

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

Condensed consolidated interim financial statements
for the quarter and nine months ended 30 September 2022 (Unaudited)

Contents	Page
Administration and contact details	2
Statement of Directors' responsibilities	3
Independent auditor's review report	4
Condensed consolidated interim statement of profit or loss	5
Condensed consolidated interim statement of comprehensive income	6
Condensed consolidated interim statement of financial position	7
Condensed consolidated interim statement of changes in equity	8
Condensed consolidated interim statement of cash flows	9-10
Notes to the condensed consolidated interim financial statements	11-33

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*	
Dr. Samuel Walsh**	

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Riyadh 11537
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Postal address

P.O. Box 68861
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Auditors

PricewaterhouseCoopers
Kingdom Tower - 21st Floor
King Fahad Road
Riyadh 11414
Kingdom of Saudi Arabia

* As of 1 February 2022, the Board of Directors appointed Mr. Robert Wilt as CEO and as Executive Board Member. Mr. Robert Wilt's appointment as Executive Board Member was approved by General Assembly on 30 May 2022.

** Dr. Samuel Walsh, Non-Executive member, resigned effective from 24 February 2022.

Statement of Directors' responsibilities
for the preparation and approval of the condensed consolidated interim financial statements
for the quarter and nine months ended 30 September 2022 (Unaudited)

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 September 2022, its condensed consolidated interim financial performance for the quarter and nine months ended 30 September 2022, its condensed consolidated interim changes in equity and cash flows for the nine 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 2021.

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 and nine months ended 30 September 2022 set out on pages 5 to 33, were approved and authorized for issue by the Board of Directors on 31 October 2022 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 Iryine
Executive Vice-President
and
Chief Financial Officer



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 September 2022 and the related condensed consolidated statements of profit or loss and comprehensive income for the three-month and nine-month periods then ended and the condensed consolidated interim statements of changes in equity and cash flows for the nine-month period ended 30 September 2022 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

Bader I. Benmohareb
License Number 471

31 October 2022



SAUDI ARABIAN MINING COMPANY (MA'ADEN)
(A Saudi Arabian joint stock company)
Condensed consolidated interim statement of profit or loss
for the quarter and nine months ended 30 September 2022 (Unaudited)
(All amounts in Saudi Riyals unless otherwise stated)



	Notes	Quarter ended		Nine months ended	
		30 September 2022	30 September 2021	30 September 2022	30 September 2021
Sales	6	10,014,421,018	6,698,517,103	30,804,658,022	18,249,736,343
Cost of sales		(6,440,593,422)	(4,431,240,319)	(17,188,772,880)	(12,489,264,191)
Gross profit		3,573,827,596	2,267,276,784	13,615,885,142	5,760,472,152
Operating expenses					
Selling, marketing and logistics expenses		(215,023,718)	(130,649,089)	(637,300,632)	(403,628,961)
General and administrative expenses		(371,634,651)	(220,927,462)	(1,086,418,819)	(710,602,925)
Exploration and technical services expenses		(33,422,184)	(42,709,315)	(122,267,016)	(114,179,333)
Operating profit		2,953,747,043	1,872,990,918	11,769,898,675	4,532,060,933
Other income / (expenses)					
Income from time deposits		82,669,643	11,016,059	141,430,094	34,792,831
Finance cost		(376,860,221)	(298,184,226)	(969,351,234)	(907,397,459)
Other income / (expenses), net	9	167,096,494	20,309,647	118,773,532	46,076,150
Share in net profit of joint ventures that have been equity accounted		74,847,550	113,627,771	444,541,411	416,662,973
Profit before zakat and income tax		2,901,500,509	1,719,760,169	11,505,292,478	4,122,195,428
Income tax		(66,542,344)	(65,456,185)	(251,088,982)	(122,302,113)
Zakat expense	17	(94,321,107)	(53,995,638)	(396,414,097)	(202,310,900)
Profit for the quarter / period		2,740,637,058	1,600,308,346	10,857,789,399	3,797,582,415
Profit for the quarter / period is attributable to:					
Ordinary shareholders of the parent company		2,102,534,770	1,271,851,410	8,302,573,888	3,137,523,887
Non-controlling interest		638,102,288	328,456,936	2,555,215,511	660,058,528
		2,740,637,058	1,600,308,346	10,857,789,399	3,797,582,415
Earnings per ordinary share (Saudi Riyals)					
Basic and diluted earnings per share from continuing operations attributable to ordinary shareholders of the parent company	7	0.85	0.52	3.37	1.27

	Note	Quarter ended		Nine months ended	
		30 September 2022	30 September 2021	30 September 2022	30 September 2021
Profit for the quarter / period		2,740,637,058	1,600,308,346	10,857,789,399	3,797,582,415
Other comprehensive income / (loss)					
<i>Items that may be reclassified to profit or loss in subsequent periods</i>					
Loss on exchange differences on translation		(7,927,246)	(19,947,315)	(80,798,328)	(12,303,930)
Cash flow hedge – changes in fair value and transfer to profit or loss, net	19	71,685,199	20,596,461	297,596,597	102,496,829
<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		-	(190,853)	1,448,695	(492,307)
Loss attributable to the re-measurements of employees' end of service termination benefits obligation		-	-	-	-
Other comprehensive income for the quarter / period		63,757,953	458,293	218,246,964	89,700,592
Total comprehensive income for the quarter / period		2,804,395,011	1,600,766,639	11,076,036,363	3,887,283,007
Total comprehensive income for quarter / period is attributable to:					
Ordinary shareholders of the parent company		2,148,894,282	1,270,132,089	8,452,183,981	3,203,343,365
Non-controlling interest		655,500,729	330,634,550	2,623,852,382	683,939,642
		2,804,395,011	1,600,766,639	11,076,036,363	3,887,283,007

SAUDI ARABIAN MINING COMPANY (MA'ADEN)
(A Saudi Arabian joint stock company)
Condensed consolidated interim statement of financial position
as at 30 September 2022 (Unaudited)
(All amounts in Saudi Riyals unless otherwise stated)



