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

Consolidated interim financial statements
for the quarter and six months ended 30 June 2021 (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. Samuel Walsh	
	Dr. Ganesh Kishor	
	Mr. Abdallah Bin Saleh Bin Jum'ah	
	Engr. Nabilah Bint Mohammed Al-Tunisi	
	Engr. Abdulaziz Bin Asker Al-Harbi **	
	H.E. Engr. Abdullah Bin Ibrahim Al-Saadan	- End of term 24 October 2020
	Engr. Abdullah Bin Mohammed Al-Issa	- End of term 24 October 2020
	Ms. Lubna Bint Suliman Al-Olayan	- End of term 24 October 2020
	Dr. Klaus Christian Kleinfeld	- End of term 24 October 2020
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	
Banker	The Saudi British Bank (SABB)	
Auditors	PricewaterhouseCoopers Kingdom Tower - 21st Floor King Fahad Road Riyadh 11414 Kingdom of Saudi Arabia	

*The eleven members of the Board of Directors have been appointed for a term of three years, which commenced on 25 October 2020.

**Engr. Mosaed Bin Sulaiman AlOhali resigned and was replaced by Engr. Abdulaziz Bin Asker Al-Harbi as an acting Chief Executive Officer effective from 25 April 2021.

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 consolidated interim financial statements of Saudi Arabian Mining Company (Ma'aden) (the "Company") and its subsidiaries (the "Group")..

Management is responsible for the preparation of the consolidated interim financial statements that present fairly the consolidated interim financial position of the Group as at 30 June 2021, its financial performance, changes in equity and cash flows for the quarter and six months then ended, in accordance with International Financial Reporting Standards ("IFRS") issued by the Saudi Organization for Chartered and Professional Accountants ("SOCPA"), as endorsed in the Kingdom of Saudi Arabia.

In preparing the 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 IFRS and other standards and pronouncements that are issued by the Saudi Organization for Chartered and Professional Accountants ("SOCPA"), as endorsed in the Kingdom of Saudi Arabia, have been followed, subject to any material departures disclosed and explained in the consolidated interim financial statements and
- preparing and presenting the 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 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 consolidated interim financial statements for the quarter and six months ended 30 June 2021 set out on pages 5 to 134, were approved and authorized for issue by the Board of Directors on 4 August 2021 and signed on their behalf by:

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

Engr. Abdulaziz Bin Asker Al-Harbi
Chief Executive Officer (A)

Mr. Yaser Bin Abdul Rauf Barri
Senior Vice-President
Finance and
Chief Financial Officer (A)

25 Dhul Hijjah 1442H
4 August 2021
Riyadh
Kingdom of Saudi Arabia

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Report on review of 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 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 2021 and the related consolidated statements of profit or loss and other comprehensive income and cash flows for the three-month and six-month periods then ended and the consolidated interim statement of changes in equity for the six-month period ended 30 June 2021, and notes, comprising significant accounting policies and other explanatory notes. Management is responsible for the preparation and fair presentation of these 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 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 statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing, 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 consolidated interim financial statements do not present fairly, in all material respects, the financial position of the Group as at 30 June 2021, and of its financial performance and its cash flows for the three-month and six-month periods then ended in accordance with IAS 34, as endorsed in the Kingdom of Saudi Arabia.

PricewaterhouseCoopers

Omar M. Al Sagga
License Number 369

4 August 2021

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Consolidated interim statement of profit or loss and other comprehensive income for the quarter and six months ended 30 June 2021 (Unaudited)
(All amounts in Saudi Riyals unless otherwise stated)

	Notes	Quarter ended 30 June 2021	30 June 2020	Six months ended 30 June 2021	30 June 2020	Year ended 31 December 2020
Sales	7	**6,101,453,119**	4,016,413,639	**11,551,219,240**	8,371,572,590	18,579,823,261
Cost of sales	8,51	**(4,044,653,912)**	(3,723,419,812)	**(8,058,023,872)**	(7,795,823,229)	(16,012,828,504)
Gross profit		**2,056,799,207**	292,993,827	**3,493,195,368**	575,749,361	2,566,994,757
Operating expenses						
Selling, marketing and logistic expenses	9	**(159,226,826)**	(114,163,844)	**(272,979,872)**	(233,175,071)	(510,350,520)
General and administrative expenses	10,51	**(243,880,955)**	(275,498,394)	**(489,675,463)**	(512,607,611)	(1,032,858,057)
Exploration and technical services expenses	11	**(41,601,766)**	(66,697,389)	**(71,470,018)**	(112,620,158)	(213,191,489)
Operating profit / (loss)		**1,612,089,660**	(163,365,800)	**2,659,070,015**	(282,653,479)	810,594,691
Other income / (expenses)						
Income from time deposits	12	**13,239,555**	18,938,919	**23,776,772**	50,605,245	72,439,718
Finance cost	13	**(298,215,657)**	(555,813,036)	**(609,213,233)**	(1,054,383,783)	(1,662,245,650)
Other income / (expenses), net	14	**13,464,771**	9,343,578	**25,766,503**	(62,926,532)	(113,084,775)
Share in net profit / (loss) of joint ventures that have been equity accounted	21.1.3, 21.2.3	**142,172,847**	(8,795,540)	**303,035,202**	28,388,463	197,410,762
Profit / (loss) before zakat and income tax		**1,482,751,176**	(699,691,879)	**2,402,435,259**	(1,320,970,086)	(694,885,254)
Income tax	22.1	**(39,641,503)**	3,165,584	**(56,845,928)**	37,359,654	8,807,709
Zakat expense	42.2	**(93,691,652)**	(31,089,221)	**(148,315,262)**	(81,598,967)	(161,279,813)
Profit / (loss) for the quarter / period / year		**1,349,418,021**	(727,615,516)	**2,197,274,069**	(1,365,209,399)	(847,357,358)
Other comprehensive income / (loss)						
Items that may be reclassified to profit or loss in subsequent periods						
Gain / (loss) on exchange differences on translation	33	**5,192,235**	(38,472,669)	**7,643,385**	(94,822,159)	(49,911,394)
Cash flow hedge – effective portion of changes in fair value	38	**39,036,147**	(40,289,837)	**81,900,368**	(210,889,468)	(162,510,079)
Items that will not be reclassified to profit or loss in subsequent periods						
Share in other comprehensive loss of a joint venture that has been equity accounted	21.1.1	**(215,205)**	(707,479)	**(301,454)**	(1,099,831)	(673,590)
Loss attributable to the re-measurements of employees' end of service termination benefits obligation	39.1.1	**-**	-	**-**	-	(12,196,393)
Other comprehensive income / (loss) for the quarter / period / year		**44,013,177**	(79,469,985)	**89,242,299**	(306,811,458)	(225,291,456)
Total comprehensive income / (loss) for the quarter / period / year		**1,393,431,198**	(807,085,501)	**2,286,516,368**	(1,672,020,857)	(1,072,648,814)

Continued

	Notes	Quarter ended 30 June 2021	Quarter ended 30 June 2020	Six months ended 30 June 2021	Six months ended 30 June 2020	Year ended 31 December 2020
Profit / (loss) for the quarter / period / year is attributable to:						
Ordinary shareholders of the parent company	15	**1,104,516,722**	(434,146,130)	**1,865,672,477**	(787,399,460)	(208,980,874)
Non-controlling interest	34.2, 34.3	**244,901,299**	(293,469,386)	**331,601,592**	(577,809,939)	(638,376,484)
		1,349,418,021	(727,615,516)	**2,197,274,069**	(1,365,209,399)	(847,357,358)
Total comprehensive income / (loss) for quarter / period / year is attributable to:						
Ordinary shareholders of the parent company		**1,137,952,991**	(497,732,466)	**1,933,211,276**	(1,027,054,338)	(383,390,676)
Non-controlling interest	34.2, 34.3	**255,478,207**	(309,353,035)	**353,305,092**	(644,966,519)	(689,258,138)
		1,393,431,198	(807,085,501)	**2,286,516,368**	(1,672,020,857)	(1,072,648,814)
Earnings / (loss) per ordinary share (Saudi Riyals)						
Basic and diluted earnings / (loss) per share from continuing operations attributable to ordinary shareholders of the parent company	15	**0.89**	(0.35)	**1.52**	(0.63)	(0.17)

Consolidated interim statement of financial position as at 30 June 2021 (Unaudited)
(All amounts in Saudi Riyals unless otherwise stated)

	Notes	30 June 2021	30 June 2020	31 December 2020
Assets				
Non-current assets				
Mine properties	16	**11,228,222,348**	10,177,427,510	10,672,155,147
Property, plant and equipment	17	**60,285,142,793**	63,274,158,165	61,884,484,039
Right-of-use assets	18	**1,377,289,633**	1,545,021,014	1,463,774,682
Capital work-in-progress	19	**5,623,160,786**	3,169,326,649	4,666,875,538
Intangible assets and goodwill	20	**309,289,127**	339,170,061	318,275,737
Investment in joint ventures	21	**1,233,739,674**	1,031,505,325	1,026,630,926
Deferred tax assets	22.2	**842,883,117**	742,282,898	804,902,772
Other investments	23	**38,390,000**	35,980,000	33,465,000
Other non-current assets	24	**885,199,148**	987,743,853	933,952,082
Total non-current assets		**81,823,316,626**	81,302,615,475	81,804,515,923
Current assets				
Other investments	23	**-**	4,820,000	4,925,000
Advances and prepayments	25	**322,623,505**	275,633,942	304,142,407
Inventories	26	**6,715,897,350**	5,531,759,031	5,932,384,325
Trade and other receivables	27	**3,967,410,612**	2,995,705,841	2,978,603,812
Time deposits	28	**699,414,282**	1,360,919,170	1,466,321,392
Cash and cash equivalents	29	**5,055,186,260**	4,108,491,532	4,246,213,518
Total current assets		**16,760,532,009**	14,277,329,516	14,932,590,454
Total assets		**98,583,848,635**	95,579,944,991	96,737,106,377
Equity and liabilities				
Equity				
Share capital	30	**12,305,911,460**	12,305,911,460	12,305,911,460
Statutory reserve				
Share premium	31	**10,739,190,039**	10,739,190,039	10,739,190,039
Transfer of net income	32	**1,054,251,439**	1,054,251,439	1,054,251,439
Other reserves	33	**(180,256,247)**	(201,900,131)	(174,575,062)
Retained earnings		**8,253,574,408**	5,721,370,497	6,326,860,009
Equity attributable to ordinary shareholders of the parent company		**32,172,671,099**	29,618,823,304	30,251,637,885
Non-controlling interest	34.3	**7,401,436,947**	7,092,423,474	7,048,131,855
Total equity		**39,574,108,046**	36,711,246,778	37,299,769,740
Non-current liabilities				
Deferred tax liabilities	22.3	**1,016,638,946**	898,378,841	971,455,742
Long-term borrowings	35	**44,317,941,574**	46,583,689,169	45,196,273,929
Provision for decommissioning, site rehabilitation and dismantling obligations	36	**532,056,346**	462,340,137	520,840,445
Non-current portion of lease liabilities	37	**1,087,619,317**	1,185,078,654	1,173,613,697
Derivative financial instruments	38	**332,602,600**	459,371,788	425,875,705
Employees' benefits	39	**888,541,101**	780,873,985	843,450,157
Projects, trade and other payables	40	**178,696,058**	169,408,908	171,555,104
Total non-current liabilities		**48,354,095,942**	50,539,141,482	49,303,064,779
Current liabilities				
Projects, trade and other payables	40	**3,903,429,248**	2,917,537,024	3,846,758,988
Accrued expenses	41	**3,010,671,087**	2,252,147,800	2,603,202,057
Zakat and income tax payable	42	**164,717,141**	323,369,210	204,503,523
Severance fees payable	43	**288,588,907**	104,407,915	210,793,374
Current portion of long-term borrowings	35	**3,121,104,556**	2,508,499,451	3,105,457,977
Current portion of lease liabilities	37	**167,133,708**	223,595,331	163,555,939
Total current liabilities		**10,655,644,647**	8,329,556,731	10,134,271,858
Total liabilities		**59,009,740,589**	58,868,698,213	59,437,336,637
Total equity and liabilities		**98,583,848,635**	95,579,944,991	96,737,106,377
Commitments and contingent liabilities	45			

SAUDI ARABIAN MINING COMPANY (MA'ADEN)
(A Saudi Arabian joint stock company)
Consolidated interim statement of changes in equity for the six months ended 30 June 2021 (Unaudited)
(All amounts in Saudi Riyals unless otherwise stated)

	Equity attributable to ordinary shareholders of the parent company						Non-controlling interest					
		Statutory reserve										
	Share capital (Note 30)	Share premium (Note 31)	Transfer of net income (Note 32)	Other Reserves (Note 33)	Retained earnings	Sub-total	Share capital	Payments to increase share capital*	Other Reserves (Note 33)	Net income / (loss) attributable to non-controlling interest	Sub-total	Total equity
1 January 2020	12,305,911,460	10,739,190,039	1,054,251,439	(111,636,166)	6,667,826,000	30,655,542,772	7,952,771,882	68,155,432	(5,776,828)	(277,760,493)	7,737,389,993	38,392,932,765
Net loss for the period	-	-	-	-	(787,399,460)	(787,399,460)	-	-	-	(577,809,939)	(577,809,939)	(1,365,209,399)
Items of other comprehensive loss for the period:												
Share in other comprehensive loss of a joint venture that has been equity accounted (Note 21.1.3)	-	-	-	-	(1,099,831)	(1,099,831)	-	-	-	-	-	(1,099,831)
Cash flow hedge – effective portion of changes in fair value (Note 38)	-	-	-	-	(157,956,212)	(157,956,212)	-	-	-	(52,933,256)	(52,933,256)	(210,889,468)
Loss on exchange differences on translation	-	-	-	(80,598,835)	-	(80,598,835)	-	-	(14,223,324)	-	(14,223,324)	(94,822,159)
Total comprehensive loss for the period	-	-	-	(80,598,835)	(946,455,503)	(1,027,054,338)	-	-	(14,223,324)	(630,743,195)	(644,966,519)	(1,672,020,857)
Unwinding of discount on non-controlling interest put option (Note 40.2)	-	-	-	(9,665,130)	-	(9,665,130)	-	-	-	-	-	(9,665,130)
30 June 2020	12,305,911,460	10,739,190,039	1,054,251,439	(201,900,131)	5,721,370,497	29,618,823,304	7,952,771,882	68,155,432	(20,000,152)	(908,503,688)	7,092,423,474	36,711,246,778
Net profit / (loss) for the remainder of the year	-	-	-	-	578,418,586	578,418,586	-	-	-	(60,566,545)	(60,566,545)	517,852,041
Items of other comprehensive income / (loss) for the remainder of the year:												
Share in other comprehensive income of a joint venture that has been equity accounted (Note 21.1.3)	-	-	-	-	426,241	426,241	-	-	-	-	-	426,241
Cash flow hedge – effective portion of changes in fair value (Note 38)	-	-	-	-	36,236,163	36,236,163	-	-	-	12,143,226	12,143,226	48,379,389
Loss attributable to the re-measurements of employees' end of service termination benefits obligation (Note 39.1.1)	-	-	-	-	(9,591,478)	(9,591,478)	-	-	-	(2,604,915)	(2,604,915)	(12,196,393)
Gain on exchange differences on translation	-	-	-	38,174,150	-	38,174,150	-	-	6,736,615	-	6,736,615	44,910,765
Total comprehensive income / (loss) for the remainder of the year	-	-	-	38,174,150	605,489,512	643,663,662	-	-	6,736,615	(51,028,234)	(44,291,619)	599,372,043
Unwinding of discount on non-controlling interest put option (Note 40.2)	-	-	-	(10,849,081)	-	(10,849,081)	-	-	-	-	-	(10,849,081)
31 December 2020	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

(All amounts in Saudi Riyals unless otherwise stated)

Continued

	Equity attributable to ordinary shareholders of the parent company						Non-controlling interest					
		Statutory reserve										
	Share capital (Note 30)	Share premium (Note 31)	Transfer of net income (Note 32)	Other Reserves (Note 33)	Retained earnings	Sub-total	Share capital	Payments to increase share capital*	Other Reserves (Note 33)	Net income / (loss) attributable to non-controlling interest	Sub-total	Total equity
31 December 2020	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
Net profit for the period	-	-	-	-	1,865,672,477	1,865,672,477	-	-	-	331,601,592	331,601,592	2,197,274,069
Items of other comprehensive income / (loss) for the period:												
Share in other comprehensive loss of a joint venture that has been equity accounted (Note 21.1.3)	-	-	-	-	(301,454)	(301,454)	-	-	-	-	-	(301,454)
Cash flow hedge – effective portion of changes in fair value (Note 38)	-	-	-	-	61,343,376	61,343,376	-	-	-	20,556,992	20,556,992	81,900,368
Gain on exchange differences on translation	-	-	-	6,496,877	-	6,496,877	-	-	1,146,508	-	1,146,508	7,643,385
Total comprehensive income for the period	-	-	-	6,496,877	1,926,714,399	1,933,211,276	-	-	1,146,508	352,158,584	353,305,092	2,286,516,368
Unwinding of discount on non-controlling interest put option (Note 40.2)	-	-	-	(12,178,062)	-	(12,178,062)	-	-	-	-	-	(12,178,062)
30 June 2021	**12,305,911,460**	**10,739,190,039**	**1,054,251,439**	**(180,256,247)**	**8,253,574,408**	**32,172,671,099**	**7,952,771,882**	**68,155,432**	**(12,117,029)**	**(607,373,338)**	**7,401,436,947**	**39,574,108,046**

* 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.

Consolidated interim statement of cash flows for the quarter and six months ended 30 June 2021 (Unaudited)

(All amounts in Saudi Riyals unless otherwise stated)

	Notes	Quarter ended 30 June 2021	Quarter ended 30 June 2020	Six months ended 30 June 2021	Six months ended 30 June 2020	Year ended 31 December 2020
Operating activities						
Profit / (loss) before zakat and income tax		**1,482,751,176**	(699,691,879)	**2,402,435,259**	(1,320,970,086)	(694,885,254)
Adjustments for non-cash flow items:						
Gain / (loss) on exchange differences on translation		**341,368**	(12,571,995)	**(5,223,408)**	(59,199,533)	(41,573,795)
Impairment of plant and equipment	8,14	**56,842,520**	-	**56,842,520**	-	-
Income from time deposits	12	**(13,239,555)**	(18,938,919)	**(23,776,772)**	(50,605,245)	(72,439,718)
Finance cost	13	**298,215,657**	555,813,036	**609,213,233**	1,054,383,783	1,662,245,650
Depreciation of mine properties	16.1	**163,830,570**	231,089,367	**336,091,700**	468,012,746	883,432,499
(Gain) / loss on derecognition of property, plant and equipment	17,14	**(2,137,245)**	232,457	**477,859**	12,647,238	12,632,519
Depreciation of property, plant and equipment	17.1	**907,809,402**	922,986,639	**1,812,295,530**	1,838,031,550	3,654,107,351
Adjustment to right-of-use assets and the corresponding lease liabilities	18,37.1, 37.2	**(1,385)**	(215,877)	**(184,127)**	(35,399)	125,345
Depreciation of right-of-use assets	18.1	**54,264,157**	67,541,916	**113,066,734**	114,798,755	239,877,860
Amortisation of intangible assets	20.1	**12,131,645**	10,919,657	**22,479,594**	22,132,214	44,228,855
Share in net (profit) / loss of joint ventures	21.1.3, 21.2.3	**(142,172,847)**	8,795,540	**(303,035,202)**	(28,388,463)	(197,410,762)
Obsolete spare parts written-off	26	**-**	-	**-**	-	4,073,406
Increase in provision for allowance for inventory obsolescence	26.1	**1,168,626**	6,188,684	**1,441,185**	7,814,445	4,268,051
Increase in expected credit loss allowance on trade and other receivables	27.1	**564,341**	29,568	**2,627,149**	2,735,355	1,764,743
Adjustment to mine closure provision	36.1,14	**-**	(44,788)	**-**	(44,788)	(797,101)
Current service cost of employees' termination benefits	39.1	**28,519,816**	24,466,525	**52,740,754**	54,225,108	83,492,145
Contribution for the employees' savings plan	39.2	**12,050,064**	11,460,619	**22,386,683**	29,687,669	77,512,639
Provision for severance fees	43	**23,138,044**	64,861,199	**77,795,533**	100,811,610	207,197,069
Changes in working capital:						
Advances and prepayments	24,25	**(36,162,702)**	49,915,561	**(12,330,341)**	(60,435,235)	(82,060,059)
Inventories	24,26	**(673,013,460)**	122,659,537	**(784,954,210)**	229,724,353	(169,303,830)
Trade and other receivables	24,27	**(656,797,981)**	(141,045,118)	**(955,956,772)**	27,278,917	83,010,565
Projects and other payables – Trade	40	**408,306,393**	66,014,802	**197,338,674**	(255,056,611)	66,512,705
Accrued expenses – Trade	41	**463,229,186**	(75,312,856)	**484,063,347**	55,362,714	154,589,056
Derivative interest paid	38	**(12,191,169)**	(20,516,313)	**(75,235,568)**	(22,100,407)	(66,546,091)
Employees' termination benefits paid	39.1	**(13,661,572)**	(5,523,837)	**(28,460,115)**	(19,557,594)	(37,956,540)
Employees' savings plan withdrawal	39.2	**(6,541,507)**	(8,936,036)	**(12,564,983)**	(18,503,156)	(39,215,821)
Zakat paid	42.2	**(194,803,391)**	(13,828,971)	**(228,667,020)**	(19,613,208)	(224,612,518)
Income tax paid	42.5	**(7,763,213)**	(14,733,764)	**(7,763,213)**	(15,019,717)	-
Severance fees paid	43	**-**	(120,909,643)	**-**	(120,909,643)	(120,909,643)
Finance cost paid		**(294,753,547)**	(528,113,334)	**(511,851,049)**	(927,699,621)	(1,526,601,968)
Net cash generated from operating activities		**1,859,923,391**	482,591,777	**3,241,292,974**	1,099,507,751	3,904,757,358
Investing activities						
Income received from time deposits		**13,864,179**	22,547,162	**25,683,882**	66,049,923	98,732,174
Additions to mine properties	16	**(484,827,128)**	(191,186,584)	**(888,509,748)**	(531,608,723)	(1,406,109,622)
Proceeds from derecognition of property, plant and equipment	17	**1,788,659**	1,292,115	**1,788,659**	1,502,115	1,598,234
Additions to property, plant and equipment	17	**(59,067,448)**	(114,437,409)	**(164,685,666)**	(148,492,652)	(185,273,042)
Additions to capital work-in-progress	19	**(484,470,661)**	(329,145,605)	**(999,166,738)**	(1,009,546,923)	(2,785,501,018)
Additions to intangible assets	20	**(225,750)**	(84,385)	**(529,785)**	(213,301)	(1,046,254)
Settlement of additional contribution to equity in a joint venture	21.1.3	**-**	112,500,000	**-**	112,500,000	286,822,939
Dividend received from a joint venture	21.1.3	**-**	-	**95,625,000**	-	-
Other investments	23	**-**	2,385,000	**-**	2,385,000	4,795,000
Decrease in time deposits	28	**520,000,000**	69,250,000	**765,000,000**	1,810,425,000	1,694,175,000
Increase in restricted cash	29	**(5,508,557)**	(2,524,583)	**(9,821,700)**	(11,184,513)	(38,296,818)
Projects and other payables - Projects	40	**(45,399,297)**	34,042,426	**(145,705,522)**	(6,037,020)	592,912,743
Accrued expenses - Projects	41	**(122,112,870)**	(165,292,347)	**(76,594,317)**	(19,392,454)	288,534,640
Net cash (utilized in) / generated from investing activities		**(665,958,873)**	(560,654,210)	**(1,396,915,935)**	266,386,452	(1,448,656,024)

(All amounts in Saudi Riyals unless otherwise stated)

Continued

	Notes	Quarter ended 30 June 2021	Quarter ended 30 June 2020	Six months ended 30 June 2021	Six months ended 30 June 2020	Year ended 31 December 2020
Financing activities						
Transaction cost paid	31	**(40,000,000)**	(78,376,467)	**(40,000,000)**	(78,376,467)	(134,475,646)
Proceeds from long-term borrowings received	35	**600,000,000**	8,708,496,299	**600,000,000**	8,708,496,299	8,708,496,299
Repayment of long-term borrowings	35	**(619,129,788)**	(8,999,076,352)	**(1,470,687,743)**	(9,373,157,408)	(10,155,181,585)
Lease liabilities	37.1	**(60,186,163)**	(85,234,630)	**(134,538,254)**	(130,445,684)	(271,919,778)
Net cash utilized in financing activities		**(119,315,951)**	(454,191,150)	**(1,045,225,997)**	(873,483,260)	(1,853,080,710)
Net change in cash and cash equivalents		**1,074,648,567**	(532,253,583)	**799,151,042**	492,410,943	603,020,624
Unrestricted cash and cash equivalents at the beginning of the quarter / period / year	29	**3,835,573,387**	4,532,714,814	**4,111,070,912**	3,508,050,288	3,508,050,288
Unrestricted cash and cash equivalents at the end of the quarter / period / year	29	**4,910,221,954**	4,000,461,231	**4,910,221,954**	4,000,461,231	4,111,070,912
Non-cash flow transactions						
Transfer to mine properties from capital work-in-progress	16,19	**-**	-	**-**	66,508,340	66,878,840
Adjustment to the provision for decommissioning, site rehabilitation and dismantling obligation	16,36.2, 36.3	**2,975,097**	3,661,922	**4,167,277**	3,661,922	50,137,913
Reversal of mine properties and corresponding accrued expenses	16,41	**-**	-	**-**	-	11,200,000
Transfer to property, plant and equipment from mine properties	17,16	**-**	-	**-**	1,079,365	1,079,365
Transfer to property, plant and equipment from capital work-in-progress	17,19	**41,066,346**	51,735,021	**96,461,680**	522,907,690	900,574,581
Addition to right-of-use assets and the corresponding lease liabilities	18,37.1, 37.2	**3,610,837**	229,769,992	**35,232,459**	247,102,437	291,920,832
Borrowing cost capitalized as part of capital work-in-progress	19,13.1	**30,581,668**	3,703,975	**60,862,988**	8,704,432	99,256,052
Amortization of transaction cost capitalized as part of capital work-in-progress	19,35.11	**2,223,913**	895,766	**4,525,940**	1,561,552	11,224,106
Transfer to intangible assets from mine properties	20,16	**-**	-	**518,124**	589,195	589,195
Transfer to intangible assets from capital work-in-progress	20,19	**10,728,877**	(693,588)	**12,445,075**	4,402,247	4,771,611
Unwinding of discount on non-controlling interest put option	40.2	**6,264,888**	4,972,134	**12,178,062**	9,665,130	20,514,211

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") 12,305,911,460 divided into 1,230,591,146 with a nominal value of SAR 10 per share (Note 30).

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 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.

In response to the spread of the Covid-19 pandemic in the GCC and other territories where the Group operates and its consequential disruption to the social and economic activities in those markets, Ma'aden's management continues to proactively assess its impacts on its operations and has taken a series of proactive and preventative measures, including activation of the crisis management committee and associated processes to:

- ensure the health and safety of its employees and contractors as well as the wider community where it is operating
- minimizing the impact of the pandemic on its operations and product supply to the market

Notwithstanding these challenges, and aside from the global commodity price deterioration particularly during year ended 31 December 2020, Ma'aden was successful in maintaining stable operations while maneuvering limited demand interruptions via successfully switching to different production grades and / or different customers to maintain product flow to the market. Ma'aden's management believes that the Covid-19 pandemic, by itself, has had limited direct material effects on Ma'aden's reported results for the quarter and six months ended 30 June 2021. Ma'aden's management continues to monitor the situation closely.

