aden concluded the acquisition in IE with an investment of SAR 477 million representing 9.9% equity interest in IE. 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 of Saudi Arabia.

1 General information and significant changes (continued)

- g) As a result of HoT between Ma'aden and IE, it was further agreed to 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. During the period, Ma'aden established a joint venture with IE named Ma'aden Ivanhoe Electric Exploration and Development Limited Company ("Ma'aden IE Electric"). Ma'aden IE Electric is a Limited Liability Company incorporated on 22 June 2023 in Kingdom of Saudi Arabia, which is also its principal place of business and is owned:
- 50% by Ma'aden and
 - 50% by Ivanhoe Electric Mena Holding Limited, an affiliate of IE

The objective of Ma'aden IE Electric is to explore and develop mining project in Kingdom of Saudi Arabia. Subsequent to the period ended 30 June 2023, Ma'aden contributed SAR 0.05 million in cash as its initial paid-up capital and SAR 247.5 million in kind against additional capital contribution.

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 changed its presentation for interim consolidated financial statements from the complete set prepared under IFRS that are endorsed in the Kingdom of Saudi Arabia and other standards and pronouncements issued by SOCPA 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 that are endorsed in the Kingdom of Saudi Arabia and other standards and pronouncements issued by SOCPA 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 along with adoption of a standard as a result of new transaction or event occurred for the first time during the period 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"), endorsed in the Kingdom of Saudi Arabia by SOCPA, that are not mandatory for 30 June 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's condensed consolidated interim financial statements in the current or future reporting periods.

3 Summary of significant accounting policies (continued)

New and amended IFRS standards adopted by the Group

The Group adopted following standard, that is endorsed in the Kingdom of Saudi Arabia, effective from 1 January 2023:

IFRS 17 “Insurance Contracts”: In May 2017, the IASB issued IFRS 17, Insurance Contracts, which introduces a new comprehensive accounting model for insurance contracts, and sets out the principles for the recognition, measurement, presentation, and disclosure for the issuers of those contracts. The new standard replaces IFRS 4, Insurance Contracts, that was issued in 2005, and allowed insurers to use a range of different accounting treatments for insurance contracts. There is no material impact on the Group’s condensed consolidated interim financial statements from the adoption of IFRS 17.

There are no other amendments or interpretations that are effective from 1 January 2023 that have a material effect on the Group’s condensed consolidated interim financial statements.

IFRS 2 “Share-based payment”: Share-based compensation benefits are provided to certain eligible employees of the Group via Employee Stock Incentive Program (“Plan”). Information relating to the Plan is set out in Note 14.1.

The fair value of shares granted under the Plan is recognised as an expense (*salaries and staff related benefits*), with a corresponding increase in equity (*Other reserves*). The total amount to be expensed is determined by reference to the fair value of the shares granted:

- a) including any market conditions (e.g. the Company’s share price)
- b) excluding the impact of any service and non-market performance vesting conditions (e.g. profitability, sales growth targets and remaining an employee of the entity over a specified time period), and
- c) including the impact of any non-vesting conditions (e.g. the requirement for employees to save or hold shares for a specific period of time).

The total expense is recognised over the vesting period, which is the period over which all of the specified vesting conditions are to be satisfied. At the end of each reporting period, the Group revises its estimates of the number of shares that are expected to vest based on the non-market vesting and service conditions. It recognises the impact of the revision to original estimates, if any, in the statement of profit or loss, with a corresponding adjustment to equity.

No expense is recognised for awards that do not ultimately vest because service conditions have not been met.

When the terms of the Plan are modified, the minimum expense recognised is the expense as if the terms had not been modified if the original terms of the award are met. An additional expense is recognised for any modification that increases the total fair value of the share-based payment transaction or is otherwise beneficial to the employee as measured at the date of the modification.

When the Plan is terminated, it is treated as if the shares vested on the date of termination, and any expense not yet recognised for the Plan is recognised immediately. This includes any award where non-vesting service conditions within the control of either the Group or the employees are not met. However, if a new plan is substituted for the terminated plan and designated as a replacement award, the terminated and new plans are treated as if they were a modification of the original plan.

Severance fees: Effective from 1 January 2021 onwards, as per the Mining Investment Law as issued via Ministerial Resolution No. 1006/1/1442 dated 9 Jumada Al-Awwal 1442H (corresponding to 17 April 2021) (the “Mining Law”), the Group is required to pay to the Government of Saudi Arabia severance fee representing equivalent of a) 20% of hypothetical income net of proportionate zakat due to Zakat, Tax and Customs Authority (“ZATCA”) and b) specified percentage of the net value of the minerals upon extraction. Up to 31 March 2023, severance fees amount was shown as part of cost of sales in the condensed consolidated interim statement of profit or loss. As a result of new interpretation under the Mining Law advised by the Ministry of Industry and Mineral Resources (the “Ministry”) during the quarter ended 30 June 2023, the Group has accounted for severance fees representing the equivalent of 20% of hypothetical income net of proportionate zakat due to ZATCA under International Accounting Standard 12 (“IAS 12”) “Income Taxes” (Note 16.2). Accounting policies with respect to taxes and deferred taxes are disclosed in the Group’s annual consolidated financial statements for the year ended 31 December 2022.