	Notes	30 September 2022	31 December 2021
Assets			
Non-current assets			
Mine properties	8	11,399,644,965	11,688,407,519
Property, plant and equipment	9	60,569,352,681	58,940,009,154
Right-of-use assets	10	1,908,714,269	1,357,006,453
Capital work-in-progress	11	3,062,259,617	6,616,312,752
Intangible assets and goodwill	12	355,229,492	286,929,729
Investment in joint ventures		1,281,382,442	1,208,517,336
Deferred tax assets		808,360,790	824,596,191
Investment in debt securities		33,632,443	37,231,000
Derivative financial instruments	19	69,124,537	-
Other non-current assets		890,584,146	939,762,919
Total non-current assets		80,378,285,382	81,898,773,053
Current assets			
Derivative financial instruments	19	25,509,080	-
Investment in debt securities		2,670,000	-
Advances and prepayments		490,798,654	294,001,031
Inventories		7,357,205,671	6,831,609,698
Trade and other receivables		7,615,455,220	5,206,134,272
Time deposits		8,916,133,119	971,340,217
Cash and cash equivalents		6,759,475,815	8,135,831,282
Total current assets		31,167,247,559	21,438,916,500
Total assets		111,545,532,941	103,337,689,553
Equity and liabilities			
Equity			
Share capital	13	24,611,822,920	12,305,911,460
Share premium	14	-	10,739,190,039
Statutory reserve		1,577,021,485	1,577,021,485
Other reserves*	15	(122,571,565)	(262,849,384)
Retained earnings*	15	18,029,282,025	11,291,980,863
Equity attributable to ordinary shareholders of the parent company		44,095,554,865	35,651,254,463
Non-controlling interest		10,716,169,418	8,317,317,036
Total equity		54,811,724,283	43,968,571,499
Non-current liabilities			
Deferred tax liabilities		1,117,802,983	1,047,205,022
Long-term borrowings	16	38,606,937,282	42,467,731,504
Provision for decommissioning, site rehabilitation and dismantling obligations		367,994,708	625,842,158
Non-current portion of lease liabilities		1,464,285,570	1,108,982,844
Derivative financial instruments	19	-	229,266,382
Employees' benefits		1,114,033,883	966,685,952
Trade, projects and other payables		201,442,587	133,755,381
Total non-current liabilities		42,872,497,013	46,579,469,243
Current liabilities			
Trade, projects and other payables		4,118,940,070	3,437,317,851
Accrued expenses		3,949,055,512	4,272,454,890
Zakat and income tax payable		500,295,221	347,853,577
Severance fees payable		214,645,837	220,771,506
Current portion of long-term borrowings	16	4,734,573,139	4,376,353,108
Current portion of lease liabilities		343,801,866	134,897,879
Total current liabilities		13,861,311,645	12,789,648,811
Total liabilities		56,733,808,658	59,369,118,054
Total equity and liabilities		111,545,532,941	103,337,689,553

* Refer to Note 15 for a voluntary reclassification made for prior periods presented.

SAUDI ARABIAN MINING COMPANY (MA'ADEN)
(A Saudi Arabian joint stock company)
Condensed consolidated interim statement of changes in equity for the nine months ended 30 September 2022 (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 (Note 14)	Statutory reserve	Other reserves (Note 15)*	Retained earnings (Note 15)*	Sub-total	Share capital	Payments to increase share capital**	Other reserves (Note 15)	Profit attributable to non-controlling interest	Sub-total	
1 January 2021 – as previously reported	12,305,911,460	10,739,190,039	1,054,251,439	(174,575,062)	6,326,860,009	30,251,637,885	7,952,771,882	68,155,432	(13,263,537)	(959,531,922)	7,048,131,855	37,299,769,740
Reclassification of cash flow hedge reserve (Note 15)	-	-	-	(290,870,311)	290,870,311	-	-	-	(97,474,563)	97,474,563	-	-
1 January 2021 - as represented	12,305,911,460	10,739,190,039	1,054,251,439	(465,445,373)	6,617,730,320	30,251,637,885	7,952,771,882	68,155,432	(110,738,100)	(862,057,359)	7,048,131,855	37,299,769,740
Profit for the period	-	-	-	-	3,137,523,887	3,137,523,887	-	-	-	660,058,528	660,058,528	3,797,582,415
Other comprehensive income / (loss) for the period	-	-	-	66,311,785	(492,307)	65,819,478	-	-	23,881,114	-	23,881,114	89,700,592
Total comprehensive income for the period	-	-	-	66,311,785	3,137,031,580	3,203,343,365	-	-	23,881,114	660,058,528	683,939,642	3,887,283,007
Revaluation loss on put option for non-controlling interest (Note 20)	-	-	-	(18,815,584)	-	(18,815,584)	-	-	-	-	-	(18,815,584)
30 September 2021	12,305,911,460	10,739,190,039	1,054,251,439	(417,949,172)	9,754,761,900	33,436,165,666	7,952,771,882	68,155,432	(86,856,986)	(201,998,831)	7,732,071,497	41,168,237,163
1 January 2022	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	-	-	-	-	8,302,573,888	8,302,573,888	-	-	-	2,555,215,511	2,555,215,511	10,857,789,399
Other comprehensive income for the period	-	-	-	148,161,398	1,448,695	149,610,093	-	-	68,636,871	-	68,636,871	218,246,964
Total comprehensive income for the period	-	-	-	148,161,398	8,304,022,583	8,452,183,981	-	-	68,636,871	2,555,215,511	2,623,852,382	11,076,036,363
Revaluation loss on put option for non-controlling interest (Note 20)	-	-	-	(7,883,579)	-	(7,883,579)	-	-	-	-	-	(7,883,579)
Dividend attributable to non-controlling shareholder	-	-	-	-	-	-	-	-	-	(225,000,000)	(225,000,000)	(225,000,000)
Issuance of bonus shares (Note 13)	12,305,911,460	(10,739,190,039)	-	-	(1,566,721,421)	-	-	-	-	-	-	-
30 September 2022	24,611,822,920	-	1,577,021,485	(122,571,565)	18,029,282,025	44,095,554,865	7,952,771,882	68,155,432	4,304,795	2,690,937,309	10,716,169,418	54,811,724,283