(All amounts in Saudi Riyals unless otherwise stated)

2 Group structure

The Company has the following subsidiaries and joint ventures:

Subsidiaries incorporated in the Kingdom of Saudi Arabia	**Type of company**	**Effective ownership** **30 June 2021**	**30 June 2020**	**31 December 2020**
Ma'aden Gold and Base Metals Company ("MGBM")	Limited liability company	**100%**	100%	100%
Ma'aden Infrastructure Company ("MIC")	Limited liability company	**100%**	100%	100%
Industrial Minerals Company ("IMC")	Limited liability company	**100%**	100%	100%
Ma'aden Fertilizer Company ("MFC")	Limited liability company	**100%**	100%	100%
Ma'aden Marketing and Distribution Company ("MMDC")	Limited liability company	**100%**	100%	100%
Ma'aden Rolling Company ("MRC")	Limited liability company	**100%**	100%	100%
Ma'aden Aluminium Company ("MAC")	Limited liability company	**74.9%**	74.9%	74.9%
Ma'aden Bauxite and Alumina Company ("MBAC")	Limited liability company	**74.9%**	74.9%	74.9%
Ma'aden Phosphate Company ("MPC")	Limited liability company	**70%**	70%	70%
Ma'aden Wa'ad Al-Shamal Phosphate Company ("MWSPC")	Limited liability company	**60%**	60%	60%
Joint ventures incorporated in the Kingdom of Saudi Arabia				
Ma'aden Barrick Copper Company ("MBCC")	Limited liability company	**50%**	50%	50%
Sahara and Ma'aden Petrochemicals Company ("SAMAPCO")	Limited liability company	**50%**	50%	50%

(All amounts in Saudi Riyals unless otherwise stated)

2 Group structure (continued)

Subsidiaries incorporated outside the Kingdom of Saudi Arabia	Type of company	Effective ownership 30 June 2021	30 June 2020	31 December 2020
Incorporated in Mauritius:				
Meridian Consolidated Investments Limited ("MCIL") – Incorporated in Mauritius	Limited liability company	**85%**	85%	85%
MCIL has the following subsidiaries in which Ma'aden has an indirect ownership:				
Agroserve S.A.	Limited liability company	**85%**	85%	85%
MCFI (Africa) Ltd	Limited liability company	**85%**	85%	85%
Meridian Commodities Limited	Limited liability company	**85%**	85%	85%
Meridian Group Services Limited	Limited liability company	**85%**	85%	85%
V & M Grain Mauritius Limited	Limited liability company	**85%**	85%	85%
Incorporated in Malawi:				
Farmers World Holdings Limited	Limited liability company	**85%**	85%	85%
Agora Limited	Limited liability company	**85%**	85%	85%
Farmers World Limited	Limited liability company	**85%**	85%	85%
Grain Securities Limited	Limited liability company	**85%**	85%	85%
Liwonde Property Investment Limited	Limited liability company	**42.5%**	42.5%	42.5%
Malawi Fertilizer Company Limited	Limited liability company	**85%**	85%	85%
Optichem (2000) Limited	Limited liability company	**85%**	85%	85%
Incorporated in Mozambique:				
Mozambique Fertilizer Company Limited	Limited liability company	**85%**	85%	85%
Transalt Limitada	Limited liability company	**85%**	85%	85%
Transcargo Limitada	Limited liability company	**85%**	85%	85%
MozGrain Limitada	Limited liability company	**85%**	85%	85%
Incorporated in Seychelles:				
African Investment Group Limited	Limited liability company	**85%**	85%	85%
Incorporated in South Africa:				
MG Administration Services Proprietary Limited	Limited liability company	**85%**	85%	85%
Incorporated in Zambia:				
Fert, Seed and Grain Limited	Limited liability company	**85%**	85%	85%
Incorporated in Zimbabwe:				
Ferts, Seed and Grain (Private) Limited	Limited liability company	**85%**	85%	85%

The financial year end of all the subsidiaries and joint ventures incorporated inside the Kingdom of Saudi Arabia coincide with that of the parent company ("Ma'aden), whereas the financial year end of all the subsidiaries incorporated outside the Kingdom of Saudi Arabia is 31st March.

2.1 MGBM

The company was incorporated on 9 August 1989 in the Kingdom of Saudi Arabia, which is also its principal place of business.

The objectives of the company are:

- the exploration and mining of gold and associated minerals within their existing mining lease areas by way of drilling, mining and concentrating and
- construct, operate and maintain all mines, buildings, highways, pipelines, refineries, treatment plants, communication systems, power plants and other facilities necessary or suitable for the purposes of the leases.

2.2 MIC

The company was incorporated on 18 August 2008 in the Kingdom of Saudi Arabia, which is also its principal place of business.

The objectives of the company are to:

- manage the infrastructure projects to develop, construct and operate the infrastructure and
- provide services to Ras Al-Khair area and other mining and industrial locations in the Kingdom of Saudi Arabia.

2.3 IMC

The company was incorporated on 31 March 2009 in the Kingdom of Saudi Arabia, which is also its principal place of business.

The objectives of the company are:

- the exploitation of industrial minerals within the existing mining lease areas by way of drilling, mining, concentrating, smelting and refining and
- extract, refine, export and sell such minerals in their original or refined form.

The company currently operates a kaolin and low grade bauxite mine in the central zone of Az Zabirah and a high grade magnesite mine at Al-Ghazallah and the processing plants at Al-Madinah Al-Munawarah. The Multiple Hearth Furnace "(MHF)" processing plant is fully operational and the Vertical Shaft Kiln "(VSK)" plant commenced commercial production on 1 August 2017.

2.4 MFC

The company was incorporated on 12 February 2019 in the Kingdom of Saudi Arabia, which is also its principal place of business.

The objectives of the company are:

- production of fertilizers, including phosphate and natural potassium minerals,
- mine minerals containing nitrogen and potassium,
- manufacture phosphate fertilizers, potassium fertilizers, Urea and phosphate and potassium and
- produce nitric acid, ammonia and potassium nitrate.

2.5 MMDC

The company was incorporated on 13 February 2019 in the Kingdom of Saudi Arabia, which is also its principal place of business.

The objectives of the company are:

- to be a vehicle for Ma'aden to build a fertilizer distribution business in the most important global fertilizer markets.

On 18 April 2019 MMDC signed an agreement to acquire 85% of Meridian Consolidated Investments Limited ("MCIL") (Meridian Group or Meridian), a leading fertilizer distribution company operating in East and Southern Africa. Meridian already sells close to half a million tonnes of fertilizer every year through its network of facilities including fertilizer granulation and blending plants, warehouses and port facilities across Malawi, Zimbabwe, Zambia and Mozambique.

On 8 August 2019, acquisition of 85% of Meridian was completed after obtaining all the necessary regulatory and legal approvals.

2.6 MRC

The company was incorporated on 10 October 2010 in the Kingdom of Saudi Arabia, which is also its principal place of business.

The objectives of the company are the production of:

- can body sheets,
- can ends stock and
- automotive heat treated and non-heat treated sheets.

The company declared commercial production for the flat rolled products on 9 December 2018, however, the automotive sheet project commenced commercial production on 1 September 2019.

2.7 MAC

The company was incorporated on 10 October 2010 in the Kingdom of Saudi Arabia, which is also its principal place of business and is owned:

- 74.9% by Saudi Arabian Mining Company ("Ma'aden") and
- 25.1% by Alcoa Saudi Smelting Inversiones S.L. ("ASSI"), a foreign shareholder, a company wholly owned by Alcoa Corporation, which is accounted for as a non-controlling interest in these consolidated interim financial statements (Note 34.1).

The objectives of the company are the production of primary aluminium products:

- Ingots,
- T shape ingots,
- slabs and
- billets.

2.8 MBAC

The company was incorporated on 22 January 2011 in the Kingdom of Saudi Arabia, which is also its principal place of business and is owned:

- 74.9% by Saudi Arabian Mining Company ("Ma'aden") and
- 25.1% by AWA Saudi Limited ("AWA"), a foreign shareholder, which is owned 60% by Alcoa Corporation and 40% by Alumina Limited, an unrelated third party, which is accounted for as a non-controlling interest in these consolidated interim financial statements (Note 34.1).

The objectives of the company are to:

- exploit the Al-Ba'itha bauxite deposits,
- produce and refine bauxite and
- produce alumina.

2.9 MPC

The company was incorporated on 1 January 2008 in the Kingdom of Saudi Arabia, which is also its principal place of business and is owned:

- 70% by Saudi Arabian Mining Company ("Ma'aden") and
- 30% by Saudi Basic Industries Corporation ("SABIC"), which is accounted for as a non-controlling interest in these consolidated interim financial statements (Note 34.1).

The objectives of the company are to:

- exploit the Al-Jalamid phosphate deposits,
- utilize local natural gas and sulphur resources to manufacture Phosphate fertilizers at the processing facilities at Ras Al-Khair and
- produce ammonia as a raw material feed stock for the production of fertilizer with the excess ammonia exported or sold domestically.

2.10 MWSPC

The company was incorporated on 27 January 2014 in the Kingdom of Saudi Arabia, which is also its principal place of business and is owned:

- 60% by Saudi Arabian Mining Company ("Ma'aden"),
- 25% by Mosaic Phosphate B.V., a foreign shareholder, a limited liability company registered in Netherlands wholly owned by The Mosaic Company ("Mosaic"), which is accounted for as a non-controlling interest in these consolidated interim financial statements (Note 34.1) and
- 15% by Saudi Basic Industries Corporation ("SABIC"), which is accounted for as a non-controlling interest in these consolidated interim financial statements (Note 34.1).

The objectives of the Company are the production of:

- di-ammonium and mono-ammonium phosphate fertilizer,
- ammonia,
- purified phosphoric acid,
- phosphoric acid,
- sulphuric acid and
- sulphate of potash

The company declared commercial production on 2 December 2018, except for the ammonia plant for which commercial production was declared on 1 January 2017.

2.11 MBCC

The company was incorporated on 2 November 2014 in the Kingdom of Saudi Arabia, which is also its principal place of business and is owned:

- 50% by Saudi Arabian Mining Company ("Ma'aden") (Note 21.1.3) and
- 50% by Barrick Middle East (Pty) Limited ("Barrick"), a foreign shareholder.

MBCC is a joint venture project and is accounted for as an investment in a joint venture under the equity method of accounting in these consolidated interim financial statements.

The objectives of the company are the production of copper concentrate and associated minerals within their existing mining lease area by way of drilling, mining and concentrating.

2.12 SAMAPCO

The company was incorporated on 14 August 2011 in the Kingdom of Saudi Arabia, which is also its principal place of business and is owned:

- 50% by Saudi Arabian Mining Company ("Ma'aden") (Note 21.2.3) and
- 50% by Sahara Petrochemical Company.

SAMAPCO is a joint venture project and is accounted for as an investment in a joint venture under the equity method of accounting in these consolidated interim financial statements.

The objectives of the company are the production of:

- concentrated caustic soda,
- chlorine and
- ethylene dichloride.

The operations of the company include the production and supply of:

- Concentrated caustic soda (CCS) feedstock to the alumina refinery at MBAC and to sell any excess production not taken up by Ma'aden in the wholesale and retail market and
- Ethylene dichloride (EDC) in the wholesale and retail market.

3 Basis of preparation

Statement of compliance

The consolidated interim financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") and other standards and pronouncements that are issued by the Saudi Organization for Chartered and Professional Accountants (SOCPA), as endorsed in the Kingdom of Saudi Arabia for financial reporting.

The Group has prepared a complete set of consolidated interim financial statements for its interim financial reporting, as allowed under **IAS 34 - "*Interim financial reporting*"**. Accordingly, these consolidated interim financial statements conform to the requirements of **IAS 1 - "*Presentation of financial statements*",** relating to a complete set of financial statements.

The consolidated interim financial statements have been prepared on the historical cost basis except where IFRS requires other measurement basis as disclosed in the applicable accounting policies in Note 4 – Summary of significant accounting policies.

The financial statements of a Group's subsidiary, Ferts, Seed and Grain (Private) Limited ("FSG Zimbabwe") have been prepared under the hyper-inflation convention and are adjusted for the measuring unit current at the end of the reporting date.

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

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 IASB that are not mandatory for 30 June 2021 reporting periods and have not been early adopted by the Group. These standards are not expected to have a material impact on the Group in the current or future reporting periods and on foreseeable future transactions.

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 2021:

IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16 – Interest rate benchmark (IBOR) reform – Phase 2

Phase 1 of these amendments provide certain reliefs in connection with interest rate benchmark reform. The reliefs relate to hedge accounting and have the effect that Interbank Offered Rate ("IBOR") reform should not generally cause hedge accounting to terminate. However, any hedge ineffectiveness should continue to be recorded in the statement of profit or loss and other comprehensive income (Note 38).

The Phase 2 amendments require an entity to:

- account for a change in the basis for determining the contractual cash flows as a result of IBOR reform by updating the effective interest rate without the recognition of an immediate gain or loss; and
- prospectively cease to apply the Phase 1 reliefs to a non- contractually specified risk component at the earlier of when changes are made to the non-contractually specified risk component, or when the hedging relationship is discontinued.

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

Amendment to IFRS 16, 'Leases', Covid 19 - Related rent concessions

The amendment provides the lessees with option to account for rent concessions in the same way as they would if they were not lease modifications. In many cases, this will result in accounting for the concession as a variable lease payment. The practical expedient only applies to rent concessions occurring as a direct consequence of the COVID-19 pandemic and only if all of the following conditions are met:

- the change in lease payments results in revised consideration for the lease that is substantially the same as, or less than, the consideration for the lease immediately preceding the change;
- any reduction in lease payments affects only payments due on or before 30 June 2021; and
- there is no substantive change to other terms and conditions of the lease.

The amendment listed above did not have any impact on the amounts recognised in prior periods and are not expected to significantly affect the current or future periods.

4 Summary of significant accounting policies

The significant accounting policies applied in the preparation of these consolidated financial statements are set out below. These policies have been consistently applied to all years presented.

4.1 Basis of consolidation and equity accounting

Subsidiaries

The consolidated financial statements of the Group incorporate the financial statements of the Company and its subsidiaries. Subsidiaries are entities controlled by the Group. Controls exists when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee.

Specifically, the Group controls an investee if, and only if, the Group has all of the following three elements:

- power over the investee (i.e., existing rights that give it the current ability to direct the relevant activities of the investee),
- exposure, or rights, to variable returns from its involvement with the investee and
- the ability to use its power over the investee to affect its returns.

Subsidiaries are consolidated from the date on which control is transferred to the Group. They are de-consolidated from the date that control ceases.

Intra-group investments, transactions, balances and unrealized gains or losses on transactions between Group companies are eliminated. The accounting policies of the subsidiaries are consistent with those adopted by the Group.

Non-controlling interests in the results and equity of not wholly owned subsidiaries are shown separately in the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of financial position, respectively.

Business combinations

The Group accounts for business combinations using the acquisition method when control is transferred to the Group.The Group measures goodwill as the fair value of the consideration transferred including the recognized amount of any non-controlling interest in the acquiree, less the fair value of the identifiable assets acquired and liabilities and contingent liabilities assumed, all measured as of the acquisition date. When the excess is negative, a bargain purchase gain is recognized immediately directly in retained earnings in the consolidated statement of changes in equity.

Non-controlling interest is measured at their proportionate share of the acquiree’s identifiable net assets at the date of acquisition. If the business combination is achieved in stages, the carrying value of the Group’s previously held equity interest in the acquiree is remeasured to fair value at the acquisition date. Any gains or losses arising from such remeasurement are recognised in the consolidated statement of profit or loss and other comprehensive income. Intra-group balances and transactions, and any unrealised income and expenses arising from intra-group transactions, are eliminated. Accounting policies of subsidiaries are aligned, where necessary, to ensure consistency with the policies adopted by the Group.

Transaction costs that the Company incurs in connection with a business combination are expensed as incurred.

***Joint* ventures**

A joint venture exists where the Group has a contractual arrangements (rights and obligations) in place, with one or more parties, to undertake activities typically, however not necessarily, through a legal entity that is subject to joint control.

Interests in joint ventures are accounted for using the equity method of accounting. The investments are initially recognised at cost and adjusted thereafter to recognise the Group’s share of:

- the post-acquisition profits or losses of the investee in the consolidated statement of profit or loss and
- the movements in other comprehensive income of the investee in the consolidated statement of other comprehensive income.

4.1 Basis of consolidation and equity accounting (continued)

The Group's share of the results of joint ventures is based on the financial statements prepared up to consolidated statement of financial position date, adjusted to conform with the accounting policies of the Group, if any.

Dividends received or receivable from joint ventures are recognised as a reduction in the carrying amount of the investment when the right to receive a dividend is established.

When the Group's share of losses in an equity-accounted investment equals or exceeds its interest in the entity, including any other unsecured long-term receivables, the Group does not recognise any further losses, unless it has incurred obligations or made payments on behalf of the other entity.

Unrealised gains on transactions between the Group and its joint ventures are eliminated to the extent of the Group's interest in these entities. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of equity accounted investees have been changed, where necessary, to ensure consistency with the policies adopted by the Group.

The carrying amount of equity-accounted investments is tested for impairment in accordance with the policy described in Note 4.11.

4.2 Foreign currency translation

Foreign currency transactions are translated into SAR at the rate of exchange prevailing at the date the transaction first qualifies for recognition and are initially recorded by each entity in the Group.

Monetary assets and liabilities denominated in foreign currencies at the reporting date are translated into Saudi Riyals at the rate of exchange prevailing at the reporting date. Gains and losses from settlement and translation of foreign currency transactions are included in the consolidated statement of profit or loss.

The financial statements of the Group's subsidiary functioning in a hyperinflationary economy are restated in terms of the measuring unit current at the end of the reporting period. The restatements are based on a conversion factor derived from the general price index issued by the regulatory authorities of the country in which such subsidiary is functioning.

As the presentation currency of the Group is that of a non-hyperinflationary economy, therefore, the adjustments resulting from restating non-monetary items of the subsidiary operating in hyperinflationary environment and then by translating those balances using the general price index as at the end of the current reporting period, is recognised in the other comprehensive income as a foreign currency translation adjustment of the current period.

4.3 Revenue recognition

Revenue comprises of sales to third parties and is measured based on the considerations specified in contracts with customers and excludes rebates and amounts, if any, collected on behalf of third parties. Revenue is recognised, when (or as) the Group satisfies the performance obligations as specified in the contract with the customer (buyer), when the seller has transferred to the customer (buyer) control over the promised goods and services, either:

- at a point in time or
- over a time basis equivalent to the stage of completion of the service.

The Group recognizes revenue from the following main sources:

a) Sale of the following goods directly to the customers:
   - Phosphate fertilizer, ammonia and industrial minerals
   - Alumina, primary aluminium products and flat rolled products
   - Gold bullion (including by-products like copper, zinc and silver concentrate)

b) Rendering of the following services directly to the customers:
   - Transportation of goods

The timing and measurement of revenue recognition for the above-mentioned main sources of revenue i.e. sales of goods and rendering of services directly to customers are as follows:

Sales of phosphate fertilizer, ammonia and industrial minerals

The Group, as principal, sells phosphate fertilizer, ammonia and industrial minerals products directly to customers and also through two marketing agents SABIC and The Mosaic Company, acting as agents, for the sale of phosphate fertilizer and ammonia.

4.3 Revenue recognition (continued)

The Group sells a significant proportion of its goods on Cost and freight ocean transport ("CFR") International Commercial terms ("Incoterms") and therefore, the Group is responsible for providing shipping services after the date at which control over the promised goods have passed to the customer at the loading port. The Group is therefore, responsible for the satisfaction of two performance obligations under its CFR contracts with the customers and recognizes revenue as follows:

- sale and delivery of goods at the loading port resulting in the transfer of control over such promised goods to the customer and recognizing the related revenue at a point in time basis and
- shipping services for the delivery of the promised goods to the customer's port of destination and recognizing the related revenue over a time basis, equivalent to the stage of completion of the services.

At the loading port, quality and quantity control of the promised goods are carried out by independent internationally accredited consultants before the loading of the vessel, in accordance with the specifications contained in the contract. The physical loading of the approved promised goods on the vessel, satisfies the Group's performance obligation and triggers the recognition of revenue at a point in time.

Ma'aden has full discretion over the price to sell the goods. The selling price includes revenue generated from the sale of goods and transportation services depending on the Incoterms contained in the contract with the customer. The selling price is therefore unbundled or disaggregated into these two performance obligations, being:

- the sale of the promised goods and
- the transportation thereof and it is being disclosed separately.

The Group recognizes a trade receivable for the sale and delivery of the promised goods when the goods, delivered to the loading port, are loaded on to the vessel as this represents the point in time at which the right to consideration becomes unconditional, as only the passage of time is required before payment is due. However, the trade receivable related to the transportation service are recognized over time, if material, based on the stage of completion of service which is assessed at the end of each reporting period. The disaggregation between separate performance obligations is done based on the standalone selling price.

All shipping and handling costs incurred by the Group, in relation to the satisfaction of performance obligation for the transportation of the promised goods, under CFR contracts with the customers, are recognized as cost of sales in the consolidated statement of profit or loss.

Sale of alumina, primary aluminium products and flat rolled products

The Group, as principal, sells alumina, primary aluminium products and flat rolled products directly to customers and in accordance with the contract, the promised goods are provisionally priced. The sales price is not settled until a predetermined future date and is based on the market price at a time or over a pre-defined period of time. Revenue on these sales is initially recognized (when all the above criteria are met), at a provisional price based on the pricing mechanism as specified in the contract. Provisionally priced sales are marked-to-market at each reporting date using the forward price for the period equivalent to that outlined in the contract and in the carrying amount of the outstanding trade receivable.

Sale of gold bullion and concentrates

The Group, as principal, sells gold bullion and by-products like copper, zinc and silver concentrate directly to customers under contract, which vary in tenure and pricing mechanisms. The Group's primary product is gold and the concentrates produced as part of the extraction process are considered to be by-products arising from the production of gold. Revenues from by-product sales are insignificant and are credited to production cost applicable to gold bullion sales as a by-product credit.

- **Gold bullion sales**

The Group primarily sells gold bullion in the spot market. The selling price is fixed on the date of sale based on the gold spot price and the revenue and related trade receivable is recognized, at a point in time basis, when the gold bullion is delivered to the airport, which is also the date, the place and the time that the control over the gold bullion is transferred to the customer.

Sales revenue is commonly subject to a quantity adjustment based on a fire assay of the gold bullion upon arrival at the refinery of the customer.

The sales revenue of a bullion bar is based on provisionally invoiced quantities. The Group uses the "expected value method" to recognize revenue on provisionally invoiced quantities. The revenue recognized is based on probability of gold content and includes a range of possible consideration amounts.

4.3 Revenue recognition (continued)

- **Metal concentrate sales**

Revenue from the sale of metal concentrates (copper, zinc and silver) is based on selling prices that are provisionally set, for a specified future date after shipment, based on ruling market prices. Sales revenue and the related trade receivable is recognized, at a point in time basis, at the time of shipment, which is also the date that the control transfers to the customer.

The final selling price on such concentrates is settled within a predetermined future date and is based on the ruling market price at that time or over a quotation period stipulated in the contract. Revenue for provisionally priced metal concentrates is initially recognized at the current market price. However, subsequently at each reporting date, such provisionally priced sales are marked-to-market using the relevant forward market prices for the period stipulated in the contract. This marked-to-market adjustment is directly recognized in sales and in the carrying amount of the outstanding trade receivable.

Income from time deposits

Investment income on time deposits is accrued on a time basis, by reference to the principal outstanding and at the applicable effective interest rate.

4.4 Selling, marketing and logistic expenses

Selling, marketing and logistic expenses comprise of all costs for selling, marketing and transportation of the Group’s products and include expenses for advertising, marketing fees, other sales related. Allocation between selling, marketing and logistic expenses and cost of sales are made on a consistent basis, when required.

4.5 General and administrative expenses

General and administrative expenses include direct and indirect costs not specifically part of cost of sales or the selling, marketing and logistics activity of the Group. Allocation between general and administrative expenses and cost of sales are made on a consistent basis, when required.

4.6 Earnings per share

Basic and diluted earnings per share from continuing operations is calculated by dividing:

- the profit from continuing operations attributable to ordinary shareholders of the parent company
- by the weighted average number of ordinary shares outstanding during the financial year.

The Group has not issued any potential ordinary shares, therefore the basic and diluted earnings per share are the same.

4.7 Mine properties and property, plant and equipment

Mine properties and property, plant and equipment

Freehold land is carried at historical cost and is not depreciated.

Mine properties and property, plant and equipment are carried at historical cost less accumulated depreciation and impairment losses. Cost includes expenditure that is directly attributable to the acquisition and development of the asset and includes:

- the purchase price,
- costs directly attributable to bring the asset to its location and condition necessary for it to be capable of operating in the manner intended by management,
- the initial estimate of any mine closure, rehabilitation and decommissioning obligation and
- for qualifying assets, that take a substantial period of time to get ready for their intended use, the applicable borrowing costs.

Mine properties are depreciated using the unit of production (“UOP”) method, based on economically recoverable proven and probable ore reserves of the mine concerned, except in the case of those mining assets whose economic useful life is shorter than the life-of-mine (“LOM”), in which case the straight line method is applied.

4.7 Mine properties and property, plant and equipment (continued)

Property, plant and equipment are carried at cost less accumulated depreciation. Depreciation is charged to the consolidated statement of profit or loss using the straight line method. Significant components of an item of mine properties and property, plant and equipment are separately identified and depreciated using the economic useful life of the component.

Buildings and items of plant and equipment for which the consumption of economic benefit is linked primarily to utilization or to throughput rather than production, are depreciated at varying rates on a straight line method over their economic useful lives or the LOM, whichever is the shorter.

Depreciation is charged to the consolidated statement of profit or loss to allocate the costs of the related assets less their residual values over the following estimated economic useful lives:

Categories of assets	Number of years
• Mine properties	Using UOP method over the economically recoverable proven and probable reserves or straight line method over the economic useful life, whichever is shorter
• Civil works	4 – 50
• Buildings	9 – 40
• Heavy equipment	5 – 40
• Other equipment including mobile and workshop equipment, laboratory and safety equipment and computer equipment	4 – 40
• Fixed plant	4 – 40
• Office equipment	4 – 10
• Furniture and fittings	4 – 10
• Motor vehicles	4

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognised when replaced. All other repairs and maintenance are charged to the consolidated statement of profit or loss during the reporting period in which they are incurred. Maintenance and normal repairs which do not extend the estimated economic useful life of an asset or increase the production output are charged to the consolidated statement of profit or loss as and when incurred.

The assets' residual values and estimated economic useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing proceeds with the carrying amount and are included in the consolidated statement of profit or loss.

Exploration and evaluation assets

Exploration and evaluation expenditure is expensed in the period in which it is incurred.

Exploration expenditures relates to the costs incurred in the initial search for mineral deposits with economic potential or in the process of obtaining more information about existing mineral deposits. Exploration expenditures typically include costs associated with:

- acquisition of the exploration rights to explore,
- topographical, geological, geochemical and geophysical studies,
- exploration drilling,
- trenching,
- sampling and
- activities in relation to evaluating the technical feasibility and commercial viability of extracting a mineral resource.

4.7 Mine properties and property, plant and equipment (continued)

Evaluation expenditures relates to the costs incurred to establish the technical and commercial viability of developing mineral deposits identified through exploration activities or by acquisition. Evaluation expenditures include the cost of:

- establishing the volume and grade of deposits through drilling of core samples, trenching and sampling activities in an ore body that is classified as either a mineral resource or a proven and probable reserve,
- determining the optimal methods of extraction and metallurgical and treatment processes,
- studies related to surveying, transportation and infrastructure requirements in relation to both production and shipping,
- permitting activities and
- economic evaluations to determine whether development of the mineralized material is commercially justified, including scoping, prefeasibility and final feasibility study.

All exploration and evaluation costs are expensed until prospective mineral exploration project is identified as having economic development potential. The information used to make that determination depends on the level of exploration as well as the degree of confidence in the ore body. Exploration and evaluation expenditures are capitalised as a tangible asset, if management determines that future economic benefits could be generated as a result of these expenditures.

Exploration and evaluation expenditure relating to extensions of mineral deposits which are already being mined or developed, including expenditure on the definition of mineralization of such mineral deposits, is capitalised as mine development cost following the completion of an economic evaluation equivalent to a feasibility study.

All exploration and evaluation costs incurred after management has concluded that economic benefit is more likely to be realized than not, i.e. “probable” and are capitalised as “Exploration and evaluation assets” only until the technical feasibility and commercial viability of extracting of the mineral resource are demonstrable. Once the technical feasibility and commercial viability is demonstrable i.e. economic benefit will or will not be realised, the asset is tested for impairment and any impairment loss is recognised.

Exploration and evaluation assets are carried at historical cost less impairment. Exploration and evaluation assets are not depreciated.