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. Also see Note 16 for change in severance fees estimate and judgment.

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.

5.2 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.

5 Segment information (continued)

5.2 Business segment (continued)

- **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.
 - **Exploration activities:** Exploration activities for potential minerals through Ma'aden Barrick 2 Limited ("MBC2") and Ma'aden Barrick 3 Limited ("MBC3"). The principal location for exploration activities is at Umm Ad Damar and Jabal Sayid south.
- **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 Aluminium and Phosphate segment at 67% and 33% respectively.

Corporate management and support functions, cooperative insurance and investment activities through Manara (a joint venture) 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)

(A Saudi Arabian joint stock company)

Notes to the condensed consolidated interim financial statements for the quarter and six months ended 30 June 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
Six months ended 30 June 2023						
Sales of goods and services to external customers	6	9,456,917,659	4,257,215,420	1,278,393,328	18,836,544	15,011,362,951
Gross profit / (loss)		3,118,333,876	(558,741,303)	623,915,248	17,977,222	3,201,485,043
Net profit / (loss) before zakat, income tax and severance fees		1,908,939,117	(1,217,791,499)	624,946,735	(85,714,908)	1,230,379,445
Less: Income from time deposits		(1,954,379)	(43,418,750)	-	(369,493,045)	(414,866,174)
Add: Finance cost		621,585,476	497,959,350	8,200,685	30,668,664	1,158,414,175
Add: Non-operating other (income) / expense, net		(16,983,245)	(895,027)	(2,885,636)	2,731,496	(18,032,412)
Less: Share in net loss / (profit) of joint ventures that have been equity accounted		-	7,276,737	(189,572,040)	-	(182,295,303)
Add: Depreciation and amortization		1,525,966,383	829,597,616	153,875,625	9,932,177	2,519,371,801
Add: Assets written-off		3,153,494	-	-	-	3,153,494
Underlying EBITDA		4,040,706,846	72,728,427	594,565,369	(411,875,616)	4,296,125,026
Net profit / (loss) attributable to ordinary shareholders of the parent company		927,047,434	(640,096,595)	648,062,459	(164,652,430)	770,360,868
Six months ended 30 June 2022						
Sales of goods and services to external customers	6	13,448,009,958	6,188,391,638	1,153,835,408	-	20,790,237,004
Gross profit		7,766,186,184	1,879,769,993	396,101,369	-	10,042,057,546
Net profit / (loss) before zakat and income tax		6,933,535,384	1,388,020,111	507,543,553	(225,307,079)	8,603,791,969
Less: Income from time deposits		(12,726,063)	(12,470,167)	-	(33,564,221)	(58,760,451)
Add: Finance cost		253,671,387	319,051,288	2,865,971	16,902,367	592,491,013
Add: Non-operating other expenses / (income), net		36,252,805	7,139,635	5,880,019	(949,497)	48,322,962
Less: Share in net profit of joint ventures that have been equity accounted		-	(98,391,000)	(271,302,861)	-	(369,693,861)
Add: Depreciation and amortization		1,362,948,073	846,582,268	217,626,594	12,132,470	2,439,289,405
Underlying EBITDA		8,573,681,586	2,449,932,135	462,613,276	(230,785,960)	11,255,441,037
Net profit / (loss) attributable to ordinary shareholders of the parent company		4,978,558,277	1,016,037,947	498,742,139	(293,299,245)	6,200,039,118

SAUDI ARABIAN MINING COMPANY (MA'ADEN)

(A Saudi Arabian joint stock company)

Notes to the condensed consolidated interim financial statements for the quarter and six months ended 30 June 2023 (Unaudited)

(All amounts in Saudi Riyals unless otherwise stated)