* Refer to Note 15 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	Nine months ended	
		30 September 2022	30 September 2021
Operating activities			
Profit before zakat and income tax		11,505,292,478	4,122,195,428
Adjustments for non-cash flow items:			
Adjustments for exchange differences on translation		(47,952,154)	(36,431,576)
Property, plant and equipment written-off		-	109,698,512
Mine properties written-off		-	-
Income from time deposits		(141,430,094)	(34,792,831)
Finance cost		969,351,234	907,397,459
Adjustment to mine properties	8	3,787,369	(1,233,804)
Depreciation of mine properties	8	520,793,625	521,989,865
Adjustment to property, plant and equipment	9	(3,200,003)	1,478,129
Loss on derecognition of property, plant and equipment		3,575,684	482,940
Depreciation of property, plant and equipment	9	2,743,483,320	2,721,151,383
Income earned from insurance claim	9	(194,481,832)	-
Adjustment to right-of-use assets and the corresponding lease liabilities		(17,982,932)	(381,458)
Depreciation of right-of-use assets	10	344,727,565	168,171,273
Amortisation of intangible assets	12	36,979,796	33,821,078
Share in net profit of joint ventures		(444,541,411)	(416,662,973)
Increase in allowance for inventory obsolescence		-	991,684
ECL allowance on trade and other receivables		16,203,633	3,523,601
Gain on adjustment to provision for decommissioning, site rehabilitation and dismantling obligations		(15,769,797)	-
Current service cost of employees' termination benefits		136,373,975	107,869,515
Contribution for the employees' savings plan		118,757,012	36,136,374
Provision for severance fees		165,566,679	104,949,009
Changes in working capital:			
Advances and prepayments		(201,623,198)	47,979,991
Inventories		(525,595,973)	(1,320,705,888)
Trade and other receivables		(2,187,725,901)	(982,407,669)
Projects and other payables – Trade		894,924,158	163,994,963
Accrued expenses – Trade		(40,635,247)	756,658,420
Derivative interest paid	19	(91,184,732)	(88,257,319)
Employees' termination benefits paid		(33,469,519)	(39,785,382)
Employees' savings plan withdrawal		(88,956,726)	(18,006,502)
Zakat paid		(266,275,911)	(228,667,020)
Income tax paid		(140,161,781)	(11,677,044)
Severance fees paid		(171,692,348)	(211,380,970)
Finance cost paid		(799,677,621)	(709,131,496)
Net cash generated from operating activities		12,047,459,348	5,708,967,692
Investing activities			
Income received from time deposits		96,549,212	36,925,952
Additions to mine properties	8	(440,671,904)	(1,256,495,760)
Proceeds from derecognition of property, plant and equipment		13,414,546	1,783,578
Additions to property, plant and equipment	9	(74,366,790)	(322,158,928)
Additions to capital work-in-progress	11	(764,284,686)	(1,501,151,480)
Additions to intangible assets	12	(19,709,789)	(953,243)
Dividend received from a joint venture	18	373,125,000	95,625,000
Investment in debt securities		928,557	-
(Increase) / decrease in time deposits		(7,899,912,020)	590,000,000
Increase in restricted cash		(27,788,481)	(18,129,872)
Projects and other payables – Projects		(153,498,312)	(103,902,773)
Accrued expenses – Projects		(282,764,131)	(292,606,835)
Net cash utilized in investing activities		(9,178,978,798)	(2,771,064,361)

Continued

	Notes	Nine months ended	
		30 September 2022	30 September 2021
Financing activities			
Transaction cost paid		(55,656,000)	(40,000,000)
Proceeds from long-term borrowings received		853,234,068	600,000,000
Repayment of long-term borrowings		(4,530,956,830)	(2,201,414,169)
Lease liabilities		(314,245,736)	(198,583,073)
Dividend paid		(225,000,000)	-
Net cash utilized in financing activities		(4,272,624,498)	(1,839,997,242)
Net change in cash and cash equivalents			
Unrestricted cash and cash equivalents at the beginning of the period		7,957,963,418	4,111,070,912
Unrestricted cash and cash equivalents at the end of the period		6,553,819,470	5,208,977,001
Restricted cash and cash equivalents at the end of the period		205,656,345	153,272,478
Cash and cash equivalents at the end of the period		6,759,475,815	5,362,249,479
Non-cash flow transactions			
Transfer to mine properties from capital work-in-progress		-	95,840
Adjustment to the provision for decommissioning, site rehabilitation and dismantling obligation	8	251,167,464	1,464,980
Transfer to property, plant and equipment from capital work-in-progress	9	4,350,536,047	144,856,756
Addition to right-of-use assets and the corresponding lease liabilities	10	834,629,460	67,857,112
Borrowing cost capitalized as part of capital work-in-progress	11	103,491,187	104,734,956
Borrowing cost capitalized as part of mine under construction	8, 11	46,314,000	104,734,956
Amortization of transaction cost capitalized as part of capital work-in-progress	11	10,627,601	8,205,967
Transfer to intangible assets from mine properties		-	518,124
Transfer to intangible assets from capital work-in-progress	12	85,569,770	12,445,075
Revaluation loss on put option for non-controlling interest	20	(7,883,579)	(18,815,584)

1 General information

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.

Ma'aden's management believes that the Covid-19 pandemic and war in Ukraine by itself, has had limited direct material effects on Ma'aden's reported results for the quarter and nine months ended 30 September 2022 and for the year ended 31 December 2021. Ma'aden's management continues to monitor the situation closely.

During the period, Ma'aden RE Limited ("MRL") (a wholly owned subsidiary), has started its operation which are included in these condensed consolidated interim financial statements.

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 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 2021, 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 that are 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 last annual consolidated financial statements for the year ended 31 December 2021.

During the period 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 that are 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 statement for the year ended 31 December 2021.

These condensed consolidated interim financial statements are presented in SAR which is 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 30 September 2022 reporting period and have not been early adopted by the Group. The management is in the process of assessing the impact of the new standards and interpretations on its condensed consolidated interim financial statements.

New and amended IFRS standards adopted by the Group

There are no new standards applicable to the Group, however, the Group has applied the following amendments to the standards for the first time for their reporting periods commencing on or after 1 January 2022:

Property, Plant and Equipment: Proceeds before intended use – Amendments to IAS 16:

The amendment to IAS 16 Property, Plant and Equipment (PP&E) prohibits an entity from deducting from the cost of an item of PP&E any proceeds received from selling items produced while the entity is preparing the asset for its intended use. Instead, an entity needs to recognize the proceeds from selling such items, and the costs of producing those items, in profit or loss.

As a result of adopting these amendments to IAS 16, no retrospective adjustments were required. Further, during the period, the Group initiated the commissioning activities of its Ammonia project 3 for which the proceeds and costs are recognized in the statement of profit or loss (Note 11).

A number of other amended standards became applicable for the current reporting period. The Group did not have to change its accounting policies or make retrospective adjustments as a result of adopting these amended standards.

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 2021.

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 2021.

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-Massarah 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.