For the purposes of exploration and evaluation assets only, one or more of the following facts and circumstances are considered for identifying whether or not exploration and evaluation assets may be impaired. These include the following:

- the period for which the entity has the right to explore in the specific area has expired during the period or will expire in the near future, and is not expected to be renewed,
- substantive expenditure on further exploration and evaluation of mineral resources in the specific area is neither budgeted nor planned,
- exploration for and evaluation of mineral resources in the specific area have not led to the discovery of commercially viable quantities of mineral resources and the entity has decided to discontinue such activities in the specific area and
- sufficient data exist to indicate that, although a development in the specific area is likely to proceed, the carrying amount of the exploration and evaluation asset is unlikely to be recovered in full from successful development or by sale.

Once it has been identified that an exploration and evaluation asset may be impaired, the entity performs impairment on exploration and evaluation assets as specified in Note 4.11. Based on the final technical scope, receipt of mining license and commercial feasibility, if the economic benefit will be realized and management intends to develop and execute the mine, the exploration and evaluation asset is transferred to “Mine under construction”.

Once the commissioning phase is successfully completed and the declaration of commercial production stage has been reached, the capitalized “Mine under construction” is reclassified as “Operating mines”.

Cash flows attributable to capitalized exploration and evaluation assets are classified as investing activities in the consolidated statement of cash flows.

4.7 Mine properties and property, plant and equipment (continued)

Stripping activity asset and stripping activity expense

Ma'aden incurs stripping (waste removal) costs during the development and production stages of its open pit mining operations.

Stripping costs incurred during the development stage of an open pit mine in order to access the underlying ore deposit are capitalised prior to the commencement of commercial production. Such costs are then amortised over the remaining life of the ore body (for which access has improved), using the unit of production ("UOP") method over economically recoverable proven and probable reserves.

Stripping activities during production stage generally creates two types of benefits being as follows:

- production of inventory or
- improved access to a component of the ore body to be mined in the future.

Where the benefits are realized in the form of inventory produced in the period under review, the production stripping costs are accounted for as part of the cost of producing those inventories.

Where the benefits are realized in the form of improved access to a component of the ore body to be mined in the future, the costs are recognized as a non-current asset, referred to as a 'Stripping activity asset', provided that all the following conditions are met:

- it is probable that the future economic benefits associated with the stripping activity will be realized,
- the component of the ore body for which the access has been improved can be identified and
- the costs relating to the stripping activity associated with the improved access can be reliably measured.

If all of the conditions are not met, the production stripping costs are charged to the consolidated statement of profit or loss, as production costs of inventories as they are incurred.

The stripping activity asset is initially measured at cost, being the directly attributable cost for mining activity which improves access to the identified component of the ore body, plus an allocation of directly attributable overhead costs. Incidental operations occurring at the same time as the production stripping activity which are not necessary for the production stripping activity to continue as planned are not included in the cost of the stripping activity asset.

The stripping activity asset is accounted for as an addition to, or an enhancement of, an existing mining asset, being a tangible asset (based upon the nature of existing asset) as part of mine properties in the consolidated statement of financial position. This forms part of the total investment in the relevant cash generating unit(s), which is reviewed for impairment if events or changes of circumstances indicate that the carrying value may not be recoverable.

The stripping activity asset is subsequently depreciated using the UOP method over the life of the identified component of the ore body that became more accessible as a result of the stripping activity. Economically recoverable proven and probable reserves are used to determine the expected useful life of the identified component of the ore body. The stripping activity asset is then carried at cost less accumulated depreciation and any impairment losses.

4.8 Right-of-use assets and lease liabilities

The Group assesses whether a contract is or contains a lease, at inception of a contract. The Group recognises a right-of-use asset and a corresponding lease liability with respect to all lease agreements in which it is the lessee, except for short-term leases (defined as leases with a lease term of 12 months or less) and leases of low-value assets. For these leases, the Group recognises the lease payments as an operating expense on a straight-line basis over the term of the lease unless another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed.

4.8 Right-of-use assets and lease liabilities (continued)

Right-of-use assets (RoU)

The right-of-use assets comprise the initial measurement of the corresponding lease liability, lease payments made at or before the commencement day and any initial direct costs. They are subsequently measured at cost less accumulated depreciation and impairment losses.

Whenever the Group incurs an obligation for costs to dismantle and remove a leased asset, restore the site on which it is located or restore the underlying asset to the condition required by the terms and conditions of the lease, a provision is recognised and measured under IAS 37. The costs are included in the related right-of-use asset, unless those costs are incurred to produce inventories.

Right-of-use assets are depreciated over the shorter period of the lease term or the economic useful life of the underlying asset. If a lease transfers ownership of the underlying asset or the cost of the right-of-use asset reflects that the Group expects to exercise a purchase option, the related right-of-use asset is depreciated over the economic useful life of the underlying asset. The depreciation starts at the commencement date of the lease.

The right-of-use assets are presented as a separate line in the consolidated statement of financial position.

The Group applies **IAS 36 -** ***Impairment of assets*** to determine whether a right-of-use asset is impaired and accounts for any identified impairment loss as described in Note 4.11.

Variable rents that do not depend on an index or rate are not included in the measurement the lease liability and the right-of-use asset. The related payments are recognised as an expense in the period in which the event or condition that triggers those payments occurs and are included in the line “other expenses” in the consolidated statement of profit or loss.

Lease liabilities

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted by using the rate implicit in the lease. If this rate cannot be readily determined, the Group uses its incremental borrowing rate.

Lease payments included in the measurement of the lease liability comprise:

- fixed lease payments (including in-substance fixed payments), less any lease incentives;
- variable lease payments that depend on an index or rate, initially measured using the index or rate at the commencement date;
- the amount expected to be payable by the lessee under residual value guarantees;
- the exercise price of purchase options, if the lessee is reasonably certain to exercise the options; and
- payments of penalties for terminating the lease, if the lease term reflects the exercise of an option to terminate the lease.

The lease liability is presented as a separate line in the consolidated statement of financial position.

The lease liability is subsequently measured by increasing the carrying amount to reflect interest on the lease liability (using the effective interest rate method) and by reducing the carrying amount to reflect the lease payments made.

The Group remeasures the lease liability (and makes a corresponding adjustment to the related right-of-use asset) whenever:

- the lease term has changed or there is a change in the assessment of exercise of a purchase option, in which case the lease liability is remeasured by discounting the revised lease payments using a revised discount rate.
- the lease payments change due to changes in an index or rate or a change in expected payment under a guaranteed residual value, in which cases the lease liability is remeasured by discounting the revised lease payments using the initial discount rate (unless the lease payments change is due to a change in a floating interest rate, in which case a revised discount rate is used).
- a lease contract is modified and the lease modification is not accounted for as a separate lease, in which case the lease liability is remeasured by discounting the revised lease payments using a revised discount rate.

4.9 Capital work-in-progress

Assets in the course of construction or development are capitalised in the capital work-in-progress account. The mine under construction or the asset under construction or development is transferred to the appropriate category in mine properties or property, plant and equipment or intangible assets (depending on the nature of the project), once the asset is in a location and / or condition necessary for it to be capable of operating in the manner intended by management.

The cost of an item of capital work-in-progress comprises its purchase price, construction / development cost and any other cost directly attributable to the construction or acquisition of an item intended by management. Costs associated with commissioning the items (prior to its being available for use) are capitalised net of the proceeds from the sale of any production during the commissioning period.

Borrowing costs related to qualifying assets are capitalised as part of the cost of the qualified assets until the commencement of commercial production.

Capital work-in-progress is measured at cost less any recognized impairment.

Capital work-in-progress is not depreciated.

Depreciation only commences when the assets are capable of operating in the manner intended by management, at which point they are transferred to the appropriate asset category.

4.10 Intangible assets and goodwill

Intangible assets acquired separately are initially recognised and measured at cost. Following initial recognition, intangible assets are measured at cost less accumulated amortisation and impairment losses, where applicable.

Internally generated intangibles, excluding capitalised development costs, are not capitalised. Instead, the related expenditure is recognised in the consolidated statement of profit or loss in the period in which the expenditure is incurred.

The useful lives of intangible assets are assessed as either finite or indefinite.

Intangible assets with finite lives are amortised over their respective economic useful lives, using the straight-line method and assessed for impairment whenever there is an indication that the intangible asset may be impaired. Amortisation methods, residual values and estimated economic useful lives are reviewed at least annually. The amortisation expense of intangible assets with finite lives is recognised in the consolidated statement of profit or loss within the expense category that is consistent with the function of the intangible assets. The Group amortizes intangible assets with a limited useful life using the straight-line method over the following years:

Categories of intangible assets	**Number of years**
• Infrastructure (Contractual right-to-use)	35
• Internally developed software (ERP System)	4 - 10
• Technical development	5 - 7
• Software and licenses (mine related)	Over life-of-mine using straight line method

The Group tests an intangible asset with an indefinite useful life for impairment by comparing its recoverable amount with its carrying amount either annually or whenever there is an indication that the intangible asset may be impaired.

Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the consolidated statement of profit or loss when the asset is derecognized.

4.10 Intangible assets and goodwill (continued)

Goodwill

Goodwill arising on acquisition of a business is included in intangible assets.

Goodwill arising on acquisition of a business is carried at cost as at the acquisition date. Goodwill is not amortised but it is tested for impairment annually, or more frequently if events or changes in circumstances indicate that it might be impaired, and is carried at cost less impairment losses.

For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to the cash-generating units (“CGU”) that are expected to benefit from the synergies of the combination and represents the lowest level at which goodwill is monitored for internal management purposes. A CGU to which goodwill has been allocated is tested for impairment annually, or more frequently if events or changes in circumstances indicate that it might be impaired. If the recoverable amount of the CGU is less than its carrying amount, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the CGU and then to the other assets of the CGU on pro-rata based on the carrying amount of each asset in the CGU.

Any impairment loss is recognized immediately in the consolidated statement of profit or loss and other comprehensive income. Impairment of goodwill is not subsequently reversed.

Customer relationships and non-core contracts

Customer relationships and non-core contracts acquired in a business combination are recognized at fair value at the acquisition date. They have a finite useful life and are subsequently carried at cost less accumulated amortisation and impairment losses, where applicable.

Categories of intangible assets	**Number of years**
• customer relationships	10
• non-core contracts	4
• Goodwill	Not amortised but tested for impairment

4.11 Impairment of mine properties, property, plant and equipment, right-of-use assets, capital work-in-progress and intangible assets excluding goodwill

At each reporting date, the Group reviews the carrying amounts of its mine properties, property, plant and equipment, right-of-use assets, capital work-in-progress and intangible assets to determine whether there is any indication that those assets are impaired. If such an indication exists, the recoverable amount of the asset is estimated in order to determine the extent of any impairment. Where the asset does not generate cash flows that are independent from other assets, the Group estimates the recoverable amount of the cash generating unit (“CGU”) to which the asset belongs. An intangible asset with an indefinite useful life is tested for impairment annually or whenever there is an indication that the asset may be impaired.

Recoverable amount is the higher of fair value less costs of disposal (“FVLCD”) or value-in-use (“VIU”). In assessing VIU, the estimated future cash flows are discounted to their present value using a discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset or CGU is estimated to be less than its carrying amount, the carrying amount of the asset or CGU is reduced to its recoverable amount. An impairment loss is recognized in the operating section of the consolidated statement of profit or loss.

Assets or CGUs (other than the goodwill component) for which an impairment loss had been previously recorded, could reverse the impairment loss allocated if, and only if, there has been a change in the estimates used in determining the asset’s or CGU’s recoverable amount since the last impairment loss was recognised.

Where an impairment loss subsequently reverses, the carrying amount of the asset or CGU is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment been recognized for the asset or CGU. A reversal of an impairment loss is recognized in the operating section of the consolidated statement of profit or loss.

4.12 Inventories

Finished goods

Saleable finished goods are measured at the lower of unit cost of production for the period or net realizable value. The unit cost of production is determined as the total cost of production for the period divided by the saleable unit output for the period.

Cost assigned to saleable inventories on hand at the reporting date, arising from the conversion process, is determined by the unit cost of production and comprises of:

- labor costs, materials and contractor expenses which are directly attributable to the extraction and processing of ore,
- the depreciation of mining properties, plant and equipment and right-of-use assets used in the extraction and processing of ore and the amortisation of any stripping activity assets,
- direct production overheads and
- the revenue generated from the sale of by-products is credited against production costs.

Net realizable value is the estimated selling price in the ordinary course of business, less the costs of completion and selling expenses.

By-products are valued at net realizable value, with reference to the spot price of the commodities ruling at the reporting date.

Work-in-process

The cost of work-in-process is determined using unit cost of production for the period based on the percentage of completion at the applicable stage and the estimated recoverable content:

- labor costs, materials and contractor expenses which are directly attributable to the extraction and processing of ore, and production activities,
- the depreciation of mining properties and right-of-use assets used in the extraction and processing of ore, and the amortisation of any deferred stripping assets and
- direct production overheads.

Net realizable value is the estimated selling price in the ordinary course of business using the same percentage of completion at the applicable stage, the estimated recoverable content less any selling expense.

Ore stockpiles

Ore stockpiles represent ore that has been extracted from the mine, and considered to be of future economic benefits under current prices and is available for further processing. If the ore stockpiles is not expected to be processed in the next 12 months after the reporting date, it is included in non-current assets. Cost of ore stockpiles is determined by using the weighted average cost method. If the ore is considered not to be economically viable it is expensed immediately.

If there is significant uncertainty as to when the stockpiled ore will be processed, the cost is expensed as incurred. Where the future processing of this ore can be predicted with confidence because it exceeds the mine’s cut-off grade and is economically viable, it is valued at the lower of cost of production or net realizable value. Quantities and grades of stockpiles and work-in-process are assessed primarily through surveys and assays.

Spares and consumables

Spares and consumable inventory are valued at lower of cost or net realizable value. Cost is determined on the weighted average cost method. An allowance for obsolete and slow moving items, if any, is estimated at each reporting date.

Net realizable value is the estimated selling price less selling expenses.

Raw materials

Raw materials are valued at the lower of cost or net realizable value. Cost is determined on the weighted average cost method.

Net realizable value is the estimated selling price less selling expenses.

4.13 Trade and other receivables

Trade receivables

Trade receivables are recognized initially at fair value and subsequently measured at either amortized cost using the effective interest method less expected credit loss ("ECL") allowance, if any, or at fair value through profit and loss. See Note 4.16 for a description of the Group's impairment policies.

Trade receivables that do not meet the criteria for amortized cost or fair value through other comprehensive income ("FVOCI") are measured at fair value through profit or loss ("FVTPL"). Any gain or loss arising on such trade receivables, if material, is recognized in the consolidated statement of profit or loss and other comprehensive income and presented within revenue.

Employees' home ownership program receivable

Certain companies of the Group have established an employees' home ownership program (HOP) that offers eligible employees the opportunity to buy housing units constructed by the company through a series of payments over a particular number of years. Ownership of the housing unit is transferred to the employee upon completion of the full payment (Note 4.21).

Under the HOP, the housing units are classified under other non-current assets as long-term employees' home ownership program receivable upon signing of the sales contract with the eligible employees. The monthly installments paid by the employee towards the housing unit are repayable back to the employee in case the employee discontinues employment to the extent of the amounts paid in addition to the monthly housing allowance and the house is returned back to the company.

4.14 Time deposits

Time deposits include placements with banks and other short term highly liquid investments, with original maturities of more than three months but not more than one year from the date of acquisition. Time deposits are placed with financial institutions with investment grade rating, which are considered to have low credit risk, hence a provision is recognised at an amount equal to 12 month's ECL, unless there is evidence of significant increase in credit risk of the counter party.

4.15 Cash and cash equivalents

Cash and cash equivalents comprise of cash on hand, cash held at banks and time deposits with an original maturity of three months or less at the date of acquisition, which are readily convertible into known amounts of cash and that are subject to an insignificant risk of changes in value.

Restricted cash and cash equivalents that are not available for use by the Group and are excluded from cash and cash equivalents for the purposes of the consolidated statement of cash flows. Restricted cash and cash equivalents are related to the employees' savings plan program, see Notes 4.21 and 29.

4.16 Financial instruments, financial assets and financial liabilities

The Group recognizes a financial asset or a financial liability in its consolidated statement of financial position when, and only when, the Group becomes party to the contractual provisions of the instrument. The Group recognizes all of its contractual rights and obligations under derivatives in its consolidated statement of financial position as assets and liabilities.

Derivative financial instruments

The Group utilizes derivative financial instruments to manage certain market risk exposures. The Group does not use derivative financial instruments for speculative purposes, however it may choose not to designate certain derivatives as hedges for accounting purposes.

The use of derivative instruments is subject to limits and the positions are regularly monitored and reported to senior management.

4.16 Financial instruments, financial assets and financial liabilities (continued)

Interest rate swap contracts

The Group uses interest rate swap contracts to manage its exposure to interest rate movements on its long term-borrowings (Note 46.1.2).

In respect of financial assets, the Group's policy is to invest free cash at floating rates of interest and to maintain cash reserves in time deposits (less than one year) in order to maintain liquidity.

Other financial liabilities (excluding long term-borrowings and obligations under leases) are primarily non-interest bearing.

Forward exchange contracts

Foreign currency exchange risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of movements in foreign currency exchange rates. The Saudi Riyal is pegged at SAR 3.75 : USD 1, therefore the Group is not exposed to any risks from USD denominated financial instruments (Note 46.1.1).

The Group's transactions are principally in SAR and US Dollars. Virtually all commodity sales contracts are with international customers (Note 6.3) and are USD priced and equally so is the bulk of the procurement and capital expenditure contracts.

The Group does not use forward exchange contracts.

Commodity contracts

The Group's earnings are exposed to movements in the prices of the commodities it produces (Note 46.1.3).

The Group's policy is to sell its products at prevailing market prices and not to hedge commodity price risk.

Provisional price contracts

Certain of the Group's sales are provisionally priced, meaning that the final selling price is determined normally 30 to 180 days after the delivery to the customer, based on the quoted market price stipulated in the contract and as a result are susceptible to future commodity price movements.

At each reporting date, subsequent to the initial sale, the provisionally priced trade receivables are marked-to-market using the relevant forward market prices for the period stipulated in the contract. This exposure to the commodity price causes such trade receivables to fail the solely payment of principal and interest ("SPPI") test. As a result, these receivables are measured at fair value through profit or loss ("FVTPL") from the date of recognition of the corresponding sale, with subsequent marked-to-market adjustments recognized in fair value gains / (losses) on provisionally priced products and the carrying amount of the outstanding trade receivable, if material. Such fair value gains (losses) on provisionally priced products are presented within revenue.

Financial assets

The Group's principal financial assets include:

- joint ventures (equity accounted for) - (Accounting policy 4.1),
- other investment in securities, where the Group's intention is to hold it to maturity,
- derivative financial instruments,
- trade and other receivables – excluding pre-payments and zakat / income tax receivables - (Accounting policy 4.13),
- time deposits (Accounting policy 4.14) and
- cash and cash equivalents (Accounting policy 4.15)

They are derived directly from the Group's operations.

4.16 Financial instruments, financial assets and financial liabilities (continued)

Initial recognition of financial assets

Financial assets are initially recognized at fair value on the trade date, including directly attributable transaction costs.

A trade receivable without a significant financing component is recognized initially at its transaction price.

Regular way purchases and sales of financial assets are recognized on trade-date, the date on which the Group commits to purchase or sell the asset.

Subsequently, financial assets are carried at fair value or at amortized cost less impairment.

Classification of financial assets

Financial assets are classified into one of the following three categories, based on the business model in which the financial asset and its contractual cash flow characteristics are managed:

- measured at amortized cost (“AC”),
- fair value through profit or loss (“FVTPL”) and
- fair value through other comprehensive income (“FVOCI”).

Derivatives embedded in contracts where the host is a financial asset is never bifurcated and the whole hybrid instrument is assessed for classification.

Impairment and uncollectibility of financial assets

At each reporting date, the Group measures the loss allowance for a financial asset (using the Expected credit loss (“ECL”) model) at an amount equal to the lifetime expected credit losses, if the credit risk on that financial asset has increased significantly since initial recognition.

However, if at the reporting date, the credit risk on that financial asset has not increased significantly since initial recognition, the Group measures the loss allowance for the financial asset at an amount equal to lifetime expected credit losses.

Impairment losses on financial assets carried at amortized cost are reversed in subsequent periods if the amount of the loss decreases and the decrease can be objectively related to an event occurring after the impairment was recognized.

Regardless of the change in credit risk, loss allowances on trade receivables that do not contain a significant financing component are calculated at an amount equal to lifetime expected credit losses.

Such impairment losses are recognized in the consolidated statement of profit or loss.

Derecognition of financial assets

The Group derecognizes financial assets only when the contractual rights to receive cash flows from the financial assets have expired, or when it transfers the financial assets and substantially all the associated risks and rewards of ownership to another entity.

Gains and losses arising on derecognition of financial assets are recognized in the consolidated statement of profit or loss.

Financial liabilities

The Group’s principal financial liabilities comprise of:

- long-term borrowings (Accounting policy 4.17),
- lease liabilities (Accounting policy 4.8),
- derivative financial instruments,
- projects, trade and other payables – excluding zakat / income tax liabilities and employees’ end of service termination benefits obligations - (Accounting policy 4.21) and
- accrued expenses (Accounting policy 4.21)

The main purpose of these financial liabilities is to finance the Group’s operations and to guarantees support for the operations.

4.16 Financial instruments, financial assets and financial liabilities (continued)

Initial recognition of financial liabilities

Financial liabilities are initially recognized at the fair value of the consideration received net of any directly attributable transaction costs, as appropriate. Subsequently, financial liabilities are carried at amortized cost.

Long-term borrowings are initially recognized at the fair value (being proceeds received, net of eligible transaction costs incurred, if any).

Subsequent to initial recognition long-term borrowings are measured at amortized cost using the effective interest rate method. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognized in the consolidated statement of profit or loss over the period of the long-term borrowings using the effective interest rate method.

Classification of financial liabilities

Financial liabilities are classified and subsequently measured at amortized cost except for the following:

- financial liabilities that arise when a transfer of a financial asset does not qualify for de-recognition or when the continuing involvement approach applies,
- financial guarantee contracts which are measured at the higher of the amount of loss allowance and the amount initially recognized and
- commitments to provide a loan at below market interest rate which shall be measured at the higher of the amount of loss allowance, the amount initially recognized and the contingent consideration in case of a business combination.

Derecognition of financial liabilities

The Group derecognizes financial liabilities only when its obligations under the financial liabilities are discharged, cancelled or expired. The difference between the carrying amount of the financial liability derecognized and the consideration paid and payable, including any non-cash assets transferred or liabilities assumed, is recognized as a gain or a loss in the consolidated statement of profit or loss.

Long-term borrowings are derecognized from the consolidated statement of financial position when the obligation specified in the contract is discharged, cancelled or expired. In case of any modification to the financial liability, management considers both quantitative and qualitative factors in determination of modification or extinguishment of such financial liability. The difference between the carrying amount of a financial liability that has been extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognized as a gain in consolidated statement of profit or loss as other income or finance cost.

Offsetting a financial asset and a financial liability

A financial asset and a liability is offset and the net amount reported in the consolidated financial statements, when the Group has a legally enforceable right to set-off the recognized amounts and intends either to settle on a net basis, or to realize the asset and liability simultaneously.

4.17 Long-term borrowings

Long-term borrowings are initially recognised at their fair value (being proceeds received, net of eligible transaction costs incurred, if any). Subsequent to initial recognition long-term borrowings are measured at amortised cost using the effective interest rate method. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in the consolidated statement of profit or loss over the period of the long-term borrowings using the effective interest rate method.

Up-front fees paid on the establishment of the loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw down occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalised as a prepayment for liquidity services and amortised over the period of the facility to which it relates.

Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the reporting period.

4.17 Long-term borrowings (continued)

General and specific borrowing costs that are directly attributable to the acquisition, construction or production of qualifying assets are capitalised during the period of time that is required to complete and prepare the qualifying asset for its intended use or sale. Qualifying assets are assets that necessarily take a substantial period of time to get ready for their intended use or sale. Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalization.

Other borrowing costs are expensed in the period in which they are incurred in the consolidated statement of profit or loss.

4.18 Provisions

Provisions are recognised when the Group has:

- a present legal or constructive obligation as a result of a past event,
- it is probable that an outflow of economic resources will be required to settle the obligation in the future and
- a reliable estimate can be made of the amount of the obligation

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects time value of money, where appropriate and the risks specific to the liability. Where discounting is used, the increase in the provision due to the passage of time is recognized as part of the finance cost in the consolidated statement of profit or loss.

4.19 Provision for decommissioning, site rehabilitation and dismantling obligations

The mining, extraction and processing activities of the Group normally give rise to obligations for mine closure, decommissioning, site rehabilitation and plant dismantling (collectively referred to as “decommissioning site rehabilitation and dismantling obligations”). Decommissioning and site restoration work can include:

- facility decommissioning and dismantling of plant and buildings,
- removal or treatment of waste materials and
- site and land rehabilitation.

The extent of the work required and the associated costs are dependent on the requirements of current laws and regulations.

The full estimated future cost is discounted to its present value and capitalised as part of “Mine under construction” and once it has been transferred to “Mine properties” it is then depreciated as an expense over the expected life-of-mine using the UOP method.

Costs included in the provision includes all decommissioning obligations expected to occur over the life-of-mine and at the time of closure in connection with the mining activities being undertaken at the reporting date. Costs arising from unforeseen circumstances, such as the contamination caused by unplanned discharges, are recognised as an expense when the event gives rise to an obligation which is probable and capable of reliable estimation. The timing of the actual decommissioning expenditure is dependent upon a number of factors such as:

- the life-of-mine,
- developments in technology,
- the operating license conditions,
- the environment in which the mine operates and
- changes in economic sustainability.

Adjustments to the estimated amount and timing of future decommissioning cash flows are a normal occurrence in light of the significant judgments and estimates involved. Such adjustments are recorded as an increase in liability and a corresponding increase in the mine related asset. Factors influencing those adjustments include:

- revisions to estimated ore reserves, mineral resources and lives of mines,
- developments in technology,
- regulatory requirements and environmental management strategies,
- changes in the estimated extent and costs of anticipated activities, including the effects of inflation and
- changes in economic sustainability.

4.20 Employees' benefits

Employees' savings plan program

In accordance with Article 145 of the Labor Regulations, and in furtherance to Article 76 of the Company's Internal Work Regulation, approved by resolution No. 424 dated 6th of Rabi II 1420H (corresponding to 19 July 1999), issued by His Highness the Minister of Labor and Social Affairs, a Savings Plan Program was introduced to encourage the Saudi employees of the Group to save and invest their savings in areas more beneficial to them, to secure their future and as an incentive for them to continue working with the Group.

Participation in the Savings Plan Program is restricted to Saudi Nationals only and optional with employees required to contribute a monthly minimum installment of 1% to a maximum of 15% of their basic salary subject to a minimum of SAR 300 per month.

The Group will contribute an amount equaling 10% of the monthly savings of each member per year for the first year and increase it by 10% per year in the years there after until it reaches 100% in the 10th year and continue contributing 100% from year 11 onwards, which will in turn be credited to the savings accounts of the employee. The Group's portion is charged to consolidated statement of profit or loss on a monthly basis. The Group's portion will only be paid to the employee after the expiry of 10 years upon termination or resignation.

Other short-term obligations

Liabilities for wages and salaries, including non-monetary benefits that are expected to be settled in full, within 12 months after the end of the period in which the employees render the related service are recognised in respect of employees' services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled. The liabilities are presented as current employee benefit obligations in the consolidated statement of financial position.

Employees' home ownership program

The program has three categories:

Housing project

Certain companies within the Group have established employees' home ownership program (HOP) that offer eligible employees the opportunity to buy housing units constructed by these subsidiaries through a series of payments over a particular number of years. Ownership of the housing unit is transferred upon completion of full payment.

Under the HOP, the housing units are classified under other non-current assets as long-term employees' receivable upon signing of the sales contract with the eligible employees. The monthly installments paid by the employee towards the housing unit are repayable back to the employee in case the employee discontinues employment to the extent of the amounts paid in addition to the monthly housing allowance and the house is returned back to the Group.

Home loan

Certain companies within the Group provides an interest free loan to an eligible employee to purchase or build his own house by mortgaging the property in the company's name as a security. The repayment of the loan is deducted from the employee's salary in monthly installments.

The interest cost associated with the funding of the acquisition or construction of the employee's house is borne by the Company in accordance with the approved HOP and expensed as part of finance cost.