5 Segmental information (continued)

5.3 Business segment financial information (continued)

	Notes	Phosphate	Aluminium	Base metals and new minerals	All other segments	Total
As at 30 June 2023						
Mine properties	8	5,192,855,145	1,125,676,074	5,665,227,458	-	11,983,758,677
Property, plant and equipment	9	32,325,788,091	26,813,064,178	611,521	94,536,374	59,234,000,164
Right-of-use assets	10	789,716,773	1,029,840,318	32,578,419	2,540,482	1,854,675,992
Capital work-in-progress	11	1,985,898,904	818,627,426	21,557,092	110,246,814	2,936,330,236
Intangible assets and goodwill	12	277,416,933	51,580,684	11,602,141	21,979,859	362,579,617
Investment in joint ventures		-	340,648,831	961,147,978	95,625,000	1,397,421,809
Total assets		49,268,341,283	37,830,465,595	7,769,454,890	13,192,363,182	108,060,624,950
Long-term borrowings		19,562,685,284	15,535,805,384	1,237,399,149	-	36,335,889,817
Lease liabilities		749,124,464	975,337,446	36,475,978	2,623,172	1,763,561,060
Total liabilities		26,905,701,863	20,883,548,044	2,297,741,056	1,784,671,171	51,871,662,134
As at 31 December 2022						
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 30 June 2023	30 June 2022	Six months ended 30 June 2023	30 June 2022
Phosphate segment				
Ammonia phosphate fertilizer and ammonia				
• Sale of goods	3,891,433,714	7,399,792,630	9,053,353,661	12,455,293,604
Movement in provisional product prices during quarter / period	(223,295,826)	60,373,760	(352,034,942)	186,389,869
	3,668,137,888	7,460,166,390	8,701,318,719	12,641,683,473
• Rendering of transportation services	237,922,527	290,583,217	464,911,125	464,063,057
	3,906,060,415	7,750,749,607	9,166,229,844	13,105,746,530
Industrial minerals				
• Sale of goods	37,390,922	45,333,441	73,659,241	97,059,865
• Rendering of transportation services	823,039	2,860,399	1,428,089	4,501,111
	38,213,961	48,193,840	75,087,330	101,560,976
Sub-total	3,944,274,376	7,798,943,447	9,241,317,174	13,207,307,506
Aluminium segment				
Primary aluminium				
• Sale of goods	1,219,464,294	1,993,046,661	1,994,220,851	3,569,327,810
Movement in provisional product prices during quarter / period	1,571,898	6,861,300	1,580,478	5,210,367
	1,221,036,192	1,999,907,961	1,995,801,329	3,574,538,177
• Rendering of transportation services	1,440,049	25,952,626	6,417,189	47,734,329
	1,222,476,241	2,025,860,587	2,002,218,518	3,622,272,506
Alumina				
• Sale of goods	179,805,568	73,564,221	403,216,133	133,441,517
Flat rolled products				
• Sale of goods	761,075,765	1,289,239,182	1,821,599,520	2,427,674,916
• Rendering of transportation services	14,069,763	3,097,627	30,181,249	4,987,624
	775,145,528	1,292,336,809	1,851,780,769	2,432,662,540
Sub-total	2,177,427,337	3,391,761,617	4,257,215,420	6,188,376,563
Base Metals and New Minerals segment				
Gold				
• Sale of goods	735,522,872	576,664,681	1,257,900,066	1,146,625,085
Movement in provisional product prices during quarter / period	2,136,763	(4,756,261)	20,493,262	7,210,323
Sub-total	737,659,635	571,908,420	1,278,393,328	1,153,835,408
Infrastructure				
Rendering of services	-	11,250	-	22,500
Insurance premium earned	9,462,646	-	18,836,544	-
Others	97,445,844	113,531,669	215,600,485	240,695,027
Total	6,966,269,838	11,876,156,403	15,011,362,951	20,790,237,004

6 Sales (continued)

6.1 Timing of revenue recognition

	Quarter ended		Six months ended	
	30 June 2023	30 June 2022	30 June 2023	30 June 2022
At a point in time				
- sale of goods	6,698,816,191	11,542,505,172	14,477,739,750	20,257,337,184
- rendering of services	-	11,250	-	22,500
Sub-total	6,698,816,191	11,542,516,422	14,477,739,750	20,257,359,684
Over a period of time				
- rendering of transportation services	257,991,001	333,639,981	514,786,657	532,877,320
- Insurance services	9,462,646	-	18,836,544	-
Sub-total	267,453,647	333,639,981	533,623,201	532,877,320
Total	6,966,269,838	11,876,156,403	15,011,362,951	20,790,237,004

7 Earnings per ordinary share

	Note	Quarter ended		Six months ended	
		30 June 2023	30 June 2022	30 June 2023	30 June 2022
Earnings attributable to ordinary shareholders of the parent company		350,941,901	4,028,117,244	770,360,868	6,200,039,118
Weighted average number of ordinary shares used as the denominator in calculating basic and diluted earnings per share *	13	3,691,773,438	3,691,773,438	3,691,773,438	3,691,773,438
Basic and diluted earnings per ordinary share from continuing operations *		0.10	1.09	0.21	1.68