5 Segmental information (continued)

5.3 Business segment financial information

	Notes	Phosphate	Aluminium	Base metals and new minerals	All other segments	Total
Nine months ended 30 September 2022						
Sales of goods and services to external customers	6	20,171,826,170	8,966,649,931	1,653,504,422	12,677,499	30,804,658,022
Gross profit / (loss)		11,130,005,922	1,956,812,585	556,514,136	(27,447,501)	13,615,885,142
Net profit / (loss) before zakat and income tax		10,011,648,198	1,152,669,599	657,494,168	(316,519,487)	11,505,292,478
Less: Income from time deposits		(25,845,493)	(31,813,032)	-	(83,771,569)	(141,430,094)
Add: Finance cost		410,719,836	524,870,867	4,029,860	29,730,671	969,351,234
Add: Non-operating other (income) / expense, net		(110,440,984)	4,152,544	(9,395,920)	(3,089,172)	(118,773,532)
Less: Share in net profit of joint ventures		-	(121,532,500)	(323,008,911)	-	(444,541,411)
Add: Depreciation and amortization		2,052,142,034	1,271,036,035	304,212,612	18,593,625	3,645,984,306
Underlying EBITDA		12,338,223,591	2,799,383,513	633,331,809	(355,055,932)	15,415,882,981
Net profit / (loss) attributable to ordinary shareholders of the parent company		7,182,993,333	903,048,530	648,255,722	(431,723,697)	8,302,573,888
Nine months ended 30 September 2021						
Sales of goods and services to external customers	6	9,478,259,014	7,066,332,281	1,705,145,048	-	18,249,736,343
Gross profit		2,831,328,375	2,246,402,638	682,741,139	-	5,760,472,152
Net profit / (loss) before zakat and income tax		1,912,356,950	1,536,386,681	854,884,274	(181,432,477)	4,122,195,428
Less: Income from time deposits		(480,894)	(7,602,159)	-	(26,709,778)	(34,792,831)
Add: Finance cost		395,739,816	475,138,370	5,286,473	31,232,800	907,397,459
Add: Non-operating other (income) / expenses, net		(48,450,881)	2,044,267	(397,481)	727,945	(46,076,150)
Less: Share in net profit of joint ventures		-	(64,929,000)	(351,733,973)	-	(416,662,973)
Add: Depreciation and amortization		1,814,897,800	1,264,762,263	295,504,118	69,969,418	3,445,133,599
Underlying EBITDA		4,074,062,791	3,205,800,422	803,543,411	(106,212,092)	7,977,194,532
Net profit / (loss) attributable to ordinary shareholders of the parent company		1,353,246,895	1,152,267,503	834,364,284	(202,354,795)	3,137,523,887

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 September 2022						
Mine properties	8	5,218,332,711	1,182,074,376	4,999,237,878	-	11,399,644,965
Property, plant and equipment	9	32,797,073,556	27,674,034,494	754,691	97,489,940	60,569,352,681
Right-of-use assets	10	812,046,339	1,028,711,558	64,363,987	3,592,385	1,908,714,269
Capital work-in-progress	11	2,352,259,276	594,816,298	12,433,152	102,750,891	3,062,259,617
Intangible assets and goodwill	12	254,414,154	62,743,408	13,029,053	25,042,877	355,229,492
Investment in joint ventures		-	369,904,500	911,477,942	-	1,281,382,442
Total assets		53,532,955,876	39,852,709,182	6,968,852,112	11,191,015,771	111,545,532,941
Long-term borrowings	16	24,681,732,316	16,943,667,272	1,445,535,158	-	43,070,934,746
Lease liabilities		769,095,140	968,106,175	67,202,074	3,684,047	1,808,087,436
Total liabilities		31,233,864,336	21,341,504,770	2,418,672,269	1,739,767,283	56,733,808,658
As at 31 December 2021						
Mine properties	8	5,440,905,710	1,342,852,269	4,904,649,540	-	11,688,407,519
Property, plant and equipment	9	30,041,996,129	28,796,035,950	(497,984)	102,475,059	58,940,009,154
Right-of-use assets	10	191,926,201	1,068,434,753	93,442,541	3,202,958	1,357,006,453
Capital work-in-progress	11	5,982,352,052	531,637,585	19,377,062	82,946,053	6,616,312,752
Intangible assets and goodwill	12	223,021,295	30,094,013	2,631,542	31,182,879	286,929,729
Investment in joint ventures		-	248,372,000	960,145,336	-	1,208,517,336
Total assets		51,875,574,068	40,390,594,565	6,830,645,846	4,240,875,074	103,337,689,553
Long-term borrowings	16	26,396,294,916	19,010,919,270	1,311,323,556	-	46,718,537,742
Lease liabilities		136,945,800	1,007,390,484	96,261,464	3,282,975	1,243,880,723
Total liabilities		31,863,478,790	23,365,637,478	2,668,269,770	1,471,732,016	59,369,118,054

6 Sales

	Quarter ended		Nine months ended	
	30 September 2022	30 September 2021	30 September 2022	30 September 2021
Phosphate segment				
Ammonium phosphate fertilizer and ammonia				
• Sale of goods	6,644,310,507	3,261,641,217	19,099,604,111	8,546,571,020
Movement in provisional product prices during quarter / period	(251,658,161)	14,824,054	(65,268,292)	18,981,354
	6,392,652,346	3,276,465,271	19,034,335,819	8,565,552,374
• Rendering of transportation services	223,117,681	198,642,408	687,180,738	470,679,602
	6,615,770,027	3,475,107,679	19,721,516,557	9,036,231,976
Industrial minerals				
• Sale of goods	49,651,493	35,283,302	146,711,358	114,262,148
• Rendering of transportation services	1,989,039	855,966	6,490,150	1,925,544
	51,640,532	36,139,268	153,201,508	116,187,692
Sub-total	6,667,410,559	3,511,246,947	19,874,718,065	9,152,419,668
Aluminium segment				
Primary aluminium				
• Sale of goods	1,567,817,674	1,438,143,294	5,137,145,484	3,888,492,804
Movement in provisional product prices during quarter / period	(853,006)	1,705,571	4,357,361	6,627,313
	1,566,964,668	1,439,848,865	5,141,502,845	3,895,120,117
• Rendering of transportation services	16,806,985	8,443,841	64,541,314	18,223,876
	1,583,771,653	1,448,292,706	5,206,044,159	3,913,343,993
Alumina				
• Sale of goods	86,457,017	113,681,086	219,898,534	239,410,127
Flat rolled products				
• Sale of goods	1,105,212,031	981,994,683	3,532,886,947	2,903,766,748
• Rendering of transportation services	2,817,593	1,116,775	7,805,217	9,788,802
	1,108,029,624	983,111,458	3,540,692,164	2,913,555,550
Sub-total	2,778,258,294	2,545,085,250	8,966,634,857	7,066,309,670
Base metals and new minerals segment				
Gold				
• Sale of goods	492,151,177	508,302,113	1,638,776,262	1,706,154,193
Movement in provisional product prices during quarter / period	7,517,837	(464,134)	14,728,160	(1,009,145)
Sub-total	499,669,014	507,837,979	1,653,504,422	1,705,145,048
Infrastructure				
Rendering of services	-	11,250	22,500	33,750
Insurance premium earned				
	12,677,499	-	12,677,499	-
Others				
	56,405,652	134,335,677	297,100,679	325,828,207
Total	10,014,421,018	6,698,517,103	30,804,658,022	18,249,736,343
Timing of revenue recognition				
At a point in time				
- sale of goods	9,751,622,431	6,489,446,863	30,008,959,615	17,749,084,769
- rendering of services	-	11,250	22,500	33,750
Sub-total	9,751,622,431	6,489,458,113	30,008,982,115	17,749,118,519
Over a period of time				
- rendering of transportation services	250,121,088	209,058,990	782,998,408	500,617,824
- Insurance services	12,677,499	-	12,677,499	-
Sub-total	262,798,587	209,058,990	795,675,907	500,617,824
Total	10,014,421,018	6,698,517,103	30,804,658,022	18,249,736,343