HOP furniture loan

Certain companies within the Group provides a furniture loan to an eligible employee which is to be written-off equally over a 5-year period. In case the employee resigns, or his services is terminated for any reason before completion of the stated period, the employee will be required to pay the remaining balance of the furniture loan.

4.20 Employees' benefits (continued)

Employees' end-of-service termination benefits obligation

The liability recognized in the consolidated statement of financial position, in respect of the defined end-of-service-benefits obligation, is the present value of the employees' end-of-service termination benefits obligation at the end of the reporting period. The employees' end of service termination benefits obligation is calculated annually by independent actuaries using the projected unit credit method.

Since the Kingdom of Saudi Arabia has no deep market in high-quality corporate bonds, the market rates of high-quality corporate bonds of the United States of America are used to present value the employees' end of service termination benefits obligation by discounting the estimated future cash outflows.

The net finance cost is calculated by applying the discount rate to the net balance of the employees' end-of-service termination benefits obligation. This cost is included in employee benefit expense in the consolidated statement of profit or loss.

Changes in the present value of the employees' end-of-service termination benefits obligation resulting from plan amendments or curtailments are recognized immediately in the consolidated statement of profit or loss as past service costs.

Re-measurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognized in the period in which they occur, directly in the consolidated statement of other comprehensive income.

4.21 Projects, other payables and accrued expenses

Liabilities in respect of contract costs for capital projects (including trade payables) are recognised at amounts to be paid for goods and services received. The amount recognised is discounted to the present value of the future obligations using the respective entity's incremental borrowing rate; unless they are due in less than one year.

Liabilities in respect of other payables are recognised at amounts expected to be paid for goods and services received.

4.22 Zakat, income tax, withholding tax and deferred tax

Companies with only Saudi shareholders

The Company is subject to zakat in accordance with the regulations of the Zakat, Tax and Customs Authority (the "ZATCA"). A provision for zakat for the Company and zakat related to the Company's wholly owned subsidiaries is estimated at the end of each reporting period and charged to the consolidated statement of profit or loss. Differences, if any, at the finalization of final assessments are accounted for when such amounts are determined.

Mix companies with foreign shareholders

The subsidiaries with foreign shareholders are subject to zakat for their Saudi shareholders and income tax for their foreign shareholders in accordance with the regulations of the ZATCA. A provision for zakat and income tax for the mix companies is charged to the consolidated statement of profit or loss. Differences, if any, at the finalization of final assessments are accounted for when such amounts are determined.

Zakat and income tax related to the minority shareholders in certain subsidiaries is included in their share of non-controlling interest in the consolidated statement of profit or loss.

The tax expense includes the current tax and deferred tax charge recognized in the consolidated statement of profit or loss.

Current tax payable is based on the taxable profit for the year. Taxable profit differs from net profit as reported in the consolidated statement of profit or loss because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are not taxable or deductible. The Group's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting date.

Deferred tax is recognized in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the tax amounts used for taxation purposes. Deferred tax liabilities are generally recognized for all taxable temporary differences and deferred tax assets are recognized to the extent that it is probable that future taxable profits will be available against which the deductible temporary differences can be utilized. Such assets and liabilities are not recognized if the temporary differences arise from the initial recognition of goodwill or of an asset or liability in a transaction (other than in a business combination) that affects neither taxable profit nor accounting profit.

(All amounts in Saudi Riyals unless otherwise stated)

4.22 Zakat, income tax, withholding tax and deferred tax (continued)

Deferred tax liabilities are recognized for taxable temporary differences arising on investments in subsidiaries, joint arrangements and associates except where the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future.

The carrying amount of deferred tax assets is reviewed at each reporting date and is adjusted to the extent that it is no longer probable that sufficient future taxable profit will be available to allow all or part of the asset to be recovered.

Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realized, based on the laws that have been enacted or substantively enacted by the reporting date. Deferred tax is charged or credited to the consolidated statement of profit or loss, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also taken directly to equity.

The Group withholds taxes on certain transactions with non-resident parties in the Kingdom of Saudi Arabia as required under Saudi Arabian Income Tax Law.

4.23 Severance fees

Effective from 1 January 2021 onwards, as per Article No.111 of the Saudi Mining Investment Code issued based on the Royal Decree No. 140/M dated 19 Shawwal 1441H (corresponding to 11 June 2020), the Group is required to pay to the Government of Saudi Arabia severance fee representing equivalent of 20% of hypothetical income in addition to a specified percentage of the net value of the minerals upon extraction. This supersedes the Royal Decree No. 47/M dated 20 Sha'aban 1425H (corresponding to 4 October 2004), which required the Company to pay to the Government of Saudi Arabia severance fee representing 25% of the annual net income per mining license or the equivalent of 20% of hypothetical income, whichever was lower. The Zakat due shall be deducted from gross severance fee and the net severance fee amount is shown as part of cost of sales in the consolidated statement of profit or loss (Notes 8 and 43).

However, the minimum severance fee payable for a small mine license based on sales is:

Minerals	Basis	Rate
Low grade bauxite	Actual metric tonnes sold	SAR 2.50 per metric tonne
Kaolin	Actual metric tonnes sold	SAR 3.25 per metric tonne
Magnesia / Dead burned magnesia / Monolithic / Raw ore magnesia	Actual metric tonnes sold	SAR 5.00 per metric tonne

The minimum severance fee payable is SAR 90,000 if the minimum mining capacity is not achieved. Provision for severance fees is charged to the cost of sales in the consolidated statement of profit or loss and is not included in the valuation of inventory.

In mix companies with foreign shareholders, only the Saudi shareholders are liable for paying severance fees on their share of the net profit attributable to the particular mining license. The Saudi shareholder can deduct the zakat due by them from their severance fee liability. The foreign shareholders are exempt from paying severance fees on their share of net profit attributable to the particular mining license, however, they pay income tax at a rate of 20%.

5 Critical accounting judgments, estimates and assumptions

The preparation of consolidated financial statements in conformity with IFRS and other standards and pronouncements that are issued by SOCPA, as endorsed in the Kingdom of Saudi Arabia, requires the Group's management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying accounting disclosures, and the disclosures of contingent liabilities at the reporting date of the consolidated financial statements.

Estimates and assumptions are continually evaluated and are based on management's historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The Group makes estimates and assumptions concerning the future. The accounting estimates will, by definition, seldom equal the related actual results.

However, as explained in Note 1, Management, through the crisis management committee, continues to proactively assess the potential of the Covid-19 pandemic for any further regulatory and government restrictions both locally and in the market in which the Group operates that could adversely affect our supply chain and our production capabilities, demand of our products, as well as our sales distribution network that could cause a negative impact on our financial performance. Management has concluded that the critical accounting judgements, estimates and assumptions remain appropriate under the current circumstances.

5.1 Critical accounting judgements in applying accounting standards

The following critical judgements have the most significant effect on the amounts recorded in the consolidated financial statements:

- impairment testing of goodwill
- economic useful lives of mine properties, property, plant and equipment
- impairment and the reversal of impairment of tangible assets
- identification of CGUs
- right-of-use assets and lease liabilities
- zakat and income tax
- exploration and evaluation expenditure
- stripping costs
- commercial production start date

Impairment testing of goodwill

The Group's management tests, on an annual basis, whether goodwill arising on consolidation has suffered any impairment. This requires an estimation of the recoverable amounts of the CGU to which goodwill has been allocated. The recoverable amount is most sensitive to the discount rate used for the discounted cash flow model as well as the expected future cash inflows and the growth rate used in computation of terminal value. The key assumptions used in determining the recoverable amounts are set out in Note 20.

Economic useful lives of mine properties, property, plant and equipment

The Group's assets, classified within mine properties, are depreciated / amortized on a UOP basis over the economically recoverable proven and probable ore reserves of the mine concerned, except in the case of those mining assets whose economic useful life is shorter than the life-of-mine, in which case the straight line method is applied. When determining the life-of-mine, assumptions that were valid at the time of estimation, may change when new information becomes available.

The factors that could affect estimation of the life-of-mine include the following:

- changes in proven and probable ore reserves,
- the grade of ore reserves varying significantly from time to time,
- differences between actual commodity prices and commodity price assumptions used in the estimation and classification of ore reserves,
- unforeseen operational issues at mine sites and
- changes in capital, operating, mining, processing and reclamation costs, discount rates could possibly adversely affect the economic viability of ore reserves.

Any of these changes could affect prospective depreciation of mine properties and their carrying value. The economic useful lives of non-mining property, plant and equipment is reviewed by management periodically. The review is based on the current condition of the assets and the estimated period during which they will continue to bring economic benefit to the Group.

The Group's assets, classified within property, plant and equipment, are depreciated on a straight line basis over their economic useful lives.

5.1 Critical accounting judgements in applying accounting standards (continued)

Impairment and the reversal of impairment of tangible assets

The Group reviews the carrying amounts of its tangible assets i.e. mine properties, property, plant and equipment, right-of-use assets, capital work-in-progress to determine whether there is any indication that those assets are impaired or whether there is any indicator that an impairment loss recognized in previous years may no longer exist or may have decreased.

Identification of CGUs

The classification of assets into CGUs requires significant judgement and interpretations with respect to the integration between assets, generation of independent cash flows by the assets, the existence of active markets and external users.

Right-of-use assets and lease liabilities

Extension and termination options are included in a number of leases across the Group. These are used to maximise operational flexibility in terms of managing the assets used in the Group's operations.

In determining the lease term, management considers all facts and circumstances that create an economic incentive to exercise an extension option, or not to exercise a termination option. Extension options (or periods after termination options) are only included in the lease term if the lease is reasonably certain to be extended (or not terminated).

The lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be readily determined, which is generally the case for leases in the Group, the lessee's incremental borrowing rate is used, being the rate that the individual lessee would have to pay to borrow the funds necessary to obtain an asset of similar value to the right-of-use asset in a similar economic environment with similar terms, security and conditions.

Zakat and income tax

The Company and its wholly owned subsidiaries are subject to zakat, whereas, the subsidiaries with foreign shareholders are subject to zakat for their Saudi shareholders and income tax for their foreign shareholders in accordance with the regulations of the ZATCA.

A provision for zakat and income tax is estimated at the end of each reporting period in accordance with the regulations of the ZATCA and on a yearly basis zakat and income tax returns are submitted to the ZATCA. Differences, if any, at the finalization of final assessments are accounted for when such amounts are determined.

Exploration and evaluation expenditure

The application of the Group's accounting policy for exploration and evaluation expenditure requires judgement to determine whether future economic benefits are likely to be derived from either future exploitation or sale, or whether activities have not reached a stage that permits a reasonable assessment of the existence of reserves.

In addition to applying judgement to determine whether future economic benefits are likely to arise from the Group's exploration and evaluation assets or whether activities have not reached a stage that permits a reasonable assessment of the existence of reserves, the Group has to apply a number of estimates and assumptions.

Stripping costs

Significant judgement is required to distinguish between development stripping and production stripping and to distinguish between the production stripping that relates to the extraction of inventory and that which relates to giving access to a component of the ore body to be mined in the future, which then give rise to the creation of a stripping activity asset.

Once the Group has identified its production stripping for each surface mining operation, it identifies the separate components of the ore bodies for each of its mining operations.

5.1 Critical accounting judgements in applying accounting standards (continued)

Stripping costs (continued)

An identifiable component is a specific volume of the ore body that is made more accessible by the stripping activity. Significant judgement is required to identify and define these components, and also to determine the expected volumes (e.g., in tonnes) of waste to be stripped and ore to be mined in each of these components. These assessments are undertaken for each individual mining operation based on the information available in the mine plan. The mine plans and, therefore, the identification of components, will vary between mines for a number of reasons. These include, but are not limited to, the type of commodity, the geological characteristics of the ore body, the geographical location and/or financial considerations.

Judgement is also required to identify a suitable production measure to be used to allocate production stripping costs between inventory and any stripping activity asset(s) for each component. The Group considers that the ratio of the expected volume (e.g., in tonnes) of waste to be stripped for an expected volume (e.g., in tonnes) of ore to be mined for a specific component of the ore body, is the most suitable production measure.

Commercial production start date

Commercial production is achieved when assets are capable of operating in the manner envisaged by the entity's management which is generally when the related assets are capable of operating continuously at a nominated percentage of design capacity.

The decision on when commercial production for mining related assets is achieved is however judgmental and should be based after discussions between the accountants, engineers and metallurgists. Consideration should be taken of the following list of non-exhaustive factors, such as:

- a nominated percentage of design capacity for a mine or a mill,
- mineral recoveries at or near expected levels,
- achievement of continuous production and
- the level of future capital expenditure still to be incurred.

Various aspects of the mining / production process (e.g. mine, mill, refinery, processing plant, etc.) needs to be considered separately when concluding on when commercial production has commenced, especially if one aspect of the process has commenced production in advance of the others. Once the mine is capable of commercial production, depreciation should commence.

5.2 Key sources of estimation uncertainty

The following are the key sources of estimation uncertainty that have a significant risk of causing a material adjustment to the carrying amounts of the assets and liabilities within the next financial year:

- mineral resource and ore reserve estimates,
- mine decommissioning obligation,
- allowances for obsolete and slow moving spare parts,
- non-controlling interest put options and
- contingencies.

Mineral resource and ore reserve estimates

There is a degree of uncertainty involved in the estimation and classification of mineral resource and ore reserve and corresponding grades being mined or dedicated to future production. Until mineral resource and ore reserve are actually mined and processed, the quantity of mineral resource and ore reserve grades must be considered as estimates only. Further, the quantity of mineral resource and ore reserve may vary depending on, amongst other things, metal prices and currency exchange rates.

The ore reserve estimates of the Group have been determined based on long-term commodity price forecasts and cut-off grades. Any material change in the quantity of reserves, grades or stripping ratio may affect the economic viability of the properties. In addition, there can be no assurance that gold recoveries or other metal recoveries in small scale laboratory tests will give the same result in larger scale tests under on-site conditions or during production.

Fluctuation in commodity prices, the results of drilling, metallurgical testing and production and the evaluation of mine plans subsequent to the date of any estimate may require estimates to be revised. The volume and grade of ore reserves mined and processed and recovery rates may not be the same as currently anticipated. Any material reductions in estimates of ore reserves and mineral resources, or of the Group's ability to extract these mineral contents, could have a material adverse effect on the Group's business, prospects, financial condition and operating results.

5.2 Key sources of estimation uncertainty (continued)

Mine decommissioning obligation

The Group's mining and exploration activities are subject to various environmental laws and regulations. The Group estimates environmental obligations based on management's understanding of the current legal requirements in the Kingdom of Saudi Arabia, terms of the license agreements and engineering estimates. Provision is made for decommissioning as soon as the obligation arises. Actual costs incurred in future years could differ materially from the amounts provided. Additionally, future changes to environmental laws and regulations and life-of-mine estimates could affect the carrying amount of this provision.

Allowances for obsolete and slow moving spare parts

The Group also creates an allowance for obsolete and slow-moving spare parts. At 30 June 2021, the allowance for obsolete slow-moving items amounted to SAR 98,812,310 (30 June 2020: SAR 100,917,519 and 31 December 2020: SAR 97,371,125). These estimates take into consideration fluctuations of price or cost directly relating to events occurring subsequent to the consolidated statement of financial position date to the extent that such events confirm conditions existing at the end of the year (Note 26.1).

Non-controlling interest put options

The fair value of non-controlling interest put options are recognized at the present value of redemption amount based on the discounted cash flow analysis. The Group estimates the non-controlling interest put options price at each reporting period in accordance with the formula defined in the shareholders agreement between Ma'aden and Meridian. Further details are explained in Note 40.3 of these consolidated interim financial statements.

Contingencies

By their nature, contingencies will only be resolved when one or more future events occur or fail to occur. The assessment of such contingencies inherently involves the exercise of significant judgement and estimates of the outcome of future events.

6 Segmental information

Segment reporting

Operating business segments are reported in a manner consistent with the internal reporting provided to the Chief Operating Decision Maker (CODM).

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 and other senior management personnel.

6.1 Business segment

A business segment is a component of the Group:

- that engages in business activities from which it may earn revenues and incur expenses,
- the results of its operations are continuously analyzed by management in order to make decisions related to resource allocation and performance assessment and
- for which discrete financial information is available.

Transactions between segments are carried out at arm's length and are eliminated on consolidation. The revenue from external parties is measured in the same way as in the consolidated interim statement of profit or loss.

The accounting policies used by the Group in reporting business segments internally are the same as those contained in Note 4 of the consolidated interim financial statements.

6.1 Business segment (continued)

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

- **Phosphate Strategic Business Unit Segment,** consist of operations related to:
  - ***MPC*** – the mining and beneficiation of phosphate concentrated rock at Al-Jalamid. The utilization of natural gas and sulphur to produce phosphate fertilizers as well as ammonia products at Ras-Al-Khair.
  - ***IMC*** – 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.
  - ***MWSPC*** – the development of a mine to exploit the Al-Khabra phosphate deposit. The company declared commercial production on 2 December 2018, except for the ammonia plant for which commercial production was declared on 1 January 2017.
  - ***MMDC*** – a vehicle for Ma'aden to build a fertilizer distribution business in the most important global fertilizer markets.
  - ***Phosphate and Industrial Minerals division under Corporate*** – related cost and exploration expenses in Ma'aden Corporate has been allocated to this segment.
  - ***MIC*** – is responsible for 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. Therefore, a 33% proportionate share of MIC's revenues, costs and assets have been allocated to this segment.

- **Aluminium Strategic Business Unit Segment**, consists of the operations related to:
  - ***MBAC*** – the mining of bauxite at the Al-Ba'itha mine and the transportation thereof to its refinery at Ras Al Khair. The alumina from MBAC is then processed at MAC. The refinery declared commercial production on 1 October 2016.
  - ***MAC*** – operates the smelter at Ras-Al-Khair and it currently processes the alumina feedstock that it purchases from MBAC and produces primary aluminium products. MAC declared commercial production on 1 September 2014.
  - ***MRC*** – the construction of the rolling mill has been completed and the company has declared commercial production on 9 December 2018. MRC also include automotive sheet project which comprise of automotive heat treated and non-treated sheet, building and construction sheet and foil stock sheet. The project commenced commercial production on 1 September 2019.
  - ***SAMAPCO*** – a joint venture that produces and supply concentrated caustic soda (CCS) feedstock to the alumina refinery at MBAC and ethylene dichloride (EDC) in the wholesale and retail market.
  - ***Aluminium division under Corporate*** – related cost and external sales revenue have been allocated to this segment.
  - ***MIC*** – is responsible for 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. Therefore, a 67% proportionate share of MIC's revenues, costs and assets have been allocated to this segment.

- **Precious and Base Metals Strategic Business Unit Segment**, consists of operations related to:
  - ***MGBM*** – that operates five gold mines, i.e. Mahd Ad-Dahab, Al-Amar, Bulghah, As-Suq and Ad-Duwayhi and a processing plant at Sukhaybarat which are located in different geographical areas in the Kingdom of Saudi Arabia.
  - ***MBCC*** – a joint venture that produces copper concentrate and associated minerals located in the southeast of Al Madinah Al Munawarah. MBCC started commercial production on 1 July 2016.
  - ***Precious and base metals division under Corporate*** – related cost and exploration expenses in Ma'aden Corporate has been allocated to this segment.

- **Corporate**
  - Is responsible for effective management and governance including funding of subsidiaries and joint ventures that carry out various projects related to all stages of the mining industry, including development, advancement and improvement of the mineral industry, mineral products and by-products. The presentation of Corporate information does not represent an operating segment.

(All amounts in Saudi Riyals unless otherwise stated)

6.2 Business segment financial information

	Notes	Phosphate	Aluminum	Precious and base metals	Corporate	Total
Six months ended 30 June 2021						
Sales of goods and services to external customers	6.3,7	5,832,672,677	4,521,239,494	1,197,307,069	-	11,551,219,240
Gross profit		1,629,352,154	1,344,835,962	519,007,252	-	3,493,195,368
Net profit / (loss) before zakat and income tax		1,006,816,299	861,175,936	661,812,612	(127,369,588)	2,402,435,259
Less: Income from time deposits	12	(224,840)	(5,170,280)	-	(18,381,652)	(23,776,772)
Add: Finance cost	13	267,182,221	317,646,461	3,524,316	20,860,235	609,213,233
Net profit / (loss) before net finance income / (cost), zakat and income tax		1,273,773,680	1,173,652,117	665,336,928	(124,891,005)	2,987,871,720
Operating special items and re-measurements:						
Add: Non-operating other (income) / expenses, net	14	(21,549,090)	(4,855,041)	(145,537)	783,165	(25,766,503)
Less: Share in net profit of joint ventures	21.1.3, 21.2.3	-	(40,702,000)	(262,333,202)	-	(303,035,202)
Underlying EBIT		1,252,224,590	1,128,095,076	402,858,189	(124,107,840)	2,659,070,015
Add: Depreciation and amortization		1,209,194,348	838,645,988	188,647,013	47,446,209	2,283,933,558
Underlying EBITDA		2,461,418,938	1,966,741,064	591,505,202	(76,661,631)	4,943,003,573
Net profit / (loss) attributable to ordinary shareholders of the parent company		722,218,249	629,271,680	643,499,398	(150,316,850)	1,844,672,477
Mine properties	16	5,627,698,666	1,319,736,204	4,280,787,478	-	11,228,222,348
Property, plant and equipment	17	30,898,491,005	29,279,867,658	1,160,447	105,623,683	60,285,142,793
Right-of-use assets	18	227,218,488	1,064,950,877	81,286,047	3,834,221	1,377,289,633
Capital work-in-progress	19	4,918,212,881	648,643,823	11,458,525	44,845,557	5,623,160,786
Intangible assets and goodwill	20	229,216,528	36,200,755	3,716,308	40,155,536	309,289,127
Investment in joint ventures	21	-	130,860,000	1,102,879,674	-	1,233,739,674
Total assets		49,177,564,917	39,683,911,572	6,256,160,454	3,466,211,692	98,583,848,635
Long-term borrowings	35	26,515,050,880	19,697,475,773	1,101,680,493	-	47,314,207,146
Lease liabilities	37	174,210,905	993,573,011	83,641,790	3,327,319	1,254,753,025
Total liabilities		31,608,591,846	23,920,275,537	2,402,797,244	1,078,075,962	59,009,740,589

(All amounts in Saudi Riyals unless otherwise stated)

6.2 Business segment financial information (continued)

	Notes	Phosphate	Aluminum	Precious and base metals	Corporate	Total
Six months ended 30 June 2020						
Sales of goods and services to external customers	6.3,7	3,534,510,160	3,398,479,285	1,438,583,145	-	8,371,572,590
Gross (loss) / profit		(365,685,251)	396,212,810	545,221,802	-	575,749,361
Net (loss) / profit before zakat and income tax		(1,321,722,343)	(318,230,055)	480,622,334	(161,640,022)	(1,320,970,086)
Less: Income from time deposits	12	(1,557,857)	(12,221,538)	-	(36,825,850)	(50,605,245)
Add: Finance cost	13	583,514,153	433,093,828	17,411,353	20,364,449	1,054,383,783
Net (loss) / profit before net finance income / (cost), zakat and income tax		(739,766,047)	102,642,235	498,033,687	(178,101,423)	(317,191,548)
Operating special items and re-measurements:						
Add: Non-operating other expenses / (income), net	14	40,142,553	15,745,575	2,393,486	4,644,918	62,926,532
Less: Share in net loss / (profit) of joint ventures	21.1.3, 21.2.3	-	79,421,677	(107,810,140)	-	(28,388,463)
Underlying EBIT		(699,623,494)	197,809,487	392,617,033	(173,456,505)	(282,653,479)
Add: Depreciation and amortization		1,241,489,570	841,240,069	312,801,671	47,443,955	2,442,975,265
Underlying EBITDA		541,866,076	1,039,049,556	705,418,704	(126,012,550)	2,160,321,786
Net (loss) / profit attributable to ordinary shareholders of the parent company		(807,042,027)	(274,389,196)	467,273,357	(173,241,594)	(787,399,460)
Mine properties	16	5,854,595,302	1,377,473,591	2,945,358,617	-	10,177,427,510
Property, plant and equipment	17	32,506,677,642	30,651,857,060	1,308,626	114,314,837	63,274,158,165
Right-of-use assets	18	300,350,563	1,111,725,869	130,110,698	2,833,884	1,545,021,014
Capital work-in-progress	19	2,611,164,139	531,856,559	489,279	25,816,672	3,169,326,649
Intangible assets and goodwill	20	241,220,381	51,113,122	6,268,786	40,567,772	339,170,061
Investment in joint ventures	21	-	110,586,323	920,919,002	-	1,031,505,325
Total assets		47,700,382,837	39,754,334,530	4,685,425,240	3,439,802,384	95,579,944,991
Long-term borrowings	35	27,584,058,665	20,579,006,092	741,843,037	-	48,904,907,794
Lease liabilities	37	158,932,753	1,028,479,042	131,306,739	89,955,451	1,408,673,985
Total liabilities		31,799,330,527	24,513,732,109	1,687,642,871	867,992,706	58,868,698,213

(All amounts in Saudi Riyals unless otherwise stated)

6.2 Business segment financial information (continued)

	Notes	Phosphate	Aluminum	Precious and base metals	Corporate	Total
Year ended 31 December 2020						
Sales of goods and services to external customers	6.3,7	8,663,177,522	7,181,582,602	2,735,063,137	-	18,579,823,261
Gross profit		573,804,588	936,508,396	1,056,681,773	-	2,566,994,757
Net (loss) / profit before zakat and income tax		(1,089,309,988)	(353,168,462)	1,038,328,091	(290,734,895)	(694,885,254)
Less: Income from time deposits	12	(2,114,540)	(18,048,066)	-	(52,277,112)	(72,439,718)
Add: Finance cost	13	822,166,746	777,703,321	19,281,820	43,093,763	1,662,245,650
Net (loss) / profit before net finance income / (cost), zakat and income tax		(269,257,782)	406,486,793	1,057,609,911	(299,918,244)	894,920,678
Operating special items and re-measurements:						
Add: Non-operating other expenses / (income), net	14	97,697,533	18,467,344	3,196,510	(6,276,612)	113,084,775
Less: Share in net loss / (profit) of joint ventures	21.1.3, 21.2.3	-	99,850,000	(297,260,762)	-	(197,410,762)
Underlying EBIT		(171,560,249)	524,804,137	763,545,659	(306,194,856)	810,594,691
Add: Depreciation and amortization		2,439,018,819	1,703,325,392	574,202,803	105,099,551	4,821,646,565
Underlying EBITDA		2,267,458,570	2,228,129,529	1,337,748,462	(201,095,305)	5,632,241,256
Net (loss) / profit attributable to ordinary shareholders of the parent company		(590,767,188)	(329,740,257)	1,019,010,035	(307,483,464)	(208,980,874)
Mine properties	16	5,707,553,641	1,351,117,869	3,613,483,637	-	10,672,155,147
Property, plant and equipment	17	31,759,117,700	30,014,253,152	444,978	110,668,209	61,884,484,039
Right-of-use assets	18	267,259,432	1,087,397,030	106,039,745	3,078,475	1,463,774,682
Capital work-in-progress	19	4,030,406,969	579,629,086	8,563,228	48,276,255	4,666,875,538
Intangible assets and goodwill	20	234,906,023	41,445,329	4,819,839	37,104,546	318,275,737
Investment in joint ventures	21	-	90,158,000	936,472,926	-	1,026,630,926
Total assets		49,106,794,510	38,710,652,892	5,388,668,448	3,530,990,527	96,737,106,377
Long-term borrowings	35	27,147,665,006	20,382,653,550	643,154,553	-	48,173,473,109
Lease liabilities	37	209,221,885	1,008,379,807	108,050,729	11,517,215	1,337,169,636
Total liabilities		32,174,145,289	24,372,701,503	1,898,493,263	991,996,582	59,437,336,637

(All amounts in Saudi Riyals unless otherwise stated)

6.3 Geographical segment

A geographical segment is a group of assets, operations or entities engaged in revenue producing activities within a particular economic environment that are subject to risks and returns different from those operating in other economic environments. The Group's operations are conducted in the Kingdom of Saudi Arabia and East Africa (Note 2) and therefore all the non-current assets of the Group are located within the Kingdom of Saudi Arabia and East Africa.