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 the period (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 all the periods 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				
Cost												
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 period	16,533,131	500,582,097	-	-	-	-	-	-	55,781,315	56,617,871	629,514,414	
Transfers within mine properties	-	-	10,943,115	6,940,038	-	-	-	-	-	(17,883,153)	-	
Transfer from capital work-in-progress	-	-	4,723,770	29,571,300	-	-	-	-	-	139,950	34,435,020	
Increase in mine closure and rehabilitation provision	-	836,083	-	-	-	-	-	3,645,441	-	-	4,481,524	
Reclassification	-	-	3,097,752	-	-	-	-	-	(3,097,752)	-	-	
30 June 2023	245,643,357	3,998,816,897	4,266,181,540	8,261,663,775	31,632,346	26,543,591	33,052,427	250,785,089	747,264,864	481,918,250	18,343,502,136	
Accumulated depreciation												
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 period	-	-	71,977,735	230,423,326	1,015,949	411,306	296,036	4,637,251	17,325,641	-	326,087,244	
30 June 2023	-	-	1,654,889,046	4,112,006,332	22,626,675	24,637,238	32,996,530	92,757,737	419,829,901	-	6,359,743,459	
Net book value as at												
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	
30 June 2023	245,643,357	3,998,816,897	2,611,292,494	4,149,657,443	9,005,671	1,906,353	55,897	158,027,352	327,434,963	481,918,250	11,983,758,677	

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9 Property, plant and equipment

	----- Non-mining assets -----					Total
	Land and buildings	Plant and equipment	Office equipment	Furniture and fittings	Motor vehicles	
Cost						
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 period	5,597,480	48,040,682	1,236,488	563,192	3,713,848	59,151,690
Transfer from capital work-in-progress	11,622,974	372,047,283	657,912	1,644,329	-	385,972,498
Written-off during the period	(14,790)	(117,712,562)	-	(336,432)	-	(118,063,784)
Foreign currency translation adjustments	(141,746)	(16,815)	(19,710)	(5,333)	(29,486)	(213,090)
Disposal	-	(835,722)	(1,711,646)	(331,186)	(3,282,391)	(6,160,945)
30 June 2023	29,482,764,058	56,634,482,218	112,102,949	96,735,364	56,308,537	86,382,393,126
Accumulated depreciation						
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 period	446,698,696	1,533,756,324	2,847,682	2,938,892	2,132,557	1,988,374,151
Written-off during the period	(14,790)	(114,578,693)	-	(316,807)	-	(114,910,290)
Foreign currency translation adjustments	(42,683)	(29,490)	(18,795)	(2,486)	(21,593)	(115,047)
Disposal	-	(481,792)	(1,063,678)	(222,339)	(2,629,783)	(4,397,592)
30 June 2023	6,178,469,234	20,739,730,834	97,717,734	86,524,524	45,950,636	27,148,392,962
Net book value as at						
31 December 2022	23,733,872,129	37,011,894,867	15,987,380	11,073,530	9,437,111	60,782,265,017
30 June 2023	23,304,294,824	35,894,751,384	14,385,215	10,210,840	10,357,901	59,234,000,164

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10 Right-of-use assets

	Equipment	Land and buildings	Motor vehicles	Vessels	Total
Cost					
1 January 2023	1,326,941,979	550,609,817	146,514,432	894,173,769	2,918,239,997
Additions during the period	-	65,636,529	1,998,968	34,592,657	102,228,154
Retirement / re-measurement	-	(1,781,629)	(89,148)	(62,634,337)	(64,505,114)
30 June 2023	1,326,941,979	614,464,717	148,424,252	866,132,089	2,955,963,037
Accumulated depreciation					
1 January 2023	456,558,549	157,457,866	81,937,348	289,119,916	985,073,679
Charge for the period	36,183,124	13,001,428	17,012,306	112,739,993	178,936,851
Retirement / re-measurement	-	-	(89,148)	(62,634,337)	(62,723,485)
30 June 2023	492,741,673	170,459,294	98,860,506	339,225,572	1,101,287,045
Net book value as at					
31 December 2022	870,383,430	393,151,951	64,577,084	605,053,853	1,933,166,318
30 June 2023	834,200,306	444,005,423	49,563,746	526,906,517	1,854,675,992

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11 Capital work-in-progress

	Property, plant and equipment	Phosphate 3 project	Total
1 January 2023	2,312,231,411	320,033,376	2,632,264,787
Additions during the period	744,460,094	15,700,743	760,160,837
Transfer to property, plant and equipment	(385,972,498)	-	(385,972,498)
Transfer to mine properties	(34,435,020)	-	(34,435,020)
Transfer to intangible assets	(35,687,870)	-	(35,687,870)
30 June 2023	2,600,596,117	335,734,119	2,936,330,236