7 Earnings per ordinary share

Note	Quarter ended		Nine months ended	
	30 September 2022	30 September 2021	30 September 2022	30 September 2021
Earnings attributable to ordinary shareholders of the parent company	2,102,534,770	1,271,851,410	8,302,573,888	3,137,523,887
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	2,461,182,292	2,461,182,292
Basic and diluted earnings per ordinary share from continuing operations *	0.85	0.52	3.37	1.27

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 quarter / period (Note 13).

* As a result of issuance of bonus shares (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 periods presented.

8 Mine properties

	Exploration and evaluation assets	Mines under construction	Operating mines								Mining capital work-in-progress	Total
			Land and buildings*	Plant and equipment*	Office equipment*	Motor vehicles	Furniture and fittings*	Mine closure and rehabilitation provision	Stripping activity asset			
Cost												
1 January 2022	428,792,907	2,966,789,048	4,256,203,297	7,654,105,830	26,654,011	27,609,483	33,203,402	466,146,822	642,015,593	406,681,692	16,908,202,085	
Additions during the period	88,783,752	240,287,228	-	4,177,504	80,000	-	-	-	27,480,261	126,177,159	486,985,904	
Transfers within mine properties	-	-	4,507,789	9,566,363	-	-	-	-	-	(14,074,152)	-	
Fully depreciated assets written-off / adjustment	-	-	-	(2,930,417)	(35,250)	(169,800)	-	(12,249,240)	-	-	(15,384,707)	
Decrease in mine closure and rehabilitation provision	-	-	-	-	-	-	-	(251,167,464)	-	-	(251,167,464)	
Adjustment	-	-	-	-	-	-	-	-	-	(2,908,920)	(2,908,920)	
30 September 2022	517,576,659	3,207,076,276	4,260,711,086	7,664,919,280	26,698,761	27,439,683	33,203,402	202,730,118	669,495,854	515,875,779	17,125,726,898	
Accumulated depreciation												
1 January 2022	-	-	1,375,763,311	3,359,427,206	20,521,450	24,049,290	33,186,852	87,848,967	318,997,490	-	5,219,794,566	
Charge for the period	-	-	129,247,739	316,417,008	854,209	589,376	265,242	10,806,257	62,613,794	-	520,793,625	
Fully depreciated assets written-off / adjustment	-	-	-	(2,051,968)	(35,250)	(169,800)	-	(12,249,240)	-	-	(14,506,258)	
30 September 2022	-	-	1,505,011,050	3,673,792,246	21,340,409	24,468,866	33,452,094	86,405,984	381,611,284	-	5,726,081,933	
Net book value as at												
31 December 2021	428,792,907	2,966,789,048	2,880,439,986	4,294,678,624	6,132,561	3,560,193	16,550	378,297,855	323,018,103	406,681,692	11,688,407,519	
30 September 2022	517,576,659	3,207,076,276	2,755,700,036	3,991,127,034	5,358,352	2,970,817	(248,692)	116,324,134	287,884,570	515,875,779	11,399,644,965	

*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".

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 2022	29,146,505,937	51,188,234,656	118,302,690	95,632,091	55,033,434	80,603,708,808
Addition during the period	5,568,983	65,296,848	972,141	288,354	2,240,464	74,366,790
Transfer from capital work-in-progress	237,946,279	4,112,587,979	1,789	-	-	4,350,536,047
Fully depreciated assets written-off / adjustment	(895,497)	(31,071,372)	(1,736,915)	-	-	(33,703,784)
Foreign currency translation adjustments	(29,514,203)	(2,992,525)	(1,944,688)	(563,002)	(3,112,646)	(38,127,064)
Disposal	(7,853,757)	(20,847,271)	(405,851)	(266,605)	(590,525)	(29,964,009)
30 September 2022	29,351,757,742	55,311,208,315	115,189,166	95,090,838	53,570,727	84,926,816,788
Accumulated depreciation						
1 January 2022	4,847,981,960	16,600,478,957	89,096,454	78,642,525	47,499,758	21,663,699,654
Charge for the period	658,228,129	2,070,188,839	7,538,086	4,399,436	3,128,830	2,743,483,320
Fully depreciated assets written-off / adjustment	(113,068)	(32,977,153)	(904,646)	-	-	(33,994,867)
Foreign currency translation adjustments	4,990,049	(2,658,399)	(1,661,856)	(314,172)	(3,105,843)	(2,750,221)
Disposal	(265,892)	(12,104,973)	-	(12,389)	(590,525)	(12,973,779)
30 September 2022	5,510,821,178	18,622,927,271	94,068,038	82,715,400	46,932,220	24,357,464,107
Net book value as at						
31 December 2021	24,298,523,977	34,587,755,699	29,206,236	16,989,566	7,533,676	58,940,009,154
30 September 2022	23,840,936,564	36,688,281,044	21,121,128	12,375,438	6,638,507	60,569,352,681

9 Property, plant and equipment (continued)

Ammonia plant write-offs and related insurance claim:

During 2021, the Group had written-off certain property, plant and equipment having carrying amount of SAR 41 million relating to its Ma'aden Phosphate Company's Ammonia plant. The Ammonia plant was damaged by a limited fire which was fully controlled. The damaged parts of the Ammonia plant were damaged beyond repair and were written down to their recoverable value of Nil. The write-off loss was recognized and included in the cost of sales in the consolidated statement of profit or loss for the year ended 31 December 2021.

The Group had filed claims with the insurance company to recover the loss due to the fire incident. During the quarter ended 30 September 2022, the insurance claim amounting to SAR 109 million relating to property damage and SAR 86 million relating to business interruption was concluded and approved. Accordingly, the cumulative insurance income of SAR 195 million was recognized and included in the Other income in the condensed consolidated statement of profit or loss for the quarter ended 30 September 2022.

The assets written-off relating to Ammonia plant and insurance claim are attributable to the Group's phosphate segment.