The Group's geographical distribution of revenue generation by destination for the period / year ended is as follows:

	Notes	Phosphate	Aluminium	Precious and base metals	Corporate	Total
30 June 2021						
International						
Indian subcontinent and Asia-pacific		**2,808,711,209**	**654,982,570**	**-**	**-**	**3,463,693,779**
Brazil, Singapore, GCC MENA, Africa, Europe, United Kingdom, Australia, Latin America and North America		**2,161,268,920**	**2,535,366,452**	**1,197,307,069**	**-**	**5,893,942,441**
Switzerland and others		**806,723,553**	**225,695,263**	**-**	**-**	**1,032,418,816**
Sub-total		**5,776,703,682**	**3,416,044,285**	**1,197,307,069**	**-**	**10,390,055,036**
Domestic		**55,968,995**	**1,105,195,209**	**-**	**-**	**1,161,164,204**
Total	6.2,7	**5,832,672,677**	**4,521,239,494**	**1,197,307,069**	**-**	**11,551,219,240**
30 June 2020						
International						
Indian subcontinent and Asia-pacific		1,841,704,661	627,568,933	-	-	2,469,273,594
Brazil, Singapore, GCC MENA, Africa, Europe, United Kingdom, Australia, Latin America and North America		881,020,948	1,831,530,447	104,557,724	-	2,817,109,119
Switzerland and others		776,550,922	290,531,556	1,334,025,421	-	2,401,107,899
Sub-total		3,499,276,531	2,749,630,936	1,438,583,145	-	7,687,490,612
Domestic		35,233,629	648,848,349	-	-	684,081,978
Total	6.2,7	3,534,510,160	3,398,479,285	1,438,583,145	-	8,371,572,590
31 December 2020						
International						
Indian subcontinent and Asia-pacific		4,367,691,319	884,541,999	-	-	5,252,233,318
Brazil, Singapore, GCC MENA, Africa, Europe, United Kingdom, Australia, Latin America and North America		2,545,002,300	4,235,001,515	2,735,063,137	-	9,515,066,952
Switzerland and others		1,580,190,454	661,353,521	-	-	2,241,543,975
Sub-total		8,492,884,073	5,780,897,035	2,735,063,137	-	17,008,844,245
Domestic		170,293,449	1,400,685,567	-	-	1,570,979,016
Total	6.2,7	8,663,177,522	7,181,582,602	2,735,063,137	-	18,579,823,261

(All amounts in Saudi Riyals unless otherwise stated)

6.3 Geographical segment (continued)

The Group's geographical distribution of external revenue by major customers and by destination for the period / year ended are as follows:

	Phosphate	Aluminium	Precious and base metals	Corporate	Total
30 June 2021					
Customer No. 1 – Europe	**-**	**-**	**779,394,959**	**-**	**779,394,959**
Customer No. 2 – Spain	**-**	**602,378,212**	**-**	**-**	**602,378,212**
Customer No. 3 – Indian subcontinent	**480,000,000**	**-**	**-**	**-**	**480,000,000**
30 June 2020					
Customer No. 1 – Switzerland	-	-	880,211,482	-	880,211,482
Customer No. 2 – Spain	-	430,802,156	-	-	430,802,156
Customer No. 3 – Indian subcontinent	319,676,250	-	-	-	319,676,250
31 December 2020					
Customer No. 1 – Europe	-	-	1,477,984,320	-	1,477,984,320
Customer No. 2 – Spain	-	943,449,656	-	-	943,449,656
Customer No. 3 – Indian subcontinent	885,495,000	-	-	-	885,495,000

The Group's revenue generation by product for the period / year ended are as follows:

	Notes	Phosphate	Aluminium	Precious and base metals	Corporate	Total
30 June 2021						
Ammonia phosphate fertilizer and ammonia		**5,561,124,297**	**-**	**-**	**-**	**5,561,124,297**
Low grade bauxite, caustic calcined magnesia, dead burned magnesia and monolithic		**80,048,424**	**-**	**-**	**-**	**80,048,424**
Primary aluminium		**-**	**2,465,051,287**	**-**	**-**	**2,465,051,287**
Alumina		**-**	**125,729,040**	**-**	**-**	**125,729,040**
Flat rolled products		**-**	**1,930,444,092**	**-**	**-**	**1,930,444,092**
Gold		**-**	**-**	**1,197,307,069**	**-**	**1,197,307,069**
Infrastructure (rendering of services)		**7,425**	**15,075**	**-**	**-**	**22,500**
Others		**191,492,531**	**-**	**-**	**-**	**191,492,531**
Total	6.2,7	**5,832,672,677**	**4,521,239,494**	**1,197,307,069**	**-**	**11,551,219,240**

(All amounts in Saudi Riyals unless otherwise stated)

6.3 Geographical segment (continued)

The Group's revenue generation by product for the period / year ended are as follows:

	Notes	Phosphate	Aluminium	Precious and base metals	Corporate	Total
30 June 2020						
Ammonia phosphate fertilizer and ammonia		3,389,615,019	-	-	-	3,389,615,019
Low grade bauxite, caustic calcined magnesia, dead burned magnesia and monolithic		56,490,062	-	-	-	56,490,062
Primary aluminium		-	1,804,288,674	-	-	1,804,288,674
Alumina		-	107,675,372	-	-	107,675,372
Flat rolled products		-	1,486,497,651	-	-	1,486,497,651
Gold		-	-	1,438,583,145	-	1,438,583,145
Infrastructure (rendering of services)		8,663	17,588	-	-	26,251
Others		88,396,416	-	-	-	88,396,416
Total	6.2,7	3,534,510,160	3,398,479,285	1,438,583,145	-	8,371,572,590
31 December 2020						
Ammonia phosphate fertilizer and ammonia		8,268,031,054	-	-	-	8,268,031,054
Low grade bauxite, caustic calcined magnesia, dead burned magnesia and monolithic		126,973,505	-	-	-	126,973,505
Primary aluminium		-	3,946,780,616	-	-	3,946,780,616
Alumina		-	259,975,312	-	-	259,975,312
Flat rolled products		-	2,974,794,012	-	-	2,974,794,012
Gold		-	-	2,735,063,137	-	2,735,063,137
Infrastructure (rendering of services)		16,088	32,662	-	-	48,750
Others		268,156,875	-	-	-	268,156,875
Total	6.2,7	8,663,177,522	7,181,582,602	2,735,063,137	-	18,579,823,261

All the subsidiaries and joint venture entities listed in Notes 2 and 6.1, are incorporated in the Kingdom of Saudi Arabia and East Africa.

(All amounts in Saudi Riyals unless otherwise stated)

7 Sales

	Notes	Quarter ended 30 June 2021	Quarter ended 30 June 2020	Six months ended 30 June 2021	Six months ended 30 June 2020	Year ended 31 December 2020
Phosphate segment						
Ammonia phosphate fertilizer and ammonia						
• Sale of goods		**2,850,147,762**	1,540,950,229	**5,284,929,803**	3,298,885,106	8,016,898,805
Movement in provisional product prices during quarter / period / year		**25,793,480**	(47,734,909)	**4,157,300**	(70,088,422)	(89,564,807)
		2,875,941,242	1,493,215,320	**5,289,087,103**	3,228,796,684	7,927,333,998
• Rendering of transportation services		**153,368,005**	88,255,514	**272,037,194**	160,818,335	340,697,056
		3,029,309,247	1,581,470,834	**5,561,124,297**	3,389,615,019	8,268,031,054
Industrial minerals						
• Sale of goods		**31,192,235**	29,108,177	**78,978,846**	55,444,008	124,819,487
• Rendering of transportation services		**405,556**	469,601	**1,069,578**	1,046,054	2,154,018
		31,597,791	29,577,778	**80,048,424**	56,490,062	126,973,505
Sub-total		**3,060,907,038**	1,611,048,612	**5,641,172,721**	3,446,105,081	8,395,004,559
Aluminium segment						
Primary aluminium						
• Sale of goods		**1,300,443,843**	864,217,508	**2,450,349,510**	1,799,654,481	3,934,592,058
Movement in provisional product prices during quarter / period / year		**3,422,185**	(728,222)	**4,921,742**	(2,018,284)	799,439
		1,303,866,028	863,489,286	**2,455,271,252**	1,797,636,197	3,935,391,497
• Rendering of transportation services		**5,771,207**	5,380,946	**9,780,035**	6,652,477	11,389,119
		1,309,637,235	868,870,232	**2,465,051,287**	1,804,288,674	3,946,780,616
Alumina						
• Sale of goods		**80,741,000**	70,968,020	**125,729,040**	107,675,372	259,975,312
Flat rolled products						
• Sale of goods		**1,013,616,141**	689,443,503	**1,921,772,065**	1,475,524,540	2,960,258,244
• Rendering of transportation services		**4,381,941**	6,906,050	**8,672,027**	10,973,111	14,535,768
		1,017,998,082	696,349,553	**1,930,444,092**	1,486,497,651	2,974,794,012
Sub-total		**2,408,376,317**	1,636,187,805	**4,521,224,419**	3,398,461,697	7,181,549,940
Precious and base metals segment						
Gold						
• Sale of goods		**558,169,025**	749,950,329	**1,197,852,080**	1,434,809,140	2,723,985,614
Movement in provisional product prices during quarter / period / year		**(1,055,023)**	3,330,674	**(545,011)**	3,774,005	11,077,523
Sub-total		**557,114,002**	753,281,003	**1,197,307,069**	1,438,583,145	2,735,063,137
Infrastructure						
Rendering of services		**11,250**	11,251	**22,500**	26,251	48,750
Others		**75,044,512**	15,884,968	**191,492,531**	88,396,416	268,156,875
Total	6.2,6.3, 6.4,7.1	**6,101,453,119**	4,016,413,639	**11,551,219,240**	8,371,572,590	18,579,823,261

(All amounts in Saudi Riyals unless otherwise stated)

7 Sales (continued)

	Note	Quarter ended 30 June 2021	Quarter ended 30 June 2020	Six months ended 30 June 2021	Six months ended 30 June 2020	Year ended 31 December 2020
7.1 Timing of revenue recognition						
At a point in time						
- sale of goods		**5,937,515,160**	3,915,390,277	**11,259,637,906**	8,192,056,362	18,210,998,550
- rendering of services		**11,250**	11,251	**22,500**	26,251	48,750
Sub-total		**5,937,526,410**	3,915,401,528	**11,259,660,406**	8,192,082,613	18,211,047,300
Over a period of time						
- rendering of transportation services		**163,926,709**	101,012,111	**291,558,834**	179,489,977	368,775,961
Total	7	**6,101,453,119**	4,016,413,639	**11,551,219,240**	8,371,572,590	18,579,823,261
Gold sales analysis						
Quantity of gold ounces (Oz) sold		**81,784**	116,245	**177,324**	232,172	412,768
Average realized price per ounce (Oz) in:						
US$		**1,817**	1,729	**1,801**	1,653	1,767
Saudi Riyals (equivalent)		**6,812**	6,481	**6,752**	6,197	6,626

(All amounts in Saudi Riyals unless otherwise stated)

8 Cost of sales

	Notes	Quarter ended 30 June 2021	Quarter ended 30 June 2020*	Six months ended 30 June 2021	Six months ended 30 June 2020*	Year ended 31 December 2020
Salaries and staff related benefits		**357,721,117**	380,677,821	**688,076,966**	706,355,165	1,470,484,046
Contracted services		**293,403,982**	322,891,710	**606,354,241**	639,208,945	1,317,877,436
Repairs and maintenance		**84,254,319**	102,784,248	**173,906,366**	173,937,834	390,598,283
Consumables		**59,245,814**	53,917,190	**116,577,586**	154,447,370	245,204,497
Overheads		**168,974,621**	145,080,564	**334,893,492**	344,977,892	673,293,819
Raw material and utilities consumed		**2,225,275,001**	1,262,907,371	**3,994,146,939**	2,750,471,408	6,263,812,354
Sale of by-products	8.1	**(28,150,968)**	(22,161,927)	**(50,312,895)**	(40,236,268)	(84,295,807)
Obsolete spare parts written-off	26	**-**	-	**-**	-	4,073,406
Allowance for inventory obsolescence, net	26.1	**1,168,626**	6,188,684	**1,441,185**	7,814,445	4,268,051
Severance fees	43	**23,138,044**	64,861,199	**77,795,533**	100,811,610	207,197,069
Total cash operating costs		**3,185,030,556**	2,317,146,860	**5,942,879,413**	4,837,788,401	10,492,513,154
Depreciation of mine properties	16.1	**163,830,570**	231,089,367	**336,091,700**	468,012,746	883,432,499
Impairment of plant and equipment	17	**56,842,520**	-	**56,842,520**	-	-
Depreciation of property, plant and equipment	17.1	**898,853,387**	912,694,239	**1,793,896,338**	1,817,348,485	3,614,294,332
Depreciation of right-of-use assets	18.1	**54,013,003**	65,987,450	**112,583,151**	112,641,345	239,045,431
Amortisation of intangible assets	20.1	**6,136,456**	6,981,229	**11,908,781**	14,208,003	26,051,833
Total operating costs		**4,364,706,492**	3,533,899,145	**8,254,201,903**	7,249,998,980	15,255,337,249
(Increase) / decrease in inventory	24,26	**(483,979,289)**	88,508,556	**(487,736,865)**	366,334,272	388,715,294
Total cost of goods sold		**3,880,727,203**	3,622,407,701	**7,766,465,038**	7,616,333,252	15,644,052,543
Cost of rendering transportation services		**163,926,709**	101,012,111	**291,558,834**	179,489,977	368,775,961
Total		**4,044,653,912**	3,723,419,812	**8,058,023,872**	7,795,823,229	16,012,828,504

8.1 Sale of by-products by MGBM comprise of the following commodities:

	Notes	Quarter ended 30 June 2021	Quarter ended 30 June 2020*	Six months ended 30 June 2021	Six months ended 30 June 2020*	Year ended 31 December 2020
Zinc		**11,596,364**	11,555,683	**23,152,047**	19,458,534	42,102,976
Copper		**12,664,479**	6,601,828	**19,266,307**	14,343,205	27,327,696
Silver		**3,890,125**	4,004,416	**7,894,541**	6,434,529	14,865,135
Total	8	**28,150,968**	22,161,927	**50,312,895**	40,236,268	84,295,807

*Certain expenses that were presented as cost of sales in comparative quarter and six months period ended 30 June 2020 were reclassified to general and administrative expenses based on the more representative function of such expenses (Note 51).

(All amounts in Saudi Riyals unless otherwise stated)

9 Selling, marketing and logistic expenses

	Quarter ended 30 June 2021	Quarter ended 30 June 2020	Six months ended 30 June 2021	Six months ended 30 June 2020	Year ended 31 December 2020
Salaries and staff related benefits	**9,020,204**	10,397,213	**17,984,826**	19,969,397	39,435,691
Contracted services	**1,993,072**	(1,561,729)	**2,388,407**	1,196,919	6,205,161
Freight and overheads	**63,878,524**	35,204,107	**116,822,129**	74,901,342	235,510,764
Warehouse and storage	**9,250,956**	25,279,930	**14,950,844**	47,300,142	28,292,885
Consumables	**401,512**	284,458	**748,879**	479,776	821,177
Marketing fees and deductibles	**50,930,222**	40,289,912	**87,448,477**	77,189,520	172,901,393
Other selling expenses	**23,752,336**	4,269,953	**32,636,310**	12,137,975	27,183,449
Total	**159,226,826**	114,163,844	**272,979,872**	233,175,071	510,350,520

10 General and administrative expenses

	Notes	Quarter ended 30 June 2021	Quarter ended 30 June 2020*	Six months ended 30 June 2021	Six months ended 30 June 2020*	Year ended 31 December 2020
Salaries and staff related benefits		**86,995,817**	89,738,290	**173,644,276**	183,838,158	371,308,694
Contracted services		**78,381,128**	82,441,560	**147,451,710**	155,563,620	332,746,609
Overheads and other		**56,447,712**	83,429,689	**127,466,472**	131,695,904	245,536,063
Consumables		**969,755**	1,788,862	**1,892,004**	3,337,967	11,284,588
Repair parts		**5,638,308**	2,951,450	**7,777,193**	6,086,424	13,612,556
Depreciation of property, plant and equipment	17.1	**8,666,992**	9,655,522	**17,821,145**	19,327,444	37,713,117
Depreciation of right-of-use assets	18.1	**251,154**	1,554,466	**483,583**	2,157,410	832,429
Amortisation of intangible assets	20.1	**5,965,748**	3,908,987	**10,511,931**	7,865,329	18,059,258
ECL allowance on trade and other receivables	27.1	**564,341**	29,568	**2,627,149**	2,735,355	1,764,743
Total		**243,880,955**	275,498,394	**489,675,463**	512,607,611	1,032,858,057

*Certain expenses that were presented as cost of sales in comparative quarter and six months period ended 30 June 2020 were reclassified to general and administrative expenses based on the more representative function of such expenses (Note 51).

11 Exploration and technical services expenses

	Notes	Quarter ended 30 June 2021	Quarter ended 30 June 2020	Six months ended 30 June 2021	Six months ended 30 June 2020	Year ended 31 December 2020
Salaries and staff related benefits		**4,402,101**	8,111,636	**11,881,511**	13,189,557	26,532,571
Contracted services		**34,877,320**	54,995,592	**56,050,511**	93,188,468	175,603,696
Overheads and other		**1,094,245**	2,122,774	**1,330,368**	3,193,762	4,168,125
Consumables		**893,134**	615,396	**1,512,676**	1,265,768	4,117,391
Repair parts		**16,501**	185,672	**58,022**	368,100	552,040
Depreciation of property, plant and equipment	17.1	**289,024**	636,878	**578,048**	1,355,621	2,099,902
Amortisation of intangible assets	20.1	**29,441**	29,441	**58,882**	58,882	117,764
Total		**41,601,766**	66,697,389	**71,470,018**	112,620,158	213,191,489

(All amounts in Saudi Riyals unless otherwise stated)

12 Income from time deposits

	Note	Quarter ended 30 June 2021	30 June 2020	Six months ended 30 June 2021	30 June 2020	Year ended 31 December 2020
Income from time deposits – measured at amortised cost	6.2	**13,239,555**	18,938,919	**23,776,772**	50,605,245	72,439,718

13 Finance cost

	Notes	Quarter ended 30 June 2021	30 June 2020	Six months ended 30 June 2021	30 June 2020	Year ended 31 December 2020
Public Investment Fund		**33,022,187**	114,362,212	**66,496,989**	240,265,255	319,861,330
Saudi Riyal procurement		**-**	19,408,412	**-**	38,750,670	38,812,868
Commercial		**7,208,587**	64,218,055	**14,047,830**	120,932,230	105,353,311
US Dollar procurement		**-**	2,517,185	**-**	5,025,790	5,033,856
Wakala		**11,189,410**	13,108,838	**22,369,335**	26,180,105	50,874,184
Saudi Industrial Development Fund		**24,756,166**	23,155,954	**49,688,666**	47,297,636	101,884,331
Public Pension Agency		**29,043,451**	-	**58,306,575**	-	62,789,632
Riyal Murabaha facility		**115,764,931**	130,035,242	**238,144,691**	280,776,227	553,090,943
Sukuk facility		**19,573,506**	31,074,429	**39,456,499**	63,902,609	111,237,347
Revolving credit facility		**4,687,500**	4,687,500	**9,375,000**	9,375,000	18,739,583
Others		**4,434,415**	20,403,919	**10,545,651**	30,883,271	35,591,726
Sub-total		**249,680,153**	422,971,746	**508,431,236**	863,388,793	1,403,269,111
Amortization of revolving loan transaction cost	24	**3,562,500**	3,562,500	**7,125,000**	7,125,000	14,250,000
Amortization of transaction cost on long-term borrowings	35.11	**25,547,591**	84,907,199	**51,421,780**	110,551,946	161,141,438
Accretion of provision for mine decommissioning obligations	36.1,36.2, 36.3,36.4	**3,526,198**	3,808,544	**7,048,624**	7,627,488	20,404,118
Accretion of finance cost under lease liabilities	37.2	**10,814,237**	16,810,538	**25,724,085**	29,474,843	55,451,071
Accrual of derivative interest	38	**32,287,356**	22,040,874	**63,862,831**	33,858,944	93,187,934
Finance cost on employees' end of service termination benefits obligation	39.1	**5,603,203**	6,311,376	**10,988,605**	12,622,753	25,022,136
Sub-total	6.2,13.1	**331,021,238**	560,412,777	**674,602,161**	1,064,649,767	1,772,725,808
Less: Borrowing cost / amortization of transaction cost capitalised as part of qualifying assets in capital work-in-progress during the quarter / period / year	13.1	**(32,805,581)**	(4,599,741)	**(65,388,928)**	(10,265,984)	(110,480,158)
Total		**298,215,657**	555,813,036	**609,213,233**	1,054,383,783	1,662,245,650

(All amounts in Saudi Riyals unless otherwise stated)

13.1 Summary of finance cost

	Notes	Quarter ended 30 June 2021	30 June 2020	Six months ended 30 June 2021	30 June 2020	Year ended 31 December 2020
Expensed during the quarter / period / year	13	**298,215,657**	555,813,036	**609,213,233**	1,054,383,783	1,662,245,650
Borrowing cost capitalised as part of qualifying assets in capital work-in-progress during the quarter / period / year	13,19	**30,581,668**	3,703,975	**60,862,988**	8,704,432	99,256,052
Amortization of transaction cost capitalized as part of qualifying assets in capital work-in-progress during the quarter / period / year	19,35.11	**2,223,913**	895,766	**4,525,940**	1,561,552	11,224,106
Total		**331,021,238**	560,412,777	**674,602,161**	1,064,649,767	1,772,725,808

14 Other income / (expenses), net

	Notes	Quarter ended 30 June 2021	30 June 2020	Six months ended 30 June 2021	30 June 2020	Year ended 31 December 2020
Gain / (loss) on derecognition of property, plant and equipment	17	**2,137,245**	(232,457)	**(477,859)**	(12,647,238)	(12,632,519)
Adjustment to mine closure provision	36.1	**-**	44,788	**-**	44,788	797,101
Gain / (loss) on exchange difference	46.1.1	**8,505,433**	22,962,604	**10,083,926**	(49,047,994)	(122,763,792)
Gain from supply of power to Saudi Ports Authority and RCJY		**440,600**	432,790	**1,252,070**	958,110	1,823,170
Others, net		**2,381,493**	(13,864,147)	**14,908,366**	(2,234,198)	19,691,265
Total	6.2	**13,464,771**	9,343,578	**25,766,503**	(62,926,532)	(113,084,775)

15 Earnings / (loss) per ordinary share

	Note	Quarter ended 30 June 2021	30 June 2020	Six months ended 30 June 2021	30 June 2020	Year ended 31 December 2020
Earnings / (loss) attributable to ordinary shareholders of the parent company		**1,104,516,722**	(434,146,130)	**1,865,672,477**	(787,399,460)	(208,980,874)
Weighted average number of ordinary shares used as the denominator in calculating basic and diluted earnings / (loss) per share	30	**1,230,591,146**	1,230,591,146	**1,230,591,146**	1,230,591,146	1,230,591,146
Basic and diluted earnings / (loss) per ordinary share from continuing operations		**0.89**	(0.35)	**1.52**	(0.63)	(0.17)

Basic and diluted earnings / (loss) per ordinary share is calculated by dividing the profit / (loss) attributable to the ordinary shareholders of the parent company by the weighted average number of ordinary shares in issue during the quarter / period / year (Note 30).

(All amounts in Saudi Riyals unless otherwise stated)

16 Mine properties

				---- Operating mines ----								
	Notes	Exploration and evaluation assets	Mines under construction	Fixed plant and heap leaching	Mine infrastructure / buildings	Civil works	Heavy equipment	Others	Mine closure and rehabilitation provision	Stripping activity asset	Mining capital work-in-progress	Total
Cost												
1 January 2020		224,382,540	-	6,788,061,370	2,411,124,130	1,819,562,708	380,544,877	476,387,022	325,103,754	470,220,428	829,042,432	13,724,429,261
Additions during the period		26,409,149	-		-	-	-	-	-	24,459,690	480,739,884	531,608,723
Transfers within mine properties		-	-	60,397,982	15,894,822	78,200	9,997,261	1,587,335	-	-	(87,955,600)	-
Transfer to property, plant and equipment	17	-	-	-	-	-	-	-	-	-	(1,079,365)	(1,079,365)
Transfer from capital work-in-progress	19	-	-	21,148,981	-	-	-	-	-	-	45,359,359	66,508,340
Transfer to intangible assets	20	-	-	-	-	-	-	-	-	-	(589,195)	(589,195)
Increase in mine closure and rehabilitation provision	36.2	-	-	-	-	-	-	-	3,661,922	-	-	3,661,922
30 June 2020		250,791,689	-	6,869,608,333	2,427,018,952	1,819,640,908	390,542,138	477,974,357	328,765,676	494,680,118	1,265,517,515	14,324,539,686
Additions during the remainder of the year		17,102,717	-	-	-	-	-	-	-	90,810,100	766,588,082	874,500,899
Transfers within mine properties		-	-	88,614,878	10,826,690	5,000,000	24,533,100	3,260,366	-	-	(132,235,034)	-
Transfer from capital work-in-progress	19	-	-	-	-	-	-	-	-	-	370,500	370,500
Increase in mine closure and rehabilitation provision	36.2	-	-	-	-	-	-	-	46,475,991	-	-	46,475,991
Adjustments		-	-	-	-	(11,200,000)	-	(137,000)	-	-	-	(11,337,000)
31 December 2020		267,894,406	-	6,958,223,211	2,437,845,642	1,813,440,908	415,075,238	481,097,723	375,241,667	585,490,218	1,900,241,063	15,234,550,076
Additions during the period		90,262,833	688,745,450	-	-	-	-	-	-	57,117,710	52,383,755	888,509,748
Transfers within mine properties		-	1,345,671,480	8,974,336	8,918,294	-	2,845,272	1,061,216	-	-	(1,367,470,598)	-
Transfer to intangible assets	20	-	-	-	-	-	-	-	-	-	(518,124)	(518,124)
Decrease in mine closure and rehabilitation provision	36.2	-	-	-	-	-	-	-	4,167,277	-	-	4,167,277
Adjustments		-	-	-	(1,600)	-	-	-	-	(18,704,693)	-	(18,706,293)
30 June 2021		**358,157,239**	**2,034,416,930**	**6,967,197,547**	**2,446,762,336**	**1,813,440,908**	**417,920,510**	**482,158,939**	**379,408,944**	**623,903,235**	**584,636,096**	**16,108,002,684**

(All amounts in Saudi Riyals unless otherwise stated)

16 Mine properties (continued)

				Operating mines								
	Notes	**Exploration and evaluation assets**	**Mines under construction**	**Fixed plant and heap leaching**	**Mine infrastructure / buildings**	**Civil works**	**Heavy equipment**	**Others**	**Mine closure and rehabilitation provision**	**Stripping activity asset**	**Mining capital work-in-progress**	**Total**
Accumulated depreciation												
1 January 2020		-	-	2,017,937,529	853,192,101	113,370,733	202,680,804	270,766,872	60,561,374	160,590,017	-	3,679,099,430
Charge for the period	16.1	-	-	228,731,175	87,115,318	34,436,281	24,109,813	20,718,082	6,156,604	66,745,473	-	468,012,746
30 June 2020		-	-	2,246,668,704	940,307,419	147,807,014	226,790,617	291,484,954	66,717,978	227,335,490	-	4,147,112,176
Charge for the remainder of the year	16.1	-	-	205,904,629	69,160,746	33,821,454	21,632,260	19,494,030	6,072,569	59,334,065	-	415,419,753
Adjustments		-	-	-	-	-	-	(137,000)	-	-	-	(137,000)
31 December 2020		-	-	2,452,573,333	1,009,468,165	181,628,468	248,422,877	310,841,984	72,790,547	286,669,555	-	4,562,394,929
Charge for the period	16.1	-	-	197,678,847	59,700,757	34,491,309	17,266,564	18,733,507	7,363,541	857,175	-	336,091,700
Adjustments		-	-	-	(1,600)	-	-	-	-	(18,704,693)	-	(18,706,293)
30 June 2021		**-**	**-**	**2,650,252,180**	**1,069,167,322**	**216,119,777**	**265,689,441**	**329,575,491**	**80,154,088**	**268,822,037**	**-**	**4,879,780,336**
Net book value as at												
30 June 2020	6.2	250,791,689	-	4,622,939,629	1,486,711,533	1,671,833,894	163,751,521	186,489,403	262,047,698	267,344,628	1,265,517,515	10,177,427,510
31 December 2020	6.2	267,894,406	-	4,505,649,878	1,428,377,477	1,631,812,440	166,652,361	170,255,739	302,451,120	298,820,663	1,900,241,063	10,672,155,147
30 June 2021	6.2	**358,157,239**	**2,034,416,930**	**4,316,945,367**	**1,377,595,014**	**1,597,321,131**	**152,231,069**	**152,583,448**	**299,254,856**	**355,081,198**	**584,636,096**	**11,228,222,348**

16 Mine properties (continued)

Initial recognition at cost

Exploration and evaluation asset

Expenditure is transferred from “Exploration and evaluation assets” to “Mines under construction” which is a sub-category of “Mine properties” once the work completed to date supports the future development of the property and such development receives appropriate approvals.