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

	30 June 2023	30 June 2022
Net borrowing cost attributable to qualifying assets under capital work-in-progress and mine properties, using a capitalization rate ranging from 3.3% to 6.3% per annum (30 June 2022: 2.34% to 5.42% per annum)	159,013,535	99,481,616
Amortization of transaction cost on long-term borrowings	6,373,157	6,840,699
Total	165,386,692	106,322,315

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12 Intangible assets and goodwill

	Internally developed software	Technical development	Software and licenses	Goodwill	Customer relationships*	Non-core contracts*	Total
Cost							
1 January 2023	12,380,781	18,229,675	376,041,955	159,465,843	75,375,000	10,500,000	651,993,254
Transfer from capital work-in-progress	-	-	35,687,870	-	-	-	35,687,870
30 June 2023	12,380,781	18,229,675	411,729,825	159,465,843	75,375,000	10,500,000	687,681,124
Accumulated amortization							
1 January 2023	12,380,781	17,990,964	234,034,332	-	25,753,125	8,968,750	299,127,952
Charge for the period	-	52,457	20,839,848	-	3,768,750	1,312,500	25,973,555
30 June 2023	12,380,781	18,043,421	254,874,180	-	29,521,875	10,281,250	325,101,507
Net book value as at							
31 December 2022	-	238,711	142,007,623	159,465,843	49,621,875	1,531,250	352,865,302
30 June 2023	-	186,254	156,855,645	159,465,843	45,853,125	218,750	362,579,617

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

13 Share capital

	Note	30 June 2023	31 December 2022
Authorized, issued and fully paid			
2,461,182,292		24,611,822,920	24,611,822,920
1,230,591,146	13.1	12,305,911,460	-
3,691,773,438	Total	36,917,734,380	24,611,822,920

13.1 Issuance of bonus shares

On 12 February 2023, the Board of Directors of the Group recommended to the shareholders to increase the Company's capital from SAR 24,611,822,920 as of 31 December 2022 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 was recommended to be capitalized from statutory reserve and part of retained earnings.

The recommended grant of bonus shares was approved by the shareholders in their Extraordinary General Assembly on 7 June 2023 and the related legal formalities for issuance of such bonus shares were completed as of the issuance of these condensed consolidated interim financial statements.

14 Other reserves

	Notes	30 June 2023	31 December 2022
Attributable to ordinary shareholders of the parent company			
Accumulated gain on cash flow hedge reserve	18	(73,652,543)	(90,068,111)
Accumulated loss on exchange differences on translation		113,946,205	148,183,889
Put option on non-controlling interest	19	28,464,668	53,859,889
Equity-settled employees' share-based payment plan	14.1	(8,955,905)	-
Share of other non-distributable reserves		8,189,290	8,189,290
Sub-total		67,991,715	120,164,957
Attributable to non-controlling interest			
Accumulated gain on cash flow hedge reserve	18	(24,681,959)	(30,183,038)
Accumulated loss on exchange differences on translation		19,520,692	19,029,360
Share of other non-distributable reserves		1,445,169	1,445,169
Sub-total		(3,716,098)	(9,708,509)
Total		64,275,617	110,456,448

As a result of voluntary reclassification, as at 30 June 2022, the Group 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 1 January 2022 was represented to conform to the new presentation.

14.1 Employees' share-based payment plan

On 7 June 2023, the shareholders of the Company approved the Employees Stock Incentive Program ("Plan") for the benefit of certain eligible senior executives of the Group (the "Participants"). The Plan entitles the Participants a conditional right to receive number of Restricted Stock Units ("RSUs") and Performance Stock Units ("PSUs") (each unit equal to the value of one share of the Company at the grant date i.e., 7 June 2023), following the satisfaction of service and performance conditions as mentioned below. The service vesting period under the Plan is three years. Fair value per share on grant date is the closing price per share on Saudi Stock Exchange (Tadawul) as at the grant date.

PSUs: The number of shares that will vest under PSUs will depend upon the completion of three years' service period with the Group and on the Group's performance against certain market conditions at the end of the third year.

RSUs: The number of shares that will vest under RSUs will depend upon the completion of three years' service period with the Group.

The total expense recognised for employees' services received during the period ended 30 June 2023 under the Plan amounted to SAR 9 million and is recognised as "salaries and staff related benefits" in the condensed consolidated interim statement of profit or loss with a corresponding increase in the condensed consolidated interim statement of changes in equity under the "Other reserves".

On 7 June 2023, the Company's shareholders in their Extraordinary General Assembly Meeting approved buy-back of 2,170,767 treasury shares under the Plan for the benefit of certain eligible senior executives of the Group.