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

10 Right-of-use assets

	Equipment**	Land and buildings**	Motor vehicles	Vessels*	Total
Cost					
1 January 2022	1,316,685,537	419,632,268	176,841,910	230,914,223	2,144,073,938
Additions during the period	-	134,191,885	7,863,098	692,574,477	834,629,460
Retirement / re-measurement	(235,386)	(1,062,488)	(50,017,195)	(58,634,373)	(109,949,442)
30 September 2022	1,316,450,151	552,761,665	134,687,813	864,854,327	2,868,753,956
Accumulated depreciation					
1 January 2022	358,901,290	139,723,865	102,558,046	185,884,284	787,067,485
Charge for the period	80,482,715	7,250,482	23,944,137	233,050,231	344,727,565
Retirement / re-measurement	147,358	-	(49,060,350)	(122,842,371)	(171,755,363)
30 September 2022	439,531,363	146,974,347	77,441,833	296,092,144	960,039,687
Net book value as at					
31 December 2021	957,784,247	279,908,403	74,283,864	45,029,939	1,357,006,453
30 September 2022	876,918,788	405,787,318	57,245,980	568,762,183	1,908,714,269

*During the period, the Group has:

- entered into certain new contracts for additional vessels having cost of SAR 693 million.
- de-recognized certain fully depreciated vessels having cost and accumulated depreciation of SAR 123 million.
- entered into a new contract for one of its vessel to increase its lease term based on the prevailing market rate that has resulted in a re-measurement of right-of-use by SAR 64 million.

**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:

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

11 Capital work-in-progress

	Non-mining assets		Total
	Property, plant and equipment	Ammonia project 3 *	
1 January 2022	2,853,550,337	3,762,762,415	6,616,312,752
Additions during the period	720,360,371	158,043,103	878,403,474
Transfer to property, plant and equipment	(429,730,529)	(3,920,805,518)	(4,350,536,047)
Transfer to intangible assets	(85,569,770)	-	(85,569,770)
Foreign currency translation adjustments	740,288	-	740,288
Adjustment	2,908,920	-	2,908,920
30 September 2022	3,062,259,617	-	3,062,259,617

*During the quarter ended 31 March 2022, the Group initiated the commissioning activities of Ammonia project 3. The revenue from sales of good produced during the quarter and period of such commissioning activities amounted to SAR 142 million and SAR 1,206 million, respectively, which has been recognized in profit or loss under sales. Further, the related cost of production for the quarter and period amounted to SAR 13 million and SAR 89 million, respectively, has been recognized in profit or loss under cost of sales. Subsequently, during the quarter ended 30 September 2022, the Ammonia project 3 has been transferred from the Company to Ma'aden Fertilizer Company (a wholly owned subsidiary of the Company). Also subsequent to such transfer the Ammonia project 3 has commenced commercial production, accordingly, have been capitalized in property, plant and equipment.

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

	Quarter ended		Nine months ended	
	30 September 2022	30 September 2021	30 September 2022	30 September 2021
Net borrowing cost attributable to qualifying assets under capital work-in-progress and mine properties, using a capitalization rate ranging from 2.32% to 4.70% per annum (30 September 2021: 2.11% to 3.92% per annum)	50,323,571	35,666,001	149,805,187	96,528,989
Amortization of transaction cost on long-term borrowings	3,786,902	3,680,027	10,627,601	8,205,967
Total	54,110,473	39,346,028	160,432,788	104,734,956

12 Intangible assets and goodwill

	Internally developed software	Technical development	Software and licenses	Goodwill	Customer relationships*	Non-core contracts*	Total
Cost							
1 January 2022	12,380,781	18,229,675	255,038,776	159,465,843	75,375,000	10,500,000	530,990,075
Additions during the period	-	-	19,709,789	-	-	-	19,709,789
Transfer from mine properties during the period	-	-	-	-	-	-	-
Transfer from capital work-in-progress during the period	-	-	85,569,770	-	-	-	85,569,770
30 September 2022	12,380,781	18,229,675	360,318,335	159,465,843	75,375,000	10,500,000	636,269,634
Accumulated amortisation							
1 January 2022	12,380,781	17,886,051	189,234,139	-	18,215,625	6,343,750	244,060,346
Charge for the period	-	78,685	29,279,236	-	5,653,125	1,968,750	36,979,796
30 September 2022	12,380,781	17,964,736	218,513,375	-	23,868,750	8,312,500	281,040,142
Net book value as at							
31 December 2021	-	343,624	65,804,637	159,465,843	57,159,375	4,156,250	286,929,729
30 September 2022	-	264,939	141,804,960	159,465,843	51,506,250	2,187,500	355,229,492

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

13 Share capital

	Note	30 September 2022	30 September 2021	31 December 2021
Authorized, issued and fully paid				
1,168,478,261	Ordinary shares with a nominal value of SAR 10 per share	11,684,782,610	11,684,782,610	11,684,782,610
62,112,885	Ordinary shares with a nominal value of SAR 10 per share, following the conversion of long-term borrowing into equity	621,128,850	621,128,850	621,128,850
1,230,591,146	Ordinary shares with a nominal value of SAR 10 per share, following the issuance of bonus shares	13.1 12,305,911,460	-	-
2,461,182,292	Total	24,611,822,920	12,305,911,460	12,305,911,460

13.1 Issuance of bonus shares

On 24 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.

14 Share premium

		30 September 2022	30 September 2021	31 December 2021
525,000,000	Ordinary shares with a nominal value of SAR 10 per share, issued at a premium of SAR 10 per share	-	5,250,000,000	5,250,000,000
243,478,261	Ordinary shares with a nominal value of SAR 10 per share, issued at a premium of SAR 13 per share, net of transaction cost	-	3,141,351,697	3,141,351,697
62,112,885	Ordinary shares with a nominal value of SAR 10 per share, issued at a premium of SAR 38.08 per share following the conversion of long-term borrowing into equity	-	2,365,258,650	2,365,258,650
	Less: Transaction cost	-	(17,420,308)	(17,420,308)
	Net increase in share premium	-	2,347,838,342	2,347,838,342
830,591,146	Total	-	10,739,190,039	10,739,190,039

During the period, share premium has been fully utilized against issuance of bonus shares as explained in Note 13.1.

15 Other reserves

	Notes	30 September 2022	30 September 2021	31 December 2021
Attributable to ordinary shareholders of the parent company				
Accumulated (gain) / losses on cash flow hedge reserve	19	(70,880,579)	214,100,186	152,019,272
Accumulated loss on exchange differences on translation		135,526,354	77,429,096	60,787,901
Put option on non-controlling interest	20	49,736,500	118,230,600	41,852,921
Share of other non-distributable reserves		8,189,290	8,189,290	8,189,290
Sub-total		122,571,565	417,949,172	262,849,384
Attributable to non-controlling interest				
Accumulated (gain) / losses on cash flow hedge reserve	19	(23,753,038)	71,747,859	50,943,708
Accumulated loss on exchange differences on translation		18,003,074	13,663,958	11,943,199
Share of other non-distributable reserves		1,445,169	1,445,169	1,445,169
Sub-total		(4,304,795)	86,856,986	64,332,076
Total		118,266,770	504,806,158	327,181,460

During the period, 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 has been restated to conform to the new presentation.