Mines under construction

After transfer of the exploration and evaluation assets, all subsequent expenditure on the construction, installation or completion of infrastructure facilities is capitalized in “Mines under construction”. Development expenditure is net of proceeds from the sale of ore extracted during the development phase to the extent that it is considered integral to the development of the mine.

Any costs incurred in testing the assets to determine if they are functioning as intended, are capitalized, net of any proceeds received from selling any product produced while testing. Where these proceeds exceed the cost of testing, any excess is recognized in the consolidated statement of profit or loss and other comprehensive income. After production starts, all assets included in “Mines under construction” are then transferred to “Producing mines” which is also a sub-category of “Mine properties”.

Mine closure and rehabilitation provision

Mine closure and rehabilitation provision includes the following restoration activities:

- dismantling and removing structures,
- rehabilitating mines and tailing dams,
- dismantling operating facilities,
- closing plant and waste sites and
- restoring, reclaiming and revegetating affected areas.

The obligation generally arises when the asset is installed or the ground environment is disturbed at the mining operations location. When the liability is initially recognized, the present value of the estimated cost is capitalized by increasing carrying amount of the related mining assets to the extent that is was incurred as a result of the development/construction of the mine.

Operating mines

Upon completion of the “Mine under construction” phase, the assets are transferred into “Mine properties” or “Property, plant and equipment”. Items of property, plant and equipment and producing mine are stated at cost, less accumulated depreciation and impairment losses.

The initial cost of an asset comprises its purchases price or construction cost, any costs directly attributable to bringing the asset into operation, the initial estimate of the rehabilitation obligation, and, for qualifying assets (where relevant), borrowing costs. The purchase price or construction cost is the aggregate amount paid and the fair value of any other consideration given to acquire the asset.

Stripping activity asset

As part of its mining operations, the Group incurs stripping (waste removal) costs both during the development phase and production phase of its operations. Stripping costs incurred in the development phase of mine, before the production phase commences (development stripping), are capitalized as part of the cost of constructing the mine and subsequently amortized over the life-of-mine using a UOP method. The capitalization of developing stripping costs ceases when the mine / component is commissioned and ready for use as intended by management.

Stripping activities undertaken during the production phase of a surface mine (production stripping) is generally considered to create two benefits:

- the production of inventory or
- improved access to the ore to be mined in the future. Where the benefits are realized in the form of inventory produced in the period, the production stripping costs are accounted for as part of the cost of producing those inventories. Where the benefits are realized in the form of improved access to ore to be mined in the future, the costs are recognized as a non-current asset, referred to as a “stripping activity asset”.

(All amounts in Saudi Riyals unless otherwise stated)

16 Mine properties (continued)

The stripping activity asset is accounted for as an addition to, or an enhancement of, an existing asset, being the mine asset, and is presented as part of "Mine properties" in the consolidated statement of financial position. This forms part of the total investment in the relevant cash generating unit(s), which is reviewed for impairment if events or changes of circumstances indicate that the carrying value may not be recoverable.

The stripping activity asset is subsequently depreciated using the UOP method over the life of the identified component of the ore body that became more accessible as a result of the stripping activity. Economically recoverable reserves, which comprise proven and probable reserves, are used to determine the expected useful life of the identified component of the ore body. The stripping activity asset is then carried at cost less depreciation and any impairment losses.

Mining capital work-in-progress

It is normal industry practice for producing mines to embark on major capital expenditure projects to enhance or improve the existing flow sheet and are accounted for as "Capital work-in-progress" until its completion for intended use, when it is transferred at cost to the producing mine and put into use, from which point onwards it is being depleted.

Depreciation and impairment

Exploration and evaluation assets

Exploration and evaluation assets are not being depreciated, but are tested annually for impairment in accordance with IFRS 6.

Mines under construction

"Mines under construction" are not depreciated until construction is completed and the assets are available for their intended use. This is signified by the formal commissioning of the mine for commercial production.

Mine closure and rehabilitation provision, operating mines and stripping activity asset

The carrying values of mine closure and rehabilitation provision, producing mines and stripping activity assets are depleted on a systematic basis and are tested for impairment on an annual basis and when impairment indicators have been identified.

Mining capital work-in-progress

Mining capital work-in-progress are not depreciated until the construction is completed and the assets are available for their intended use. Mining capital work-in-progress are tested for impairment annually and when impairment indicators have been identified.

16.1 Allocation of depreciation charge for the quarter / period / year to:

		Quarter ended		Six months ended		Year ended
	Notes	30 June 2021	30 June 2020	30 June 2021	30 June 2020	31 December 2020
Expensed through profit or loss						
Cost of sales	8,16	**163,830,570**	231,089,367	**336,091,700**	468,012,746	883,432,499

16.2 Mining properties pledged as security

Mine properties with a net book value at 30 June 2021 of SAR 4,215,083,325 (30 June 2020: SAR 4,863,088,629 and 31 December 2020: SAR 4,616,711,558) are pledged as security to lenders under the Common Term Agreements (Note 35.12).

(All amounts in Saudi Riyals unless otherwise stated)

17 Property, plant and equipment

		---- Non-mining assets ----									
	Notes	**Land**	**Civil works**	**Buildings**	**Heavy equipment**	**Other equipment**	**Fixed plant**	**Office equipment**	**Furniture and fittings**	**Motor vehicles**	**Total**
Cost											
1 January 2020		61,550,000	12,036,878,752	16,787,572,094	1,090,338,483	2,873,728,408	46,855,975,413	101,817,404	90,426,780	42,420,393	79,940,707,727
Addition during the period		-	-	3,322,875	-	1,641,087	140,858,019	955,811	872,696	842,164	148,492,652
Transfer from mine properties during the period	16	-	-	-	-	-	1,079,365	-	-	-	1,079,365
Transfer from capital work-in-progress during the period	19	-	8,018,849	10,062,232	-	116,827,283	376,856,121	10,324,562	818,643	-	522,907,690
Written-off during the period		-	-	-	-	(116,399,255)	-	-	-	-	(116,399,255)
Foreign currency translation adjustments		-	-	(28,706,126)	-	341,858	(3,186,536)	(351,540)	(784,054)	(42,960)	(32,729,358)
Adjustments		-	(12,174,732)	(10,299,507)	-	(2,165,995)	(11,015,586)	(1,211,486)	(982,115)	337,830	(37,511,591)
30 June 2020		61,550,000	12,032,722,869	16,761,951,568	1,090,338,483	2,873,973,386	47,360,566,796	111,534,751	90,351,950	43,557,427	80,426,547,230
Addition during the remainder of the year		-	-	238,687	-	1,781,044	32,915,288	446,213	(30,172)	1,429,330	36,780,390
Transfer from capital work-in-progress during the remainder of the year	19	-	23,010,112	19,867,913	657,588	80,928,728	251,873,171	1,230,979	98,400	-	377,666,891
Written-off during the remainder of the year		-	-	-	-	(77,723,061)	-	-	-	-	(77,723,061)
Foreign currency translation adjustments		-	-	(3,187,609)	-	(344,210)	95,418	255,600	383,329	(78,338)	(2,875,810)
Adjustments		-	-	591,990	-	(1,408,729)	10,264213	855,271	(30)	(566,362)	9,736,353
31 December 2020		61,550,000	12,055,732,981	16,779,462,549	1,090,996,071	2,877,207,158	47,655,714,886	114,322,814	90,803,477	44,342,057	80,770,131,993
Addition during the period		-	-	2,019,199	-	81,469	160,141,633	738,585	313,886	1,390,894	164,685,666
Transfer from capital work-in-progress during the period	19	-	102,160	1,010,775	-	40,564,032	51,243,587	3,541,126	-	-	96,461,680
Written-off during the period		-	-	-	-	(32,776,931)	-	-	-	-	(32,776,931)
Foreign currency translation adjustments		-	-	11,983,069	-	(23,591)	2,879,884	(92,696)	(14,475)	582,769	15,314,960
Adjustments		-	-	(1,021,800)	-	(2,613,045)	(702,824,828)	222,469	323,910	(544,789)	(706,458,083)
30 June 2021		**61,550,000**	**12,055,835,141**	**16,793,453,792**	**1,090,996,071**	**2,882,439,092**	**47,167,155,162**	**118,732,298**	**91,426,798**	**45,770,931**	**80,307,359,285**

(All amounts in Saudi Riyals unless otherwise stated)

17 Property, plant and equipment (continued)

		Non-mining assets									
	Notes		**Civil works**	**Buildings**	**Heavy equipment**	**Other equipment**	**Fixed plant**	**Office equipment**	**Furniture and fittings**	**Motor vehicles**	**Total**
Accumulated depreciation											
1 January 2020		-	1,213,309,687	1,919,707,694	150,801,596	1,086,625,522	10,903,465,181	66,557,584	66,241,546	37,560,261	15,444,269,071
Charge for the period	17.1	-	189,854,999	236,134,200	39,574,737	161,756,086	1,199,810,492	5,930,244	3,639,375	1,331,417	1,838,031,550
Written-off during the period		-	-	-	-	(116,399,255)	-	-	-	-	(116,399,255)
Foreign currency translation adjustments			-	(1,670,228)	-	60,008	(529,631)	398,888	(38,269)	429,169	(1,350,063)
Adjustment		-	(5,088,952)	(3,769,315)	-	(2,543,669)	(248,865)	(994)	(456,961)	(53,482)	(12,162,238)
30 June 2020		-	1,398,075,734	2,150,402,351	190,376,333	1,129,498,692	12,102,497,177	72,885,722	69,385,691	39,267,365	17,152,389,065
Charge for the remainder of the year	17.1	-	192,642,711	245,005,487	39,095,865	176,530,005	1,152,560,705	6,207,873	3,106,855	926,300	1,816,075,801
Written-off during the remainder of the year		-	-	-	-	(77,723,061)	-	-	-	-	(77,723,061)
Foreign currency translation adjustments		-	-	(843,877)	-	(320,509)	(861,450)	(529,396)	(250,177)	(906,195)	(3,711,604)
Adjustment		-	-	(1)	-	(870,255)	(71,348)	(200,616)	(162,604)	(77,423)	(1,382,247)
31 December 2020		-	1,590,718,445	2,394,563,960	229,472,198	1,227,114,872	13,254,125,084	78,363,583	72,079,765	39,210,047	18,885,647,954
Charge for the period	17.1	-	191,133,598	239,349,972	39,090,728	155,959,315	1,177,396,253	5,247,201	2,901,037	1,217,426	1,812,295,530
Impairment net of depreciation during the period*	8	-	-	-	-	-	56,842,520	-	-	-	56,842,520
Written-off during the period		-	-	-	-	(32,776,931)	-	-	-	-	(32,776,931)
Foreign currency translation adjustments		-	-	3,410,194	-	(51,171)	1,441,502	(217,367)	(76,846)	(107,328)	4,398,984
Adjustment		-	-	(3,709,819)	-	(5,194)	(700,114,365)	(207,709)	(116,430)	(38,048)	(704,191,565)
30 June 2021		**-**	**1,781,852,043**	**2,633,614,307**	**268,562,926**	**1,350,240,891**	**13,789,690,994**	**83,185,708**	**74,787,526**	**40,282,097**	**20,022,216,492**
Net book value											
30 June 2020	6.2	61,550,000	10,634,647,135	14,611,549,217	899,962,150	1,744,474,694	35,258,069,619	38,649,029	20,966,259	4,290,062	63,274,158,165
31 December 2020	6.2	61,550,000	10,465,014,536	14,384,898,589	861,523,873	1,650,092,286	34,401,589,802	35,959,231	18,723,712	5,132,010	61,884,484,039
30 June 2021	6.2	**61,550,000**	**10,273,983,098**	**14,159,839,485**	**822,433,145**	**1,532,198,201**	**33,377,464,168**	**35,546,590**	**16,639,272**	**5,488,834**	**60,285,142,793**

*The impairment loss relates to the Ammonia plant at MPC, which is part of the phosphate segment. During the quarter ended 30 June 2021, the Ammonia plant was damaged by a limited fire which was fully controlled. The damaged portion of the Ammonia plant was damaged beyond repair and was written down to its recoverable value of Nil, and the impairment loss was recognized and included in the cost of sales in the consolidated interim statement of profit or loss and other comprehensive income for the quarter and six months ended 30 June 2021.

The Group is in process of filing a claim with the insurance company to recover the loss due to the fire incident as mentioned above. The matter is under discussion with the insurance company and management believes that a favourable outcome is probable. However, the contingent asset has not been recognised as a receivable at 30 June 2021 as receipt of the amount is dependent on the outcome of the insurance claim process.

(All amounts in Saudi Riyals unless otherwise stated)

17 Property, plant and equipment (continued)

17.1 Allocation of depreciation charge for quarter / period / year to:

	Notes	Quarter ended 30 June 2021	Quarter ended 30 June 2020	Six months ended 30 June 2021	Six months ended 30 June 2020	Year ended 31 December 2020
Expensed through profit or loss						
Cost of sales	8	**898,853,387**	912,694,239	**1,793,896,338**	1,817,348,485	3,614,294,332
General and administrative expenses	10	**8,666,992**	9,655,522	**17,821,145**	19,327,444	37,713,117
Exploration and technical services expenses	11	**289,023**	636,878	**578,047**	1,355,621	2,099,902
Total	17	**907,809,402**	922,986,639	**1,812,295,530**	1,838,031,550	3,654,107,351

17.2 Property, plant and equipment pledged as security

Property, plant and equipment with a net book value at 30 June 2021 of SAR 20,486,715,015 (30 June 2020: SAR 21,531,961,757 and 31 December 2020: SAR 20,990,652,045) are pledged as security to lenders under the Common Term Agreement (Note 35.12).

17.3 Impairment of rolling mill, automotive sheet and MWSPC CGUs

Impairment of rolling mill CGU

As at 30 June 2021, management of the company performed an impairment assessment of the rolling mill CGU due to lower than budgeted results. The methodology used by management for the impairment assessment is the discounted cash flow analysis. Key assumptions used in this analysis include:

- a pretax discount rate of 9.1% (31 December 2020: 9.1%) per annum which was calculated using a Capital Asset Pricing Model (CAPM) methodology;
- growth rate 4.83% until the plant reaches its maximum design capacity;
- for the calculation of the terminal value, the Gordon Growth Method was adopted which included a growth rate assumption of 3.1% (31 December 2020: 3.1%) which has been estimated based on third party consultant’s forecasts for the industry;
- The sales growth in the forecast period until the plant reaches its designed capacity has been estimated to be compound annual growth rate of 8.03%.

Management concluded that the recoverable amount for the capital work-in-progress, property plant and equipment, right-of-use assets and intangible assets of the rolling mill CGU is approximately equal to the carrying value of such assets. The estimated recoverable amount was based on approved five years business plan. The calculation involved an in-depth review of each key element of rolling mill CGU income and costs (including sales volume and prices, operating costs and capital expenditure) and included a review of historical results and also a review of third party forecasts of the aluminium market prices.

The recoverable amount of the rolling mill CGU would equal its carrying amount if the key assumptions were to change as follows:

	30 June 2021 From	30 June 2021 To	31 December 2020 From	31 December 2020 To
Discount rate	9.10%	10.14%	9.10%	9.95%
Growth rate until plant reaches its maximum capacity	4.83%	4.43%	4.83%	4.50%
Terminal growth rate	3.10%	1.32%	3.10%	1.67%
Sales growth	8.03%	7.88%	8.33%	8.21%

The above sensitivity analyses are based on a change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur, and changes in some of the assumptions may be correlated.

Management of the company has considered and assessed reasonably possible changes for other key assumptions and has not identified any instances that could cause the carrying amount of the CGU to exceed its recoverable amount.

(All amounts in Saudi Riyals unless otherwise stated)

17 Property, plant and equipment (continued)

Impairment of automotive sheet CGU

As at 30 June 2021, management of the company performed an impairment assessment of the automotive sheet CGU due to lower than budgeted results. The methodology used by management for the impairment assessment is the discounted cash flow analysis. Key assumptions used in this analysis include:

- a pretax discount rate of 9.1% (31 December 2020: 9.1%) per annum which was calculated using a Capital Asset Pricing Model (CAPM) methodology;
- for the calculation of the terminal value, the Gordon Growth Method was adopted which included a growth rate assumption of 3.1% (31 December 2020: 3.1%) which has been estimated based on third party consultant's forecasts for the industry;
- The sales growth in the forecast period has been estimated to be compound annual growth rate of 11%.

Management concluded that the recoverable amount for the capital work-in-progress, property plant and equipment, right-of-use assets and intangible assets of automotive sheet CGU is approximately equal to the carrying value of such assets. The estimated recoverable amount was based on approved five years business plan. The calculation involved an in-depth review of each key element of automotive sheet CGU income and costs (including sales volume and prices, operating costs and capital expenditure) and included a review of historical results and also a review of third-party forecasts of the aluminium automotive market.

The recoverable amount of the automotive sheet CGU would equal its carrying amount if the following key assumptions were to change as follows:

	30 June 2021		**31 December 2020**	
	From	**To**	**From**	**To**
Discount rate	9.10%	11.50%	9.10%	11.88%
Sales growth	11.00%	6.20%	11.00%	6.00%

The above sensitivity analyses are based on a change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur, and changes in some of the assumptions may be correlated.

Management of the company has considered and assessed reasonably possible changes for other key assumptions and has not identified any instances that could cause the carrying amount of the CGU to exceed its recoverable amount.

Impairment of MWSPC CGU

As at 30 June 2021, management of the company performed an impairment assessment of the MWSPC CGU, due to lower than budgeted results. The impairment assessment resulted in no impairment. The value-in-use of MWSPC's assets, was based on a discounted cash flow analysis which utilized the most recent five-year approved business plan.

Key assumptions used in this analysis included:

- a pre-tax discount rate of 8.8% (31 December 2020: 8.8%) per annum which was calculated using a Capital Asset Pricing Model (CAPM) methodology;
- for the calculation of the terminal value, the Gordon Growth Method was adopted which included a growth rate of 4% (31 December 2020: 4%) which has been estimated based on third party consultant's forecasts for the industry.

Management concluded that the recoverable amount for the capital work-in-progress, property plant and equipment, right-of-use assets and mine properties of MWSPC is higher than the carrying value of such assets. The estimated recoverable amount was based on approved five years business plan. The calculation involved an in-depth review of each key element of MWSPC income and costs (including sales volume and prices, operating costs and capital expenditure) and included a review of historical results.

The recoverable value of this CGU would equal it's carrying amount if the key assumptions were to change as follows:

	30 June 2021		**31 December 2020**	
	From	**To**	**From**	**To**
Discount rate	8.8%	11.84%	8.8%	11.12%
Terminal growth rate	4%	0.73%	4%	0.96%

The above sensitivity analyses are based on a change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur, and changes in some of the assumptions may be correlated.

Management of the company has considered and assessed reasonably possible changes for other key assumptions and have not identified any instances that could cause the carrying amount of CGU to exceed its recoverable amount.

(All amounts in Saudi Riyals unless otherwise stated)

18 Right-of-use assets

	Notes	Heavy equipment	Fixed plant	Motor vehicles	Land	Infra-structure	Vessels	Total
Cost								
1 January 2020		1,013,109,348	118,507,565	120,676,336	115,700,908	298,946,244	122,842,371	1,789,782,772
Additions during the period	37.1,37.2	87,915,628	32,775,623	16,164,903	948,728	370,735	106,915,559	245,091,176
Adjustments		-	(204,007)	(4,094,791)	(276,095)	-	-	(4,574,893)
31 June 2020		1,101,024,976	151,079,181	132,746,448	116,373,541	299,316,979	229,757,930	2,030,299,055
Additions during the remainder of the year	37.1,37.2	38,234,129	1,106,645	6,398,492	(65,903)	-	1,156,293	46,829,656
Adjustments		-	204,007	(4,239,486)	-	-	-	(4,035,479)
31 December 2020		1,139,259,105	152,389,833	134,905,454	116,307,638	299,316,979	230,914,223	2,073,093,232
Additions during the period	37.1,37.2	17,940,758	-	13,411,756	3,879,945	-	-	35,232,459
Adjustments		(7,355,500)	-	(27,177,854)	-	-	-	(34,533,354)
30 June 2021		**1,149,844,363**	**152,389,833**	**121,139,356**	**120,187,583**	**299,316,979**	**230,914,223**	**2,073,792,337**
Accumulated depreciation								
1 January 2020		66,427,971	102,249,558	48,003,683	5,846,201	102,806,502	47,709,003	373,042,918
Charge for the period	18.1	39,633,085	12,751,695	20,983,420	3,684,200	4,504,381	33,241,974	114,798,755
Adjustments		-	(66,524)	(2,430,845)	(66,263)	-	-	(2,563,632)
31 June 2020		106,061,056	114,934,729	66,556,258	9,464,138	107,310,883	80,950,977	485,278,041
Charge for the remainder of the year	18.1	38,046,970	14,142,084	22,639,153	2,400,433	4,347,879	43,502,586	125,079,105
Adjustments		-	66,524	(1,105,120)	-	-	-	(1,038,596)
31 December 2020		144,108,026	129,143,337	88,090,291	11,864,571	111,658,762	124,453,563	609,318,550
Charge for the period	18.1	37,556,968	14,003,754	21,335,538	2,946,138	4,437,034	32,787,302	113,066,734
Adjustments		(1,972,556)	-	(23,910,024)	-	-	-	(25,882,580)
30 June 2021		**179,692,438**	**143,147,091**	**85,515,805**	**14,810,709**	**116,095,796**	**157,240,865**	**696,502,704**
Net book value								
30 June 2020	6.2	994,963,920	36,144,452	66,190,190	106,909,403	192,006,096	148,806,953	1,545,021,014
31 December 2020	6.2	995,151,079	23,246,496	46,815,163	104,443,067	187,658,217	106,460,660	1,463,774,682
30 June 2021	6.2	**970,151,925**	**9,242,742**	**35,623,551**	**105,376,874**	**183,221,183**	**73,673,358**	**1,377,289,633**

(All amounts in Saudi Riyals unless otherwise stated)

18 Right-of-use assets (continued)

Right-of-use assets for infrastructure comprises the infrastructure and support services assets at Ras Al-Khair that were transferred to the Royal Commission of Jubail and Yanbu ("RCJY") as stated in the Implementation Agreement signed between Ma'aden and RCJY. The cost of the assets comprises of its construction cost and any other costs directly attributable to bringing such assets to working condition for their intended use. Such assets were carried at historical cost less accumulated amortisation, however, these assets have been recognized as right-of-use assets upon adoption of IFRS 16 on 1 January 2019 and depreciation is provided over the remaining period of LUSA (Land Usage and Service Agreement) term.

18.1 Allocation of depreciation charge for the quarter / period / year to:

		Quarter ended		Six months ended		Year ended
	Notes	30 June 2021	30 June 2020	30 June 2021	30 June 2020	31 December 2020
Expensed through profit or loss						
Cost of sales	8	**54,013,003**	65,987,450	**112,583,151**	112,641,345	239,045,431
General and administrative expenses	10	**251,154**	1,554,466	**483,583**	2,157,410	832,429
Total	18	**54,264,157**	67,541,916	**113,066,734**	114,798,755	239,877,860

(All amounts in Saudi Riyals unless otherwise stated)

19 Capital work-in-progress

	Notes	Non-mining assets		
		Property, plant and equipment	Ammonia project 3	Total
1 January 2020		1,806,954,133	940,621,217	2,747,575,350
Additions during the period		474,780,890	545,032,017	1,019,812,907
Transfer to mine properties	16	(66,508,340)	-	(66,508,340)
Transfer to property, plant and equipment	17	(522,907,690)	-	(522,907,690)
Transfer to intangible assets	20	(4,402,247)	-	(4,402,247)
Foreign currency translation adjustments		(4,243,331)	-	(4,243,331)
30 June 2020	6.2	1,683,673,415	1,485,653,234	3,169,326,649
Additions during the remainder of the year		488,063,221	1,388,105,048	1,876,168,269
Transfer to mine properties	16	(370,500)	-	(370,500)
Transfer to property, plant and equipment	17	(377,666,891)	-	(377,666,891)
Transfer to intangible assets	20	(369,364)	-	(369,364)
Foreign currency translation adjustments		(212,625)	-	(212,625)
31 December 2020	6.2	1,793,117,256	2,873,758,282	4,666,875,538
Additions during the period		479,104,372	585,451,294	1,064,555,666
Transfer to property, plant and equipment	17	(96,461,680)	-	(96,461,680)
Transfer to intangible assets	20	(12,445,075)	-	(12,445,075)
Foreign currency translation adjustments		636,337	-	636,337
30 June 2021	6.2	**2,163,951,210**	**3,459,209,576**	**5,623,160,786**

(All amounts in Saudi Riyals unless otherwise stated)

19 Capital work-in-progress (continued)

The Group has capitalized the following as part of capital work-in-progress during the quarter / period / year:

		Quarter ended		Six months ended		Year ended
	Notes	**30 June 2021**	**30 June 2020**	**30 June 2021**	**30 June 2020**	**31 December 2020**
Net borrowing cost attributable to qualifying assets, using a capitalization rate ranging from 2.6% to 3.55% per annum (30 June 2020: 1.73% to 4.17% per annum and 31 December 2020: 2.6% to 3.55% per annum)	13.1	**30,581,668**	3,703,975	**60,862,988**	8,704,432	99,256,052
Amortization of transaction cost on long-term borrowings	13.1, 35.11	**2,223,913**	895,766	**4,525,940**	1,561,552	11,224,106
Total		**32,805,581**	4,599,741	**65,388,928**	10,265,984	110,480,158

19.1 Capital work-in-progress pledged as security

At 30 June 2021, the net book value of SAR 1,042,195,581 (30 June 2020: SAR 760,153,960 and 31 December 2020: SAR 795,377,798) are pledged as security to the lenders (Note 35.12).