15 Long-term borrowings

	30 June 2023	31 December 2022
Facilities utilized under:		
Common Terms Agreements ("CTAs"):		
Ma'aden Aluminium Company ("MAC")	7,994,660,998	8,862,587,036
Ma'aden Rolling Company ("MRC")	1,115,625,000	1,155,000,000
Ma'aden Bauxite and Alumina Company ("MBAC")	6,269,946,979	6,426,386,175
Ma'aden Wa'ad Al-Shamal Phosphate Company ("MWSPC")	14,278,203,106	17,639,657,182
Ma'aden Gold and Base Metals Company ("MGBM") Facility	1,300,000,000	1,400,000,000
Murabaha Facility Agreements ("MFAs"):		
Ma'aden Infrastructure Company ("MIC")	454,000,000	493,000,000
Sukuk Facility Agreement ("SFA"):		
Ma'aden Phosphate Company ("MPC")	3,500,000,000	3,500,000,000
Ma'aden Fertilizer Company ("MFC") Facility	1,200,000,000	1,200,000,000
Meridian Consolidated Investments Limited ("MCIL")	743,565,370	868,127,834
Total borrowings	36,856,001,453	41,544,758,227
Less: Transaction cost balance at the period / year end	(520,111,636)	(580,658,937)
Total borrowings, net of transaction cost	36,335,889,817	40,964,099,290
Add: Accrued finance cost	285,812,361	226,532,136
Less: Current portion of borrowings shown under current liabilities	(3,366,162,673)	(3,138,686,170)
Long-term portion of borrowings	33,255,539,505	38,051,945,256

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 ceased to be published on 30 June 2023.

The Group has analysed its contract subject to USD LIBOR and developed a transition plan. As per the transition plan, the discontinued USD LIBOR will be replaced with alternative Secured Overnight Financing Rate ("SOFR"). Arrangements associated with USD LIBOR having repayments due in June 2023 have been fixed on last published 6-month USD LIBOR until the end of 2023. Contracts and agreements that are based on USD LIBOR and are not expiring at the cessation dates, are currently under negotiation 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 30 June 2023 and are currently in process of transitioning to an alternative benchmark:

Financial instruments:

Non-derivative financial liabilities

13,818,756,399

LIBOR reforms are expected to have impact on the Group's current risk management strategy and possibly accounting for certain financial instruments upon completion of transition.

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 currently are also referenced to LIBOR.

To ensure smooth transition, the Group has engaged with all relevant parties and officially appointed legal counsel to oversee the process with counterparties.

16 Zakat, income tax and severance fees

16.1 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 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 to 2017 for MRC with an additional zakat liability of approximately SAR 24 million, SAR 34 million and SAR 13 million, respectively. MAC, MBAC and MRC have filed an appeal against 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, 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 period, 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.

16.2 Severance fees

In accordance with the Mining Law, the Group is required to pay to the Government of Saudi Arabia severance fees representing equivalent of 20% of hypothetical income net of proportionate zakat due to ZATCA in addition to specified percentage of the net value of the minerals upon extraction. Severance fees were charged to cost of sales in the condensed consolidated statement of profit or loss up to 31 March 2023 in accordance with IFRIC 21 "Levies" as a levy on extraction of minerals.

During the quarter ended 30 June 2023, the Ministry shared new interpretations under the Mining Law which had resulted in an additional severance fees charge of SAR 192 million relating to the year 2022 which has been accounted for as a change in estimate and judgment applied by the management in evaluating the new interpretations. The Group has analyzed new interpretations to the Mining Law and have accounted for severance fees equivalent of 20% of hypothetical income net of proportionate zakat due to ZATCA under IAS 12 "Income Taxes" as it now falls under the scope of IAS 12. Accordingly, such component of severance fees along with the net deferred severance fee credit has been presented separately in the condensed consolidated interim statement of profit or loss.

16 Zakat, income tax and severance fees (continued)

16.2 Severance fees (continued)

The movement in severance fees payable / (advance severance fees) during the quarter / period / year is as follows:

	Quarter ended 30 June 2023	30 June 2022	Six months ended 30 June 2023	30 June 2022	Year ended 31 December 2022
1 April / 1 January	85,069,801	253,015,634	(13,087,353)	220,771,506	220,771,506
Provision for severance fees made during the quarter / period / year	250,520,394	62,111,539	348,677,548	94,355,667	113,665,444
Current quarter / period / year charge	58,174,979	58,867,113	156,332,133	91,111,241	118,074,662
Prior year adjustment	192,345,415	3,244,426	192,345,415	3,244,426	(4,409,218)
Paid during the quarter / period / year to the authorities	(1,208,755)	-	(1,208,755)	-	(347,524,303)
30 June / 31 December	334,381,440	315,127,173	334,381,440	315,127,173	(13,087,353)