Below are the tables showing the effect of such reclassification on the comparative information:

	As previously reported	Reclassification	As restated
As at 30 September 2021			
Retained earnings	9,540,661,714	214,100,186	9,754,761,900
Other reserve	(203,848,986)	(214,100,186)	(417,949,172)
Total equity	41,168,237,163	-	41,168,237,163
As at 31 December 2021			
Retained earnings	11,139,961,591	152,019,272	11,291,980,863
Other reserve	(110,830,112)	(152,019,272)	(262,849,384)
Total equity	43,968,571,499	-	43,968,571,499

16 Long-term borrowings

	30 September 2022	31 December 2021
Facilities utilized under:		
Common Terms Agreements ("CTAs"):		
Ma'aden Aluminium Company ("MAC")	8,862,587,036	10,182,257,250
Ma'aden Rolling Company ("MRC")	1,256,875,000	1,358,750,000
Ma'aden Bauxite and Alumina Company ("MBAC")	6,636,510,215	7,278,340,000
Ma'aden Wa'ad Al-Shamal Phosphate Company ("MWSPC")	17,918,038,419	18,753,399,662
Ma'aden Gold and Base Metals Company ("MGBM") Facility	1,518,000,000	1,377,160,000
Murabaha Facility Agreements ("MFAs"):		
Ma'aden Infrastructure Company ("MIC")	532,000,000	571,000,000
Ma'aden Phosphate Company ("MPC")	1,512,830,881	2,988,051,469
Sukuk Facility Agreement ("SFA"):		
MPC	3,500,000,000	3,500,000,000
Ma'aden Fertilizer Company ("MFC") Facility	1,080,000,000	600,000,000
Meridian Consolidated Investments Limited ("MCIL")	845,881,045	731,486,977
Total borrowings	43,662,722,596	47,340,445,358
Less: Transaction cost balance at the period / year end	<u>(591,787,850)</u>	<u>(621,907,616)</u>
Total borrowings, net of transaction cost	43,070,934,746	46,718,537,742
Add: Accrued finance cost	270,575,675	125,546,870
Less: Current portion of borrowings shown under current liabilities	<u>(4,734,573,139)</u>	<u>(4,376,353,108)</u>
Long-term portion of borrowings	<u>38,606,937,282</u>	<u>42,467,731,504</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 September 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.

The following table contains details of all financial instruments of the Group which are based on USD LIBOR as at 30 September 2022 and are currently in process of transitioning to an alternative benchmark:

Financial instruments:

Non-derivative financial liabilities	15,919,057,934
Derivative financial assets	71,667,418

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.

17 Zakat and income tax assessments

The Company and its wholly owned subsidiaries have filed their consolidated zakat returns up to 31 December 2021 and have received zakat certificates for the same. The Company and its wholly owned subsidiaries have finalized its assessments with ZATCA up to 31 December 2013.

The ZATCA has issued revised assessments for the years ended 31 December 2014 to 2018 and draft assessments for the years ended 31 December 2019 and 31 December 2020 with an additional zakat liability of approximately SAR 63 million and SAR 34 million respectively. 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 45 million. The Company filed an appeal with GSTC 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 2021 and zakat and income tax certificates up to 31 December 2021 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 19 million, SAR 34 million and SAR 10 million, respectively. MAC, MBAC and MRC has filed an appeal against the ZATCA's revised assessments with the GSTC. GSTC has subsequently revised assessment for MBAC with a reduction in zakat liability by SAR 29 million. MBAC has filed an appeal against the GSTC resolution on the remaining zakat claim of SAR 5 million. In relation to MRC, the ZATCA issued 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.

18 Related party transactions and balances

18.1 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

	Nine months ended	
	30 September 2022	30 September 2021
Sales of MAC to Alcoa Inespal, S.A., in accordance with a shareholders off-take agreement, during the period	1,202,832,993	949,577,908
Sales of MPC through Saudi Basic Industries Corporation ("SABIC") (a government controlled entity), in accordance with a marketing agreement, during the period	1,780,801,328	1,244,807,936
Sales of MWSPC through SABIC, in accordance with a marketing agreement, during the period	1,611,119,933	740,995,350
Sales of MWSPC through The Mosaic Company, in accordance with a marketing agreement, during the period	1,430,147,491	639,606,138
Cost of seconded employees, technology fee and other cost charged by Alcoa Corporation during the period to MAC and MBAC	10,179,685	13,613,609
Cost of seconded employees, technology fee and other cost charged by the Mosaic Company during the period to MWSPC	23,051,209	16,343,622
Purchase of raw material from SAMAPCO (a joint venture) during the period	429,016,585	143,461,753
Purchase of raw material supplies from Saudi Aramco (a government controlled entity)	2,193,271,563	1,079,318,534
MPC	949,656,019	424,827,862
MWSPC	1,243,615,544	654,490,672
Dividend paid to non-controlling shareholders – SABIC during the period	225,000,000	-
Dividend received from MBCC (a joint venture)	373,125,000	95,625,000

18.2 Related party balances

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

	30 September 2022	31 December 2021
<i>Trade and other receivables due from:</i>		
Non-controlling shareholders:		
• SABIC in MPC – trade	168,604,619	304,793,700
• SABIC in MWSPC - trade	339,441,809	41,481,619
Sub-total – trade receivables due from SABIC	508,046,428	346,275,319
• The Mosaic Company in MWSPC - trade	259,285,416	199,951,194
Sub-total – trade receivables due from non-controlling shareholders	767,331,844	546,226,513
Subsidiaries of a non-controlling shareholder:		
• Alcoa Inespal, S.A. in MAC - trade	343,938,555	267,299,620
A joint venture company:		
• MBCC - other	146,206	283,627
Parent company of a non-controlling shareholder:		
• Rebate receivable from Saudi Aramco related to purchase of molten sulfur by MPC and MWSPC	630,581,619	456,407,732
Total	1,741,998,224	1,270,217,492

18 Related party transactions and balances (continued)

18.2 Related party balances (continued)

	30 September 2022	31 December 2021
<i>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</i>		
Due to PIF for the financing of the:		
MAC facility	3,912,137,330	4,275,375,000
MBAC facility	2,651,236,465	3,152,118,750
Total	6,563,373,795	7,427,493,750