(All amounts in Saudi Riyals unless otherwise stated)

20 Intangible assets and goodwill

	Notes	Internally developed software	Technical development	Software and licenses	Goodwill	Customer relationships	Non-core contracts	Total
Cost								
1 January 2020		24,369,462	17,705,112	259,011,492	159,465,843	75,375,000	10,500,000	546,426,909
Additions during the period		-	-	213,301	-	-	-	213,301
Transfer from mine properties during the period	16	-	-	589,195	-	-	-	589,195
Transfer from capital work-in-progress during the period	19		-	4,402,247	-	-	-	4,402,247
30 June 2020		24,369,462	17,705,112	264,216,235	159,465,843	75,375,000	10,500,000	551,631,652
Additions during the remainder of the year		-	-	832,953	-	-	-	832,953
Transfer from capital work-in-progress during the remainder of the year	19	-	-	369,364	-	-	-	369,364
31 December 2020		24,369,462	17,705,112	265,418,552	159,465,843	75,375,000	10,500,000	552,833,969
Additions during the period		-	-	529,785	-	-	-	529,785
Transfer from mine properties during the period	16	-	-	518,124	-	-	-	518,124
Transfer from capital work-in-progress during the period	19	-	524,563	11,920,512	-	-	-	12,445,075
Adjustments		(11,988,681)	-	(23,929,635)	-	-	-	(35,918,316)
30 June 2021		**12,380,781**	**18,229,675**	**254,457,338**	**159,465,843**	**75,375,000**	**10,500,000**	**530,408,637**

(All amounts in Saudi Riyals unless otherwise stated)

20 Intangible assets and goodwill (continued)

	Notes	Internally developed software	Technical development	Software and licenses	Goodwill	Customer relationships	Non-core contracts	Total
Accumulated amortisation								
1 January 2020		22,608,870	12,899,440	150,586,692	-	3,140,625	1,093,750	190,329,377
Charge for the period	20.1	1,004,873	1,201,418	14,844,673	-	3,768,750	1,312,500	22,132,214
30 June 2020		23,613,743	14,100,858	165,431,365	-	6,909,375	2,406,250	212,461,591
Charge for the remainder of the year	20.1	681,165	1,201,417	15,132,809	-	3,768,750	1,312,500	22,096,641
31 December 2020		24,294,908	15,302,275	180,564,174	-	10,678,125	3,718,750	234,558,232
Charge for the period	20.1	49,519	1,308,865	16,039,960	-	3,768,750	1,312,500	22,479,594
Adjustments		(11,988,681)	-	(23,929,635)	-	-	-	(35,918,316)
30 June 2021		**12,355,746**	**16,611,140**	**172,674,499**	**-**	**14,446,875**	**5,031,250**	**221,119,510**
Net book value								
30 June 2020	6.2	755,719	3,604,254	98,784,870	159,465,843	68,465,625	8,093,750	339,170,061
31 December 2020	6.2	74,554	2,402,837	84,854,378	159,465,843	64,696,875	6,781,250	318,275,737
30 June 2021	6.2	**25,035**	**1,618,535**	**81,782,839**	**159,465,843**	**60,928,125**	**5,468,750**	**309,289,127**

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

(All amounts in Saudi Riyals unless otherwise stated)

20 Intangible assets and goodwill (continued)

20.1 Allocation of amortisation charge for the quarter / period / year to:

	Notes	Quarter ended 30 June 2021	Quarter ended 30 June 2020	Six months ended 30 June 2021	Six months ended 30 June 2020	Year ended 31 December 2020
Expensed through profit or loss						
Cost of sales	8	**6,136,456**	6,981,229	**11,908,781**	14,208,003	26,051,833
General and administrative expenses	10	**5,965,748**	3,908,987	**10,511,931**	7,865,329	18,059,258
Exploration and technical services expenses	11	**29,441**	29,441	**58,882**	58,882	117,764
Total	20	**12,131,645**	10,919,657	**22,479,594**	22,132,214	44,228,855

20.2 Goodwill

Goodwill is attributable to fertilizer distribution network and assembled workforce that cannot be assigned to any other determinable and separate intangible asset.

The Group tests whether goodwill has suffered any impairment on an annual basis. For the impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or CGUs. At 30 June 2021 and 31 December 2020, the recoverable amount of fertilizer distribution companies which was considered as single group of cash generating units was determined based on value-in-use calculations which require the use of assumptions. The calculations use cash flow projections based on financial budgets approved by management covering a five-years period. Cash flows beyond the five-years period are extrapolated using the estimated growth rate stated below. This growth rate is consistent with forecasts included in industry reports specific to the industry in which the group of CGUs operate. Goodwill is allocated to the fertilizer distribution companies as a whole and falls under “Phosphate Strategic Business Unit Segment” in the operating segment. Management’s judgment to allocate goodwill to the fertilizer business considered the broader reason for which acquisition was made, i.e. acquiring of fertilizer distribution network in East Africa. The calculation of value in use is most sensitive to the assumptions on sales growth rate, discount rate and average EBITDA margins. Key assumptions underlying the projections are:

Key assumptions	**%**
Sales growth rate	15.38
Discount rate	29.73
Average EBITDA margin	9.80

Sales growth rate

The sales growth in the forecast period has been estimated to be compound annual growth rate of 15.38%.

Discount rate

The discount rate was an estimate of the weighted average cost of capital as of 30 June 2021 and 31 December 2020 based on market rates adjusted to reflect management’s estimate of the specific risks relating to operations in East Africa.

Average EBITDA margin

The average EBITDA margins of 9.80% was estimated in the forecast period.

(All amounts in Saudi Riyals unless otherwise stated)

20 Intangible assets and goodwill (continued)

Sensitivity analysis

The recoverable amount would equal the carrying value of the group of CGUs including goodwill if the key assumptions were to change as follows:

	30 June 2021		31 December 2020	
	From	**To**	**From**	**To**
Sales growth rate	15.38%	12.93%	15.38%	7.18%
Discount rate	29.73%	31.17%	29.73%	33.43%
Average EBITDA margin	9.80%	9.20%	9.80%	8.44%

The above sensitivity analyses are based on a change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur, and changes in some of the assumptions may be correlated.

Management of the company has considered and assessed reasonably possible changes for other key assumptions and has not identified any instances that could cause the carrying value of the group of CGUs including goodwill to exceed its recoverable amount.

21 Investment in joint ventures

	Notes	30 June 2021	30 June 2020	31 December 2020
MBCC	21.1.3	**1,102,879,674**	920,919,002	936,472,926
SAMAPCO	21.2.3	**130,860,000**	110,586,323	90,158,000
Total	6.2	**1,233,739,674**	1,031,505,325	1,026,630,926

The Group's 50% interest in the issued and paid-up share capital of these two joint ventures are accounted for using the equity method of accounting, see Note 4.1.

Summarised financial information related to joint ventures

The financial statements of these two joint ventures are prepared in accordance with IFRS as endorsed in KSA. The accounting policies used, in the preparation of these IFRS financial statements, as well as their reporting dates are consistent with that of the Group.

Summarized financial information (100% share) of MBCC and SAMAPCO, based on their management accounts or audited annual financial statements and a reconciliation with the carrying amount of the respective investments, as shown in the consolidated interim financial statements of the Group, are set out below:

(All amounts in Saudi Riyals unless otherwise stated)

21 Investment in joint ventures (continued)

21.1 MBCC

21.1.1 Summarised statement of profit or loss and other comprehensive income

	Notes	Quarter ended 30 June 2021	Quarter ended 30 June 2020	Six months ended 30 June 2021	Six months ended 30 June 2020	Year ended 31 December 2020
Sales and other operating revenues		**576,665,842**	319,951,063	**1,048,807,611**	601,132,599	1,448,539,137
Finance cost		**(524,707)**	(177,486)	**(819,216)**	(483,417)	(1,100,429)
Depreciation and amortization		**(44,314,794)**	(48,905,772)	**(88,155,894)**	(99,520,393)	(170,946,903)
Other expenses		**(152,517,111)**	(126,881,780)	**(289,251,833)**	(230,185,507)	(526,032,571)
Profit before zakat, severance fees and income tax		**379,309,230**	143,986,025	**670,580,668**	270,943,282	750,459,234
Zakat and severance fees		**(47,806,670)**	(14,966,133)	**(69,790,520)**	(27,580,763)	(72,821,090)
Income tax		**(38,809,862)**	(12,426,134)	**(73,463,269)**	(30,766,725)	(82,549,610)
Profit for the quarter / period / year from continuing operations		**292,692,698**	116,593,758	**527,326,879**	212,595,794	595,088,534
Other comprehensive loss		**(387,368)**	(1,273,418)	**(542,616)**	(1,979,650)	(1,212,462)
Total comprehensive income		**292,305,330**	115,320,340	**526,784,263**	210,616,144	593,876,072
Group's share of profit for the quarter / period / year	21.1.3	**116,570,847**	57,076,137	**262,198,484**	107,940,136	297,488,430
Group share of other comprehensive loss	21.1.3	**(215,205)**	(707,479)	**(301,454)**	(1,099,831)	(673,590)
Group's share of total comprehensive income for the quarter / period / year *		**116,355,642**	56,368,658	**261,897,030**	106,840,305	296,814,840

*Ma'aden's share in net income is reduced by zakat and severance fees which is applicable to the Saudi shareholder only. Furthermore, share in net income is calculated based on the available draft of the MBCC financial statements at the time of issuance of the Ma'aden consolidated interim financial statements. This sometimes may lead to minor variation which is adjusted in the next accounting period (Note 21.1.3).

21.1.2 Summarised statement of financial position

	Note	30 June 2021	30 June 2020	31 December 2020
Assets				
Non-current assets		**1,635,967,951**	1,682,675,522	1,691,614,374
Current assets				
Other current assets		**422,955,679**	279,790,028	245,939,322
Cash and cash equivalents		**505,457,507**	210,903,762	267,661,929
Total assets		**2,564,381,137**	2,173,369,312	2,205,215,625
Liabilities				
Non-current liabilities		**113,134,129**	71,240,941	126,316,544
Current liabilities		**231,319,354**	252,349,034	194,505,690
Total liabilities		**344,453,483**	323,589,975	320,822,234
Net assets		**2,219,927,654**	1,849,779,337	1,884,393,391
Group's proportionate ownership %		**50%**	50%	50%
Group's proportionate ownership share in net assets	21.1.3	**1,102,879,674**	920,919,000	936,472,926

(All amounts in Saudi Riyals unless otherwise stated)

21 Investment in joint ventures (continued)

21.1.3 Reconciliation to carrying amounts

The investment of 50% in the issued and paid up share capital in MBCC (Note 2.11) is as follows:

	Notes	30 June 2021	30 June 2020	31 December 2020
Shares at cost	52	**202,482,646**	202,482,646	202,482,646
Other component of equity		**-**	174,322,939	-
Total equity contribution		**202,482,646**	376,805,585	202,482,646
Share of the accumulated profit		**996,022,028**	544,113,417	733,990,280
Sub-total		**1,198,504,674**	920,919,002	936,472,926
Dividend received during the period / year	21.1.3	**(95,625,000)**	-	-
Carrying value of investment	21, 21.1.2	**1,102,879,674**	920,919,002	936,472,926

Ma'aden's share of the accumulated profit in MBCC:

	Notes	Quarter ended 30 June 2021	Quarter ended 30 June 2020	Six months ended 30 June 2021	Six months ended 30 June 2020	Year ended 31 December 2020
1 April / 1 January		**879,666,386**	487,744,759	**733,990,280**	437,403,108	437,403,108
Share in net profit	6.2	**116,570,847**	57,076,137	**262,333,202**	107,810,140	297,260,762
Current quarter / period / year	21.1.1	**116,570,847**	57,076,137	**262,198,484**	107,940,136	297,488,430
Prior year catch up adjustment		**-**	-	**134,718**	(129,996)	(227,668)
Share in other comprehensive loss for the quarter / period / year	21.1.1	**(215,205)**	(707,479)	**(301,454)**	(1,099,831)	(673,590)
30 June / 31 December		**996,022,028**	544,113,417	**996,022,028**	544,113,417	733,990,280

21.2 SAMAPCO

21.2.1 Summarised statement of profit or loss and other comprehensive loss

	Note	Quarter ended 30 June 2021	Quarter ended 30 June 2020	Six months ended 30 June 2021	Six months ended 30 June 2020	Year ended 31 December 2020
Sales and other operating revenues		**222,002,000**	98,990,000	**456,348,000**	220,590,000	496,766,000
Finance cost		**(14,332,000)**	(20,376,000)	**(29,857,000)**	(44,176,000)	(76,203,000)
Depreciation and amortization		**(27,286,000)**	(35,528,000)	**(56,008,000)**	(66,328,000)	(121,315,000)
Other expenses		**(126,511,000)**	(142,232,000)	**(286,415,000)**	(236,332,000)	(466,352,000)
Profit / (loss) before zakat and severance fees		**53,873,000**	(99,146,000)	**84,068,000**	(126,246,000)	(167,104,000)
Zakat and severance fees		**(2,664,000)**	-	**(2,664,000)**	-	-
Profit / (loss) for the quarter / period / year from continuing operations		**51,209,000**	(99,146,000)	**81,404,000**	(126,246,000)	(167,104,000)
Other comprehensive loss		**-**	-	**-**	-	-
Total comprehensive income / (loss)		**51,209,000**	(99,146,000)	**81,404,000**	(126,246,000)	(167,104,000)
Group's share of total comprehensive income / (loss) for the quarter / period / year *	21.2.3	**25,602,000**	(49,573,677)	**40,702,000**	(63,123,677)	(83,552,000)

*Ma'aden's share in net income is calculated based on the available draft of the SAMAPCO financial statements at the time of issuance of Ma'aden consolidated interim financial statements. This sometimes may lead to minor variation which is adjusted in the next accounting period.

(All amounts in Saudi Riyals unless otherwise stated)

21 Investment in joint ventures (continued)

21.2.2 Summarised statement of financial position

	Note	30 June 2021	30 June 2020	31 December 2020
Assets				
Non-current assets		**2,293,181,000**	2,393,773,000	2,334,972,000
Current assets				
Other current assets		**334,188,000**	263,720,000	322,098,000
Cash and cash equivalents		**66,141,000**	100,201,000	56,713,000
Total assets		**2,693,510,000**	2,757,694,000	2,713,783,000
Liabilities				
Non-current liabilities				
Long-term borrowings		**2,045,123,000**	2,122,312,000	2,083,718,000
Other non-current liabilities		**51,972,000**	50,429,000	53,467,000
Current liabilities				
Current portion of long-term borrowings		**79,200,000**	66,150,000	74,156,000
Other current liabilities		**195,186,000**	236,567,000	261,062,000
Total liabilities		**2,371,481,000**	2,475,458,000	2,472,403,000
Net assets		**322,029,000**	282,236,000	241,380,000
Group's proportionate ownership %		**50%**	50%	50%
Group's proportionate ownership share in net assets	21.2.3	**130,860,000**	110,586,323	90,158,000

21.2.3 Reconciliation to carrying amounts

The investment of 50% in the issued and paid up share capital in SAMAPCO (Note 2.12) is as follows:

	Notes	30 June 2021	30 June 2020	31 December 2020
Shares at cost	52	**450,000,000**	450,000,000	450,000,000
Total share of the accumulated loss		**(319,140,000)**	(339,413,677)	(359,842,000)
Carrying value of investment	21, 21.2.2	**130,860,000**	110,586,323	90,158,000

Ma'aden's share of the accumulated loss in SAMAPCO:

	Notes	Quarter ended 30 June 2021	Quarter ended 30 June 2020	Six months ended 30 June 2021	Six months ended 30 June 2020	Year ended 31 December 2020
1 April / 1 January		**(344,742,000)**	(273,542,000)	**(359,842,000)**	(259,992,000)	(259,992,000)
Share in net loss for the quarter / period / year	6.2	**25,602,000**	(65,871,677)	**40,702,000**	(79,421,677)	(99,850,000)
Current quarter / period / year	21.2.1	**25,602,000**	(49,573,677)	**40,702,000**	(63,123,677)	(83,552,000)
Prior year catch up adjustment		**-**	(16,298,000)	**-**	(16,298,000)	(16,298,000)
30 June / 31 December		**(319,140,000)**	(339,413,677)	**(319,140,000)**	(339,413,677)	(359,842,000)

(All amounts in Saudi Riyals unless otherwise stated)

22 Deferred tax

22.1 Income tax

	Notes	Quarter ended 30 June 2021	30 June 2020	Six months ended 30 June 2021	30 June 2020	Year ended 31 December 2020
Deferred income tax		**(6,576,013)**	11,111,483	**(8,517,339)**	46,393,003	9,274,118
Deferred tax assets credited to the consolidated statement of profit or loss	22.2	**8,857,821**	28,678,948	**37,980,345**	103,539,192	166,159,066
Deferred tax liabilities debited to the consolidated statement of profit or loss	22.3	**(15,433,834)**	(17,567,465)	**(46,497,684)**	(57,146,189)	(156,884,948)
Current income tax	42.5	**(33,065,490)**	(7,945,899)	**(48,328,589)**	(9,033,349)	(466,409)
Total income tax		**(39,641,503)**	3,165,584	**(56,845,928)**	37,359,654	8,807,709

The deferred income tax has arisen because of the temporary differences between the carrying value of certain items and their tax base. Following are the details of the deferred tax assets, liabilities and profit or loss charges and credits.

22.2 Deferred tax assets

The balance comprises temporary differences attributable to:

	30 June 2021	30 June 2020	31 December 2020
Tax losses	**812,956,862**	716,984,626	779,822,917
Allowance for obsolete and slow moving spare parts and consumable materials	**4,080,396**	3,007,300	3,055,252
Property, plant and equipment, capital work-in-progress and intangible assets	**28,755**	9,484	10,920
Provision for decommissioning, site rehabilitation and dismantling obligations	**5,427,895**	6,434,967	5,332,143
Employees' end of service termination benefits obligation	**15,668,532**	12,987,475	14,504,975
Provision for research and development and others	**2,300,967**	1,420,070	1,499,514
Foreign currency translation movement	**2,419,710**	1,438,976	677,051
Total deferred tax assets	**842,883,117**	742,282,898	804,902,772

The movement in net deferred tax assets during quarter / period / year is as follows:

	Notes	Quarter ended 30 June 2021	30 June 2020	Six months ended 30 June 2021	30 June 2020	Year ended 31 December 2020
1 April / 1 January		**834,025,296**	720,129,140	**804,902,772**	638,743,706	638,743,706
Credited to the consolidated statement of profit or loss during the quarter / period / year	22.1	**8,857,821**	28,678,948	**37,980,345**	103,539,192	166,159,066
Foreign currency translation movement credited to the consolidated statement of other comprehensive income during the quarter / period / year		**-**	(6,525,190)	**-**	-	-
30 June / 31 December		**842,883,117**	742,282,898	**842,883,117**	742,282,898	804,902,772

(All amounts in Saudi Riyals unless otherwise stated)

22 Deferred tax (continued)

22.3 Deferred tax liabilities

The balance comprises temporary differences attributable to:

	30 June 2021	30 June 2020	31 December 2020
Property, plant and equipment, capital work-in-progress and intangible assets	**1,016,638,946**	898,378,841	971,455,742

The movement in net deferred tax liabilities during the quarter / period / year is as follows:

	Notes	Quarter ended 30 June 2021	Quarter ended 30 June 2020	Six months ended 30 June 2021	Six months ended 30 June 2020	Year ended 31 December 2020
1 April / 1 January		**996,521,908**	880,811,376	**971,455,742**	841,232,652	841,232,652
Debited to the consolidated statement of profit or loss during the quarter / period / year	22.1	**15,433,834**	17,567,465	**46,497,684**	57,146,189	156,884,948
Foreign currency translation movement debited / (credited) to the consolidated statement of other comprehensive income during the quarter / period / year		**4,683,204**	-	**(1,314,480)**	-	(26,661,858)
30 June / 31 December		**1,016,638,946**	898,378,841	**1,016,638,946**	898,378,841	971,455,742

23 Other investments

	Notes	30 June 2021	30 June 2020	31 December 2020
1 January		**38,390,000**	43,185,000	43,185,000
Settlement during the period / year		**-**	(2,385,000)	(4,795,000)
30 June / 31 December	3,48	**38,390,000**	40,800,000	38,390,000
Less: Current portion of other investments		**-**	(4,820,000)	(4,925,000)
Non-current portion of other investments		**38,390,000**	35,980,000	33,465,000

This investment is a non-derivative financial asset with a fixed maturity that the Group has the intention and the ability to hold to maturity and which do not qualify as loans or receivables. This investment is classified as non-current assets based on its maturity, and initially recognised at fair value. At subsequent reporting dates, this financial asset is measured at amortised cost less any impairment losses.

(All amounts in Saudi Riyals unless otherwise stated)

24 Other non-current assets

	Notes	30 June 2021	30 June 2020	31 December 2020
Revolving loan transaction cost				
1 January		**28,500,000**	42,750,000	42,750,000
Amortization of revolving loan transaction cost during the quarter / year	13	**(7,125,000)**	(7,125,000)	(14,250,000)
30 June / 31 December		**21,375,000**	35,625,000	28,500,000
Less: Current portion of revolving loan transaction cost	25	**(14,250,000)**	(14,250,000)	(14,250,000)
Sub-total		**7,125,000**	21,375,000	14,250,000
Stockpile of mined ore		**474,486,028**	428,580,122	440,462,782
Less: Current portion of stockpile of mined ore	26	**(401,555,372)**	(353,525,343)	(367,532,126)
Sub-total		**72,930,656**	75,054,779	72,930,656
Employees' home ownership program receivables		**867,588,962**	930,876,130	930,876,130
Less: Repaid during the period / year		**(33,774,284)**	(27,854,863)	(63,287,168)
		833,814,678	903,021,267	867,588,962
Less: Current portion of employees' home ownership program receivables	27	**(66,470,233)**	(62,540,638)	(64,767,340)
Sub-total		**767,344,445**	840,480,629	802,821,622
Home ownership program – furniture loan		**4,595,189**	10,250,952	7,056,629
Others		**33,203,858**	40,582,493	36,893,175
Total		**885,199,148**	987,743,853	933,952,082

25 Advances and prepayments

	Note	30 June 2021	30 June 2020	31 December 2020
Advances to contractors		**125,522,680**	79,835,233	200,639,517
Advances to employees		**49,603,066**	48,341,037	21,725,211
Prepaid rent		**13,913,042**	16,402,812	13,293,385
Prepaid insurance		**96,366,204**	91,034,260	37,781,859
Current portion of revolving loan transaction cost	24	**14,250,000**	14,250,000	14,250,000
Other prepayments		**22,968,513**	25,770,600	16,452,435
Total		**322,623,505**	275,633,942	304,142,407

(All amounts in Saudi Riyals unless otherwise stated)

26 Inventories

	Notes	30 June 2021	30 June 2020	31 December 2020
Saleable inventory				
Finished goods – ready for sale		**1,761,668,263**	1,438,567,496	1,522,024,170
Cost of finished goods		**1,763,467,491**	1,577,050,001	1,554,340,850
Less: Inventory written-off to net realizable value		**(1,799,228)**	(138,482,505)	(32,316,680)
Work-in-process		**1,028,122,656**	965,163,780	814,751,755
Cost of work-in-process		**1,028,122,656**	1,020,141,042	815,052,836
Less: Inventory written-off to net realizable value		**-**	(54,977,262)	(301,081)
Current portion of stockpile of mined ore		**401,555,372**	322,336,913	367,532,126
Cost of stockpile of mined ore	24	**401,555,372**	353,525,343	367,532,126
Less: Inventory written-off to net realizable value		**-**	(31,188,430)	-
By-products		**2,838,928**	637,063	2,140,302
Sub-total	8	**3,194,185,219**	2,726,705,252	2,706,448,353
Consumable inventory				
Spare parts and consumables materials				
1 January		**2,430,256,273**	2,014,197,915	2,014,197,915
Net additions during the period / year		**195,665,176**	199,250,669	416,058,358
30 June / 31 December		**2,625,921,449**	2,213,448,584	2,430,256,273
Obsolete spare parts written-off	8	**-**	-	(4,073,406)
Allowance for obsolete and slow-moving spare parts and consumable materials	26.1	**(98,812,310)**	(100,917,519)	(97,371,125)
		2,527,109,139	2,112,531,065	2,328,811,742
Raw materials		**994,602,992**	692,522,714	897,124,230
Sub-total		**3,521,712,131**	2,805,053,779	3,225,935,972
Total		**6,715,897,350**	5,531,759,031	5,932,384,325

26.1 Movement in the allowance for obsolete and slow moving spare parts and consumable materials is as follows:

	Notes	Quarter ended 30 June 2021	Quarter ended 30 June 2020	Six months ended 30 June 2021	Six months ended 30 June 2020	Year ended 31 December 2020
1 April / 1 January		**97,643,684**	94,728,835	**97,371,125**	93,103,074	93,103,074
Provision for allowance for obsolescence, net	8	**1,168,626**	6,188,684	**1,441,185**	7,814,445	4,268,051
30 June / 31 December	5.2,26	**98,812,310**	100,917,519	**98,812,310**	100,917,519	97,371,125

(All amounts in Saudi Riyals unless otherwise stated)

27 Trade and other receivables

	Notes	30 June 2021	30 June 2020	31 December 2020
Trade receivables				
Other third party receivables		**2,607,459,563**	1,815,073,750	2,092,975,860
Less: ECL allowance	27.1	**(23,706,994)**	(19,534,766)	(21,079,845)
		2,583,752,569	1,795,538,984	2,071,896,015
Due from SABIC	44.2	**264,758,756**	207,037,673	152,334,433
Due from The Mosaic Company	44.2	**183,574,032**	129,566,377	65,732,053
Due from Alcoa Inespal, S.A.	44.2	**113,293,149**	67,914,161	94,601,698
Due from Alcoa Warrick LLC	44.2	**201,692,145**	124,500,281	67,943,908
Sub-total	46.1.3, 46.2	**3,347,070,651**	2,324,557,476	2,452,508,107
Due from MBCC	44.2	**225,555**	86	86
Due from Aramco	44.2	**249,071,315**	270,297,600	225,549,220
Due from Saudi Ports Authority		**2,737,133**	1,866,652	1,113,027
Current portion of employees' home ownership program receivables	24	**66,470,233**	62,540,638	64,767,340
VAT receivable from regulatory authorities		**224,140,550**	241,830,807	150,478,310
Other		**77,695,175**	94,612,582	84,187,722
Total	48	**3,967,410,612**	2,995,705,841	2,978,603,812

The Group holds all its trade receivables, within a business model, with the objective of collecting the contractual cash flows. However, the contractual terms of certain trade receivables do not give rise, on a specific date, to cash flows that are solely payments of principal and interest on the principal outstanding.

27.1 Movement in ECL allowance

	Notes	Quarter ended 30 June 2021	Quarter ended 30 June 2020	Six months ended 30 June 2021	Six months ended 30 June 2020	Year ended 31 December 2020
1 April / 1 January		**23,142,653**	19,505,198	**21,079,845**	22,158,030	22,158,030
Increase in allowance for expected credit losses	11	**564,341**	29,568	**2,627,149**	2,735,355	1,764,743
Trade receivables recovered during the quarter / period / year		**-**	-	**-**	(5,358,619)	(2,842,928)
30 June / 31 December	27,46.2	**23,706,994**	19,534,766	**23,706,994**	19,534,766	21,079,845

28 Time deposits

	Notes	30 June 2021	30 June 2020	31 December 2020
Time deposits with original maturities of more than three months and less than a year at the date of acquisition	45.3,46	**700,000,000**	1,348,750,000	1,465,000,000
Less: ECL allowance	28.1	**(2,201,194)**	(2,201,194)	(2,201,194)
		697,798,806	1,346,548,806	1,462,798,806
Investment income receivable		**1,615,476**	14,370,364	3,522,586
Total	48	**699,414,282**	1,360,919,170	1,466,321,392

Time deposits yield financial income at prevailing market prices.

(All amounts in Saudi Riyals unless otherwise stated)

28 Time deposits (continued)

28.1 Movement in ECL allowance

	Notes	Quarter ended 30 June 2021	Quarter ended 30 June 2020	Six months ended 30 June 2021	Six months ended 30 June 2020	Year ended 31 December 2020
1 April / 1 January	46.2	**2,201,194**	2,201,194	**2,201,194**	2,201,194	2,201,194
Increase in allowance for expected credit losses	11,46.2	**-**	-	**-**	-	-
30 June / 31 December	28	**2,201,194**	2,201,194	**2,201,194**	2,201,194	2,201,194

29 Cash and cash equivalents

	Notes	30 June 2021	30 June 2020	31 December 2020
Unrestricted				
Time deposits with original maturities equal to or less than three months at the date of acquisition		**2,243,811,979**	1,888,000,104	2,013,825,369
Cash and bank balances		**2,666,409,975**	2,112,461,127	2,097,245,543
Sub-total	46.3,47	**4,910,221,954**	4,000,461,231	4,111,070,912
Restricted				
Cash and bank balances	39.2	**144,964,306**	108,030,301	135,142,606
Total	48	**5,055,186,260**	4,108,491,532	4,246,213,518

Restricted cash and bank balances are related to employees' savings plan obligation.

30 Share capital

		Notes	30 June 2021	30 June 2020	31 December 2020
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	35.2	**621,128,850**	621,128,850	621,128,850
1,230,591,146	**Total**	1,15	**12,305,911,460**	12,305,911,460	12,305,911,460

On 8 Rabi Awal 1441H (corresponding to 4 November 2019) in the Extraordinary General Assembly Meeting, the shareholders of the Company approved the Board of Directors' recommendation to increase the share capital of the Company by the way of converting its long-term borrowing due to Public Investment Fund ("PIF") into equity amounting to USD 796,370,000 (SAR 2,986,387,500). This resulted in the issuance of 62,112,885 ordinary shares to PIF at an exercise price of 48.08 per share (SAR 10 nominal value plus premium of SAR 38.08 per share) thereby increasing the share capital by SR 621,128,850 and share premium by SAR 2,365,258,650 after obtaining all the regulatory approvals.