Severance fees classified as follows in the condensed consolidated interim statement of financial position:

	30 June 2023	31 December 2022
Severance fees payable	334,381,440	21,886,722
Advance severance fees	-	(34,974,075)
30 June / 31 December	334,381,440	(13,087,353)

The following components of current and deferred severance fees are recognised in the condensed consolidated statement of profit or loss:

	Quarter ended 30 June 2023	30 June 2022	Six months ended 30 June 2023	30 June 2022	Year ended 31 December 2022
Current severance fees	318,148,669	-	318,148,669	-	-
Provision for severance fees made during the quarter / period / year	250,520,394	62,111,539	348,677,548	94,355,667	113,665,444
Less: classified under cost of sales	67,628,275	(62,111,539)	(30,528,879)	(94,355,667)	(113,665,444)
Deferred severance fees	(50,345,049)	-	(50,345,049)	-	-
Deferred severance fees asset (credited) to consolidated statement of profit or loss	(507,910,092)	-	(507,910,092)	-	-
Deferred severance fees liabilities charged to consolidated statement of profit or loss	457,565,043	-	457,565,043	-	-
Severance fees					
30 June / 31 December	267,803,620	-	267,803,620	-	-

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

	Six months ended 30 June 2023	30 June 2022
Sales of MAC to Alcoa Inespal, S.A., in accordance with a shareholders off-take agreement, during the period	488,404,300	858,866,248
Sales of MPC through Saudi Basic Industries Corporation ("SABIC") (a government controlled entity), in accordance with a marketing agreement, during the period	804,476,943	1,319,377,208
Sales of MWSPC through SABIC, in accordance with a marketing agreement, during the period	953,557,237	934,813,500
Sales of MWSPC through The Mosaic Company, in accordance with a marketing agreement, during the period	808,798,992	624,698,040
Cost of seconded employees, technology fee and other cost charged by Alcoa Corporation during the period to MAC and MBAC	6,143,864	5,739,977
Cost of seconded employees, technology fee and other cost charged by The Mosaic Company during the period to MWSPC	20,721,515	18,919,428
Purchase of raw material from SAMAPCO (a joint venture) during the period	195,366,402	286,876,430
Purchase of raw material supplies from Saudi Aramco (a government controlled entity)	806,958,822	1,336,331,770
MPC	331,164,463	675,540,056
MWSPC	475,794,359	660,791,714
Finance cost incurred on long term borrowings from PIF (MAC and MBAC)	214,672,894	76,917,113
Dividend received from MBCC (a joint venture)	180,000,000	262,500,000
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:

	30 June 2023	31 December 2022
Trade and other receivables due from:		
Non-controlling shareholders:		
• SABIC in MPC – trade	231,356,702	129,194,835
• SABIC in MWSPC - trade	231,029,210	265,949,560
Sub-total – trade receivables due from SABIC	462,385,912	395,144,395
• The Mosaic Company in MWSPC - trade	198,218,838	275,937,379
Sub-total – trade receivables due from non-controlling shareholders	660,604,750	671,081,774
Subsidiaries of a non-controlling shareholder:		
• Alcoa Inespal, S.A. in MAC - trade	214,131,413	266,737,806
A joint venture company:		
• MBCC - other	231,273	141,818
Parent company of a non-controlling shareholder:		
• Rebate receivable from Saudi Aramco related to purchase of molten sulfur by MPC and MWSPC	248,363,398	619,914,001
Total	1,123,330,834	1,557,875,399

17 Related party transactions and balances (continued)

17.2 Related party balances (continued)

	30 June 2023	31 December 2022
Long-term borrowings from PIF (a sovereign wealth fund of the Kingdom of Saudi Arabia), a 67.18% shareholder in Ma'aden		
Due to PIF for the financing of the:		
• MAC facility	3,404,241,950	3,912,137,330
• MBAC facility	2,554,802,229	2,583,195,425
Total	5,959,044,179	6,495,332,755

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

	30 June 2023	31 December 2022
Payable to the parent company (ultimate shareholder) of a non-controlling shareholder:		
• Accrued expenses due to Alcoa Corporation in MAC and MBAC	6,710,650	1,616,821
Payable to the parent company of a non-controlling shareholder:		
• Trade payable to Saudi Aramco by MPC and MWSPC	20,960,301	88,439,998
Payable to a non-controlling shareholder:		
• Accrued expenses due to The Mosaic Company in MWSPC	6,833,680	-
Payable to a joint venture company:		
• SAMAPCO – trade	51,917,874	68,230,333

17.3 Key management personnel compensation

	Quarter ended 30 June 2023	30 June 2022	Six months ended 30 June 2023	30 June 2022
Short-term employee benefits	16,229,058	20,605,925	46,424,206	32,514,372
Employees' end of service termination benefits	1,264,080	466,053	2,394,879	992,328
Total	17,493,138	21,071,978	48,819,085	33,506,700