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

	30 September 2022	31 December 2021
<i>Payable to the parent company (ultimate shareholder) of a non-controlling shareholder:</i>		
• Accrued expenses due to Alcoa Corporation in MAC, MRC and MBAC	3,842,634	4,906,661
<i>Payable to the parent company of a non-controlling shareholder:</i>		
• Trade payable to Saudi Aramco by MPC and MWSPC	43,947,658	13,172,127
<i>Payable to a non-controlling shareholder:</i>		
• Accrued expenses due to The Mosaic Company in MWSPC	-	4,778,129
<i>Payable to a joint venture company:</i>		
• SAMAPCO – trade	87,794,015	152,871,187

18.3 Key management personnel compensation

	Nine-months ended	
	30 September 2022	30 September 2021
Short-term employee benefits	38,712,512	27,680,828
Employees’ end of service termination benefits	2,481,179	1,684,755
Total	41,193,691	29,365,583

19 Derivative financial instruments

	Quarter ended		Nine months ended		Year ended
	30 September 2022	30 September 2021	30 September 2022	30 September 2021	31 December 2021
1 July / 1 January	(9,693,022)	332,602,600	229,266,382	425,875,705	425,875,705
Net accrued derivative interest	(13,255,396)	20,052,594	(26,303,402)	8,679,857	(11,227,429)
Accrual during the quarter / period / year	13,436,255	33,074,345	64,881,330	96,937,176	130,161,265
Paid during the quarter / period / year	(26,691,651)	(13,021,751)	(91,184,732)	(88,257,319)	(141,388,694)
Gain in fair value of hedge instrument	(71,685,199)	(20,596,461)	(297,596,597)	(102,496,829)	(185,381,894)
30 September / 31 December	(94,633,617)	332,058,733	(94,633,617)	332,058,733	229,266,382
Less: current portion derivative financial instruments	25,509,080	-	25,509,080	-	-
Non-current portion	(69,124,537)	332,058,733	(69,124,537)	332,058,733	229,266,382

Gain in fair value of hedge instrument is attributable to:

	Quarter ended		Nine months ended		Year ended
	30 September 2022	30 September 2021	30 September 2022	30 September 2021	31 December 2021
Ordinary shareholders of the parent company	(53,692,214)	(15,426,749)	(222,899,851)	(76,770,125)	(138,851,039)
Non-controlling interest	(17,992,985)	(5,169,712)	(74,696,746)	(25,726,704)	(46,530,855)
Total	(71,685,199)	(20,596,461)	(297,596,597)	(102,496,829)	(185,381,894)

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 September 2022	30 September 2021	31 December 2021
Carrying amount (asset) / liability – MBAC	(46,158,338)	66,437,245	34,006,958
Carrying amount (asset) / liability – MAC	(48,475,279)	265,621,488	195,259,424
Carrying amount (asset) / liability	(94,633,617)	332,058,733	229,266,382
Notional amount	4,847,437,500	4,847,437,500	4,847,437,500
Hedge ratio	1:1	1:1	1:1
Gain in value of hedge item used to determine hedge effectiveness	(297,596,597)	(102,496,829)	(185,381,894)

19 Derivative financial instruments (continued)

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

	Quarter ended		Nine months ended		Year ended
	30 September 2022	30 September 2021	30 September 2022	30 September 2021	31 December 2021
1 July / 1 January	(22,948,418)	306,444,506	202,962,980	388,344,874	388,344,874
Change in fair value of hedging instrument recognized in OCI	(58,248,944)	12,477,884	(232,715,267)	(5,559,653)	(55,220,629)
Transferred from OCI to profit or loss	(13,436,255)	(33,074,345)	(64,881,330)	(96,937,176)	(130,161,265)
Changes in fair value and transfer to profit or loss, net	(71,685,199)	(20,596,461)	(297,596,597)	(102,496,829)	(185,381,894)
30 September / 31 December	(94,633,617)	285,848,045	(94,633,617)	285,848,045	202,962,980

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

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

	30 September 2022	31 December 2021
1 January	41,852,921	99,415,016
Settlement during the period / year	-	(36,637,841)
Revaluation loss / (gain)	7,883,579	(20,924,254)
30 September / 31 December	49,736,500	41,852,921

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. For the remaining tranches, the Group has estimated the fair value of liability using the probabilities of un-discounted cash outflow scenarios in the range of SAR 50.3 million to SAR 60.4 million at the exercise of the option. A pre-tax discount rate of 25.9% has been used for redemptions values based on the options. This is a level 3 fair valuation as per IFRS 13.

21 Commitments and contingent liabilities

21.1 Capital commitments

	30 September 2022	31 December 2021
Capital expenditure contracted for:		
Property, plant and equipment	659,405,420	1,296,443,281

21.2 Guarantees

	30 September 2022	31 December 2021
Guarantee in favor of Saudi Aramco for future supply of molten sulfur	426,937,500	234,375,000
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 Aramco for future diesel and gas feedstock supplies	234,030,088	124,470,244
Guarantee in favor of Jordan Phosphate Mine for future supply of concentrated rock	48,221,250	-
Guarantee in favor of Ras Al-Khair Port for land lease	30,916,900	-
Guarantee in favor of Saudi Ports Authority (a government controlled entity)	6,671,580	6,671,580
Guarantee in favor of Andritz SAS for future supply of materials	3,007,537	7,997,939
Guarantee in favor of Ruwais Fertilizer Industries, LLC for catalyst supply	-	3,174,883
Others	2,134,622	2,202,494
Total	1,014,419,477	641,392,140

21.3 Letters of credit

	30 September 2022	31 December 2021
Sight letters of credit for purchasing equipment and materials	-	26,606,250

21.4 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.
- During the period, the Group received certain charges from a supplier in relation to industrial utilities amounting to SAR 817 million pertaining to period from the 1 January 2021 through 30 September 2022. The Group has disclaimed these charges due to lack of sufficient ground and supporting documents.

Based on the Group's assessment, it is not anticipated that any material liabilities will be incurred as a result of these contingencies.

22 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 September 2022					
Financial assets					
Derivative financial instrument (asset)	19	-	94,633,617	-	94,633,617
Trade receivables		-	4,224,004,187	-	4,224,004,187
			4,318,637,804	-	4,318,637,804
Financial liabilities					
Projects, trade and other payables (Non-controlling interest Put options)	20	-	-	49,736,500	49,736,500
As at 31 December 2021					
Financial assets					
Trade receivables		-	2,973,365,373	-	2,973,365,373
Financial liabilities					
Derivative financial instruments	19	-	229,266,382	-	229,266,382
Projects, trade and other payables (Non-controlling interest Put options)	20	-	-	41,852,921	41,852,921
			229,266,382	41,852,921	271,119,303

There were no transfers between fair value levels during the period and year 2022 and 2021 respectively.