18 Derivative financial instruments (asset) / liability

	Quarter ended		Six months ended		Year ended
	30 June	30 June	30 June	30 June	31 December
	2023	2022	2023	2022	2022
1 April / 1 January	(135,905,887)	60,805,330	(133,036,559)	229,266,382	229,266,382
Net accrued derivative interest	(10,240,806)	7,491,849	(23,928,862)	(13,048,006)	(39,088,812)
(Reversal) / accrual during the quarter / period / year	(27,737,777)	19,082,983	(45,442,362)	51,445,075	56,112,449
Received / (paid) during the quarter / period / year	17,496,971	(11,591,134)	21,513,500	(64,493,081)	(95,201,261)
Loss / (gain) in fair value of hedge instrument	11,097,919	(77,990,201)	21,916,647	(225,911,398)	(323,214,129)
30 June / 31 December	(135,048,774)	(9,693,022)	(135,048,774)	(9,693,022)	(133,036,559)
Less: current portion derivative financial instruments	135,048,774	-	135,048,774	-	34,053,290
Non-current portion	-	(9,693,022)	-	(9,693,022)	(98,983,269)

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

	Quarter ended		Six months ended		Year ended
	30 June	30 June	30 June	30 June	31 December
	2023	2022	2023	2022	2022
Ordinary shareholders of the parent company	8,312,341	(58,414,661)	16,415,568	(169,207,637)	(242,087,383)
Non-controlling interest	2,785,578	(19,575,540)	5,501,079	(56,703,761)	(81,126,746)
Total	11,097,919	(77,990,201)	21,916,647	(225,911,398)	(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%
Total notional hedge exposure		4,847,437,500		

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:

	30 June	30 June	31 December
	2023	2022	2022
Carrying amount (asset) / liability – MBAC	(58,932,754)	(26,988,570)	(54,730,074)
Carrying amount (asset) / liability – MAC	(76,116,020)	17,295,548	(78,306,485)
Carrying amount (asset) / liability	(135,048,774)	(9,693,022)	(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	21,916,647	(225,911,398)	(323,214,129)

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

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

	Quarter ended		Six months ended		Year ended
	30 June 2023	30 June 2022	30 June 2023	30 June 2022	31 December 2022
1 April / 1 January	(109,432,421)	55,041,783	(120,251,149)	202,962,980	202,962,980
Change in fair value of hedging instrument recognized in OCI	(16,639,858)	(58,907,218)	(23,525,715)	(174,466,323)	(267,101,680)
Transferred from OCI to profit of loss	27,737,777	(19,082,983)	45,442,362	(51,445,075)	(56,112,449)
Changes in fair value and transfer to profit or loss, net	11,097,919	(77,990,201)	21,916,647	(225,911,398)	(323,214,129)
30 June / 31 December	(98,334,502)	(22,948,418)	(98,334,502)	(22,948,418)	(120,251,149)

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

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

	30 June 2023	31 December 2022
1 January	53,859,889	41,852,921
Settlement during the period	(28,094,276)	-
Revaluation loss	2,699,055	12,006,968
30 June / 31 December	28,464,668	53,859,889

The Group, through its subsidiary MMDC, acquired 85% of issued share capital of the Meridian Consolidated Investments Limited (Meridian Group or Meridian), a leading fertilizer distribution network company operating in East Africa, carrying full voting rights 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 the first and second tranche and acquired an 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 a 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

	30 June 2023	31 December 2022
Capital expenditure contracted for:		
Property, plant and equipment	701,570,348	574,052,923

20.2 Guarantees

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

20.3 Letters of credit

	30 June 2023	31 December 2022
Sight letters of credit for purchasing equipment and materials	27,225,000	26,606,250
Letter of credit in favor of Jordan Phosphate Mine for future supply of concentrated rock	46,406,250	4,383,750
Letter of credit in favor of Glama Maschinenbau GMBH	3,334,222	3,266,466
Letter of credit in favor of SMS Group GMBH	4,733,879	4,637,680
Letter of credit in favor of Engro Eximp FZE	-	14,175,000
Total	81,699,351	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
As at 30 June 2023					
Financial assets					
Derivative financial instrument (asset)	18	-	135,048,774	-	135,048,774
Trade receivables		-	3,319,439,046	-	3,319,439,046
		-	3,454,487,820	-	3,454,487,820
Financial liabilities					
Projects, trade and other payables (Non-controlling interest put options)	19	-	-	28,464,668	28,464,668
As at 31 December 2022					
Financial assets					
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
Financial liabilities					
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 period and year 2023 and 2022 respectively.