The above share issuance price was determined based on the volume-weighted average market price of the Company's shares during the last six trading months before the date of the Extraordinary General Assembly Meeting, held on 4 November 2019. The reason for the capital increase was to improve the Company's liquidity and credit position and enhance its ability to achieve its growth objectives.

(All amounts in Saudi Riyals unless otherwise stated)

31 Share premium

		Note	30 June 2021	30 June 2020	31 December 2020
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	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	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	35.2	**2,365,258,650**	2,365,258,650	2,365,258,650
	Less: Transaction cost		**(17,420,308)**	(17,420,308)	(17,420,308)
	Net increase in share premium		**2,347,838,342**	2,347,838,342	2,347,838,342
830,591,146	**Total**		**10,739,190,039**	10,739,190,039	10,739,190,039

32 Transfer of net income

	30 June 2021	30 June 2020	31 December 2020
1 January	**1,054,251,439**	1,054,251,439	1,054,251,439
Transfer of 10% of net profit for the period / year	**-**	-	-
30 June / 31 December	**1,054,251,439**	1,054,251,439	1,054,251,439

In accordance with, the Company's Articles of Association, which is in compliance with the applicable Regulations for Companies in Saudi Arabia, the Company has established a statutory reserve by the appropriation of 10% of its annual net profit until such reserve equals 30% of the share capital.

33 Other reserves

	Notes	30 June 2021	30 June 2020	31 December 2020
Attributable to ordinary shareholders of the parent company				
Loss on exchange differences on translation		**60,473,879**	105,144,906	66,970,756
Non-controlling interest put option	40.3	**111,593,078**	88,565,935	99,415,016
Share of other non-distributable reserves		**8,189,290**	8,189,290	8,189,290
Sub-total		**180,256,247**	201,900,131	174,575,062
Attributable to non-controlling interest				
Loss on exchange differences on translation	34.3	**10,671,860**	18,554,983	11,818,368
Share of other non-distributable reserves	34.3	**1,445,169**	1,445,169	1,445,169
Sub-total		**12,117,029**	20,000,152	13,263,537
Total		**192,373,276**	221,900,283	187,838,599

(All amounts in Saudi Riyals unless otherwise stated)

34 Non-controlling interest

Set out below is summarised financial information for each subsidiary that has non-controlling interests that are material to the Group. The amounts disclosed for each subsidiary are before inter-company eliminations.

34.1 Summarized statement of financial position

Non-controlling % interest in	Note	MAC 25.1% (Note 2.7)	MBAC 25.1% (Note 2.8)	MPC 30% (Note 2.9)	MWSPC 40% (Note 2.10)	Meridian 15% (Note 2.5)	Total
3o June 2021							
Non-current assets		16,272,270,370	11,772,479,209	13,056,792,933	25,210,951,853	344,261,426	66,656,755,791
Current assets		3,378,429,336	1,523,005,872	3,779,045,732	2,716,688,549	1,087,243,169	12,484,412,658
Total assets		**19,650,699,706**	**13,295,485,081**	**16,835,838,665**	**27,927,640,402**	**1,431,504,595**	**79,141,168,449**
Non-current liabilities		11,669,383,240	7,756,521,878	7,332,744,348	18,739,426,137	170,581,412	45,668,657,015
Current liabilities		2,246,973,190	854,119,632	1,708,263,398	2,909,010,208	928,854,196	8,647,220,624
Total liabilities		**13,916,356,430**	**8,610,641,510**	**9,041,007,746**	**21,648,436,345**	**1,099,435,608**	**54,315,877,639**
Net assets of the subsidiary company		**5,734,343,276**	**4,684,843,571**	**7,794,830,919**	**6,279,204,057**	**332,068,987**	**24,825,290,810**
Share of net assets		1,439,320,162	1,175,895,736	2,338,449,276	2,511,681,623	49,810,348	7,515,157,145
Zakat and income tax impact		(97,195,298)	(26,282,027)	-	9,199,698	-	(114,277,627)
Net impact of non-controlling interest acquired through business combination		-	-	-	-	557,429	557,429
Net assets attributable to non-controlling interest	34.3	**1,342,124,864**	**1,149,613,709**	**2,338,449,276**	**2,520,881,321**	**50,367,777**	**7,401,436,947**

(All amounts in Saudi Riyals unless otherwise stated)

34 Non-controlling interest (continued)

34.1 Summarized statement of financial position (continued)

Non-controlling % interest in	Note	MAC 25.1% (Note 2.7)	MBAC 25.1% (Note 2.8)	MPC 30% (Note 2.9)	MWSPC 40% (Note 2.10)	Meridian 15% (Note 2.5)	Total
30 June 2020							
Non-current assets		17,062,047,402	12,184,782,589	13,719,294,669	26,109,447,147	298,556,557	69,374,128,364
Current assets		2,045,539,622	1,551,596,804	2,812,976,269	1,833,006,462	829,468,081	9,072,587,238
Total assets		**19,107,587,024**	**13,736,379,393**	**16,532,270,938**	**27,942,453,609**	**1,128,024,638**	**78,446,715,602**
Non-current liabilities		12,510,832,458	8,114,680,194	8,046,174,447	19,119,467,434	204,626,128	47,995,780,661
Current liabilities		1,591,581,174	783,331,247	1,679,589,428	2,234,234,706	720,141,126	7,008,877,681
Total liabilities		**14,102,413,632**	**8,898,011,441**	**9,725,763,875**	**21,353,702,140**	**924,767,254**	**55,004,658,342**
Net assets of the subsidiary company		**5,005,173,392**	**4,838,367,952**	**6,806,507,063**	**6,588,751,469**	**203,257,384**	**23,442,057,260**
Share of net assets		1,256,298,521	1,214,430,356	2,041,952,120	2,635,500,588	30,488,607	7,178,670,192
Zakat and income tax impact		(70,355,226)	(28,324,475)	-	11,875,554	-	(86,804,147)
Net impact of non-controlling interest acquired through business combination		-	-	-	-	557,429	557,429
Net assets attributable to non-controlling interest	34.3	**1,185,943,295**	**1,186,105,881**	**2,041,952,120**	**2,647,376,142**	**31,046,036**	**7,092,423,474**

(All amounts in Saudi Riyals unless otherwise stated)

34 Non-controlling interest (continued)

34.1 Summarized statement of financial position (continued)

Non-controlling % interest in	Note	MAC 25.1% (Note 2.7)	MBAC 25.1% (Note 2.8)	MPC 30% (Note 2.9)	MWSPC 40% (Note 2.10)	Meridian 15% (Note 2.5)	Total
31 December 2020							
Non-current assets		16,695,727,091	11,999,431,912	13,422,518,964	25,556,255,972	307,707,356	67,981,641,295
Current assets		2,619,391,465	1,505,294,148	3,093,114,604	2,201,530,080	1,320,362,303	10,739,692,600
Total assets		**19,315,118,556**	**13,504,726,060**	**16,515,633,568**	**27,757,786,052**	**1,628,069,659**	**78,721,333,895**
Non-current liabilities		12,114,242,013	7,947,749,276	7,688,460,572	19,006,778,514	143,146,794	46,900,377,169
Current liabilities		2,131,342,601	848,164,021	1,762,428,102	2,446,227,851	1,194,481,638	8,382,644,213
Total liabilities		**14,245,584,614**	**8,795,913,297**	**9,450,888,674**	**21,453,006,365**	**1,337,628,432**	**55,283,021,382**
Net assets of the subsidiary company		**5,069,533,942**	**4,708,812,763**	**7,064,744,894**	**6,304,779,687**	**290,441,227**	**23,438,312,513**
Share of net assets		1,272,453,020	1,181,912,004	2,119,423,468	2,521,911,875	43,566,184	7,139,266,551
Zakat and income tax impact		(78,431,914)	(27,054,825)	-	13,794,614	-	(91,692,125)
Net impact of non-controlling interest acquired through business combination		-	-	-	-	557,429	557,429
Net assets attributable to non-controlling interest	34.3	**1,194,021,106**	**1,154,857,179**	**2,119,423,468**	**2,535,706,489**	**44,123,613**	**7,048,131,855**

(All amounts in Saudi Riyals unless otherwise stated)

34 Non-controlling interest (continued)

34.2 Summarized statement of profit or loss and other comprehensive income

Non-controlling % interest in	Notes	MAC 25.1% (Note 2.7)	MBAC 25.1% (Note 2.8)	MPC 30% (Note 2.9)	MWSPC 40% (Note 2.10)	Meridian 15% (Note 2.5)	Total
For the period ended 30 June 2021							
Sales		4,317,361,521	977,510,788	2,924,642,768	2,029,114,965	906,311,854	11,154,941,896
Profit / (loss) before zakat and income tax for the period		679,807,401	(33,716,883)	760,081,652	(17,917,436)	43,306,688	1,431,561,422
Zakat and income tax for the period		(74,479,582)	(12,671,160)	(29,995,627)	(7,658,194)	(9,322,310)	(134,126,873)
Other comprehensive income for the period:							
Cash flow hedge – effective portion of changes in fair value	38	59,481,515	22,418,853	-	-	-	81,900,368
Gain on exchange differences on translation		-	-	-	-	7,643,385	7,643,385
Total comprehensive income / (loss) for the period		**664,809,334**	**(23,969,190)**	**730,086,025**	**(25,575,630)**	**41,627,763**	**1,386,978,302**
Total comprehensive income / (loss) attributable to non-controlling interest:							
Share of profit / (loss) before zakat and income tax for the period		170,631,657	(8,462,938)	228,024,496	(7,166,974)	6,496,003	389,522,244
Share of zakat and income tax for the period		(37,457,759)	(2,407,664)	(8,998,688)	(7,658,194)	(1,398,347)	(57,920,652)
Share of profit / (loss) for the period		133,173,898	(10,870,602)	219,025,808	(14,825,168)	5,097,656	331,601,592
Share of other comprehensive income for the period:							
Cash flow hedge – effective portion of changes in fair value	38	14,929,860	5,627,132	-	-	-	20,556,992
Gain on exchange differences on translation		-	-	-	-	1,146,508	1,146,508
Total	34.3	**148,103,758**	**(5,243,470)**	**219,025,808**	**(14,825,168)**	**6,244,164**	**353,305,092**

(All amounts in Saudi Riyals unless otherwise stated)

34 Non-controlling interest (continued)

34.2 Summarized statement of profit or loss and other comprehensive income (continued)

Non-controlling % interest in	Notes	MAC 25.1% (Note 2.7)	MBAC 25.1% (Note 2.8)	MPC 30% (Note 2.9)	MWSPC 40% (Note 2.10)	Meridian 15% (Note 2.5)	Total
For the period ended 30 June 2020							
Sales		3,181,745,712	863,281,583	1,762,492,102	1,480,949,453	382,950,743	7,671,419,593
Profit / (loss) before zakat and income tax for the period		(116,565,031)	(223,935,659)	(283,025,990)	(1,068,117,698)	(65,784,118)	(1,757,428,496)
Zakat and income tax for the period		(13,937,929)	(1,405,221)	(14,000,410)	37,024,724	4,474,125	12,155,289
Other comprehensive loss for the period:							
Cash flow hedge – effective portion of changes in fair value	38	(144,509,225)	(66,380,243)	-	-	-	(210,889,468)
Loss on exchange differences on translation		-	-	-	-	(94,822,159)	(94,822,159)
Total comprehensive loss for the period		**(275,012,185)**	**(291,721,123)**	**(297,026,400)**	**(1,031,092,974)**	**(156,132,152)**	**(2,050,984,834)**
Total comprehensive loss attributable to non-controlling interest:							
Share of profit / (loss) before zakat and income tax for the period		(29,257,823)	(56,207,850)	(84,907,797)	(427,247,079)	(9,867,618)	(607,488,167)
Share of zakat and income tax for the period		(7,930,000)	5,399,324	(4,200,123)	35,737,908	671,119	29,678,228
Share of loss for the period		(37,187,823)	(50,808,526)	(89,107,920)	(391,509,171)	(9,196,499)	(577,809,939)
Share of other comprehensive loss for the period:							
Cash flow hedge – effective portion of changes in fair value	38	(36,271,815)	(16,661,441)	-	-	-	(52,933,256)
Loss on exchange differences on translation		-	-	-	-	(14,223,324)	(14,223,324)
Total	34.3	**(73,459,638)**	**(67,469,967)**	**(89,107,920)**	**(391,509,171)**	**(23,419,823)**	**(644,966,519)**

(All amounts in Saudi Riyals unless otherwise stated)

34 Non-controlling interest (continued)

34.2 Summarized statement of profit or loss and other comprehensive income (continued)

Non-controlling % interest in	Notes	MAC 25.1% (Note 2.7)	MBAC 25.1% (Note 2.8)	MPC 30% (Note 2.9)	MWSPC 40% (Note 2.10)	Meridian 15% (Note 2.5)	Total
For the year ended 31 December 2020							
Sales		6,666,504,595	1,794,883,204	4,004,879,327	3,361,495,563	1,369,783,349	17,197,546,038
(Loss) / profit before zakat and income tax for the year		(61,062,643)	(351,295,407)	830,791	(1,352,133,174)	(8,068,782)	(1,771,729,215)
Zakat and income tax for the year		(39,526,349)	(13,384,144)	(38,231,957)	39,936,453	(10,968,136)	(62,174,133)
Other comprehensive loss for the year:							
Cash flow hedge – effective portion of changes in fair value	38	(107,111,854)	(55,398,225)	-	-	-	(162,510,079)
Loss attributable to the re-measurements of employees' end of service termination benefits obligation		(2,950,789)	(1,198,536)	(1,387,403)	(2,868,035)	-	(8,404,763)
Loss on exchange differences on translation		-	-	-	-	(49,911,394)	(49,911,394)
Total comprehensive loss for the year		**(210,651,635)**	**(421,276,312)**	**(38,788,569)**	**(1,315,064,756)**	**(68,948,312)**	**(2,054,729,584)**
Total comprehensive loss attributable to non-controlling interest:							
Share of (loss) / profit before zakat and income tax for the year		(15,326,723)	(88,175,147)	249,237	(540,853,270)	(1,210,317)	(645,316,220)
Share of zakat and income tax for the year		(22,429,381)	3,662,265	(11,469,588)	38,821,660	(1,645,220)	6,939,736
Share of loss for the year		(37,756,104)	(84,512,882)	(11,220,351)	(502,031,610)	(2,855,537)	(638,376,484)
Share of other comprehensive loss for the year:							
Cash flow hedge – effective portion of changes in fair value	38	(26,885,075)	(13,904,955)	-	-	-	(40,790,030)
Loss attributable to the re-measurements of employees' end of service termination benefits obligation	39.1.1	(740,648)	(300,832)	(416,221)	(1,147,214)	-	(2,604,915)
Loss on exchange differences on translation		-	-	-	-	(7,486,709)	(7,486,709)
Total	34.3	**(65,381,827)**	**(98,718,669)**	**(11,636,572)**	**(503,178,824)**	**(10,342,246)**	**(689,258,138)**

(All amounts in Saudi Riyals unless otherwise stated)

34.3 Movement of non-controlling interest

Non-controlling % interest in	Notes	MAC 25.1% (Note 2.7)	MBAC 25.1% (Note 2.8)	MPC 30% (Note 2.9)	MWSPC 40% (Note 2.10)	Meridian 15% (Note 2.5)	Total
1 January 2020		1,259,402,933	1,253,575,848	2,131,060,040	3,038,885,313	54,465,859	7,737,389,993
Share of total comprehensive loss for the period	34.2	(73,459,638)	(67,469,967)	(89,107,920)	(391,509,171)	(23,419,823)	(644,966,519)
30 June 2020	34.1	1,185,943,295	1,186,105,881	2,041,952,120	2,647,376,142	31,046,036	7,092,423,474
Share of total comprehensive income / (loss) for the remainder of the year	34.2	8,077,811	(31,248,702)	77,471,348	(111,669,653)	13,077,577	(44,291,619)
31 December 2020	34.1	1,194,021,106	1,154,857,179	2,119,423,468	2,535,706,489	44,123,613	7,048,131,855
Share of total comprehensive income / (loss) for the period	34.2	148,103,758	(5,243,470)	219,025,808	(14,825,168)	6,244,164	353,305,092
30 June 2021	34.1	**1,342,124,864**	**1,149,613,709**	**2,338,449,276**	**2,520,881,321**	**50,367,777**	**7,401,436,947**

(All amounts in Saudi Riyals unless otherwise stated)

35 Long-term borrowings

	Notes	30 June 2021	30 June 2020	31 December 2020
Total borrowings	6.2,35.8	**47,314,207,146**	48,904,907,794	48,173,473,109
Accrued finance cost		**124,838,984**	187,280,826	128,258,797
Sub-total	46.3,48	**47,439,046,130**	49,092,188,620	48,301,731,906
Less: Current portion of borrowings	35.8	**(2,996,265,572)**	(2,321,218,625)	(2,977,199,180)
Less: Accrued finance cost		**(124,838,984)**	(187,280,826)	(128,258,797)
Sub-total - current portion of borrowings shown under current liabilities		**(3,121,104,556)**	(2,508,499,451)	(3,105,457,977)
Non-current portion of long-term borrowings	35.8	**44,317,941,574**	46,583,689,169	45,196,273,929

(All amounts in Saudi Riyals unless otherwise stated)

35.1 Facilities approved

- MAC, MRC, MBAC and MWSPC entered into Common Terms Agreements ("CTA") with the Public Investment Fund (PIF), Saudi Industrial Development Fund (SIDF) and consortiums of local financial institutions, whereas, MRC and MWSPC restructured its borrowing facility with PIF and entered into a new Common Terms Agreements ("CTA") with the consortiums of local financial institutions,
- the Company (Ma'aden) entered into a Shariah compliant Syndicated Revolving Credit Facility Agreement,
- MGBM entered into two secured loan arrangements with Saudi Industrial Development Fund (SIDF),
- MIC and MPC entered into Murabaha Facility Agreement ("MFA") with Murabaha facility participants and
- MPC entered into a Sukuk Facility Agreement ("SFA") with Sukuk facility participants.

The facilities granted to the Group comprise of the following as at 30 June 2021:

	MAC agreement signed on 30 Nov. 2010 and restructured on 14 Dec. 2017	MRC agreement signed on 30 Nov. 2010 and restructured on 19 Dec. 2019	MBAC agreement signed on 27 Nov. 2011 and restructured on 16 Jul. 2018	MWSPC agreement signed on 30 Jun. 2014 and restructured on 20 Jun. 2020	Ma'aden agreement signed on 18 Dec. 2012 and renewed on 18 Dec. 2017	MGBM agreements signed on 24 Mar. 2015, 26 Apr. 2015 and 26 Apr. 2021	MIC agreement signed on 30 Dec. 2015	MPC agreements signed on 25 Feb. 2016 and 20 Feb. 2018	Total
Public Investment Fund ("PIF")	4,275,375,000	-	3,506,250,000	-	-	-	-	-	7,781,625,000
Public Pension Agency ("PPA")	-	-	-	6,599,903,363	-	-	-	-	6,599,903,363
Islamic and commercial banks									
Commercial	1,503,750,000	-	-	-	-	-	-	-	1,503,750,000
Murabaha	-	1,312,500,000	4,025,000,000	6,808,496,298	-	-	-	-	12,145,996,298
Wakala	-	-	220,000,000	1,900,000,000	-	-	-	-	2,120,000,000
Sub-total	**1,503,750,000**	**1,312,500,000**	**4,245,000,000**	**8,708,496,298**	**-**	**-**	**-**	**-**	**15,769,746,298**
Saudi Industrial Development Fund ("SIDF")	-	600,000,000	-	4,000,000,000	-	2,579,000,000	-	-	7,179,000,000
Riyal Murabaha facility	5,178,750,000	-	-	-	-	-	1,000,000,000	11,493,750,000	17,672,500,000
Riyal Murabaha facility (a working capital facility)	-	-	750,000,000	-	-	-	-	-	750,000,000
Sub-total	**10,957,875,000**	**1,912,500,000**	**8,501,250,000**	**19,308,399,661**	**-**	**2,579,000,000**	**1,000,000,000**	**11,493,750,000**	**55,752,774,661**
Syndicated Revolving Credit Facility Agreement	-	-	-	-	7,500,000,000	-	-	-	7,500,000,000
HSBC Saudi Arabia – as agent for sukuk facility participants	-	-	-	-	-	-	-	3,500,000,000	3,500,000,000
Total facilities granted	**10,957,875,000**	**1,912,500,000**	**8,501,250,000**	**19,308,399,661**	**7,500,000,000**	**2,579,000,000**	**1,000,000,000**	**14,993,750,000**	**66,752,774,661**

35.1 Facilities approved (continued)

The CTAs impose the following conditions and financial covenants on each of the borrowing legal entities of the Group and if the conditions are met, the financial institutions will provide the long-term borrowing:

- the limitation on the creation of additional liens and/or financing obligations by MRC, MBAC and MWSPC, unless specifically allowed under the CTA,
- financial ratio maintenance,
- maximum capital expenditures allowed,
- restriction on dividend distribution to shareholders and
- restriction on the term of the short-term investment with maturities of not more than six (6) months from the date of acquisition, of any Saudi Arabian commercial bank or any other international commercial bank of recognized standing.

The MFAs imposed certain conditions and special covenants which include:

- safeguarding the entities' existence as a limited liability company validly existing under the laws of the Kingdom of Saudi Arabia,
- restriction to substantial change in the general nature of company's business, unless specifically allowed under the MFA,
- restriction to enter into a single transaction or a series of transactions and whether voluntary or involuntary to sell, lease, transfer or otherwise dispose of any asset, unless specifically allowed under the MFA,
- payment obligations under MFA at all times rank at least pari passu with the claims of all its other unsecured and unsubordinated creditors except those creditors whose claims are mandatorily preferred by laws of general application to companies,
- financial ratio maintenance and
- restriction on dividend distribution to shareholders.

The SFA imposed certain conditions and special covenants which include:

- safeguarding the corporate existence as a limited liability company validly existing under the laws of the Kingdom of Saudi Arabia,
- restriction to substantial change in the general nature of company's business, unless specifically allowed under the SFA,
- restriction to enter into a single transaction or a series of transactions and whether voluntary or involuntary to sell, lease, transfer or otherwise dispose of any asset, unless specifically allowed under the SFA,
- financial ratio maintenance and
- restriction on dividend distribution to shareholders

MAC facility

Facility agents:

- The National Commercial Bank acts as Inter-creditor Agent and as Riyal Murabaha Facility Agent,
- The First Abu Dhabi Bank acts as Dollar Conventional Facility Agent.

MRC facility

Facility agents:

- Riyad Bank acts as Inter-creditor Agent,
- Bank Al Jazira acts as Riyal Procurement Facility Agent,
- Banque Saudi Fransi acts as Onshore Security Agent and
- Riyad Bank, London Branch acts as Offshore Security Trustee and Agent

In pursuant to "Transfer and Termination Agreement" signed on 26 June 2019, Ma'aden replaced PIF as provider of loan to MRC. At the same time on 26 June 2019, another "Loan Agreement" was signed between Ma'aden and PIF where it was resolved that SAR 2,986,387,500 is deemed to have been advanced to Ma'aden by PIF and is payable on demand which was subsequently converted to equity after obtaining all the regulatory approvals during the year (Note 30). This also resulted in the recognition of a charge amounting to SAR 46,594,914 in the consolidated retained earnings attributable to the ordinary shareholders of the parent company (Note 35.2).

(All amounts in Saudi Riyals unless otherwise stated)

35.1 Facilities approved (continued)

MRC facility (continued)

On 19 December 2019, the company entered into a CTA agreement with commercial banks in respect of new Riyal Murabaha facility amounting SAR 1,312,500,000 to replace the balance of the existing Riyal procurement facility of SAR 1,009,770,000 and Riyal Murabaha facility of SAR 375,000,000.

MBAC facility

Facility agents:

- The National Commercial Bank acts as Inter-creditor Agent and as Riyal Murabaha Facility Agent,
- The HSBC Saudi Arabia acts as Riyal Wakala Facility Agent.

MWSPC facility

On 20 June 2020, the company had entered into a CTA with PIF, SIDF and a consortium of financial institutions. PIF had entered into Novation Agreement with Public Pension Agency (“PPA”) whereas the "Original Loan Agreement" dated 02 Ramadan 1435H (corresponding to 30 June 2014G) between PIF and MWSPC has been transferred to PPA. Subsequently upon execution of the Novation agreement, the company had entered into PPA Loan Agreement with PPA dated 20 June 2020 as a consent for the amendment and restatement of the Original Loan Agreement resulting in a revised repayment schedule and covenants.

Effective the same date 20 June 2020, the company entered into a new CTA agreement with commercial banks in respect of new Riyal Murabaha and Riyal Wakala facilities to replace the balance of Islamic and commercial banks facilities. Consequently, MWSPC’s financing facilities comprise of:

	Facility approved
Public Pension Agency (“PPA”)	6,599,903,363
Islamic and commercial banks	
Riyad Bank - the Murabaha facility – as agent	6,808,496,298
Riyad Bank - the Wakala facility – as agent	1,900,000,000
Sub-total	8,708,496,298
SIDF	4,000,000,000
Total facilities approved	**19,308,399,661**

The details of the CTA signed on 30 June 2014 which has been restructured / repaid in full during June 2020 were as follows:

	Facility approved
PIF	7,500,000,000
Islamic and commercial banks	
Procurement	4,299,854,655
Commercial	5,450,145,345
Wakala	1,650,000,000
Sub-total	11,400,000,000
SIDF	4,000,000,000
Total facilities approved	**22,900,000,000**

Facility agents:

- Riyad Bank act as agent for the Murabaha facility
- Riyad Bank act as agent for the Wakala facility

(All amounts in Saudi Riyals unless otherwise stated)

35.1 Facilities approved (continued)

Saudi Arabian Mining Company ("Ma'aden") facility

Syndicated revolving credit facility

On 18 December 2017, the Company renewed its financing agreements revising the total revolving credit facility amount from SAR 9 billion to SAR 7.5 billion. Final maturity for repayment of the loan is five years from the date of signing of the agreement. This revolver facility is with a syndicate of local and international financial institutions, comprising the following financial institutions:

- Al-Rajhi Bank
- Arab National Bank
- Gulf International Bank B.S.C, Riyadh Branch
- Al-Awwal Bank
- Bank AlJazira
- Banque Saudi Fransi
- J.P.Morgan Chase Bank, N.A., Riyadh Branch
- Riyad Bank
- Samba Financial Group
- The National Commercial Bank
- The Saudi British Bank
- The Saudi Investment Bank

The financial covenants and conditions include the following with respect to standalone parent company only:

- EBITDA to Interest ratio shall not be less than three times otherwise dividend block will be triggered; and
- the total net debt to tangible net worth (parent company only) shall be less than or equal to three times otherwise an event of default will be triggered which is subject to a cure period of six months, or nine months if the Company has acted expeditiously to cure such breach by initiating the process for a rights issue.

PIF facility

In pursuant to "Transfer and Termination Agreement" signed on 26 June 2019, Ma'aden replaced PIF as provider of loan to MRC. At the same time on 26 June 2019, another "Loan Agreement" was signed between Ma'aden and PIF where it was resolved that SAR 2,986,387,500 is deemed to have been advanced to Ma'aden by PIF and is payable on demand.

In addition to the above, on 26 June 2019 a "Debt Conversion Agreement" has been signed between Ma'aden and PIF whereby Ma'aden wishes to increase its capital through the issuance of new shares for the purpose of settling the above mentioned loan. Subsequently this loan was converted into equity after obtaining all the regulatory approvals during the year (Note 30).

MGBM facility

The company entered into two secured loan arrangements with Saudi Industrial Development Fund ("SIDF). The facilities granted to the Company comprise of the following:

Date approved	Purpose	Facility approved
24 March 2015	To provide funding for the production of a semi alloy of gold at As Suq Mine	179,000,000
26 April 2015	To provide funding for the capital expenditure of the new gold mine at Ad-Duwayhi and water pipeline	1,200,000,000
26 April 2021	To provide funding for the capital expenditure of the new gold mine at Mansourah-Massarah	1,200,000,000
Total facilities granted		**2,579,000,000**

The financing arrangements impose certain conditions and special covenants which include:

- the limitation of the creation of additional liens and/or financing obligations by the Company, unless specifically allowed under the loan agreement,
- financial ratio maintenance,
- maximum capital expenditures allowed,
- restriction on dividend distribution to shareholders and
- restriction on the term of the short-term investment with maturities of not more than six (6) months from the date of acquisition, of any Saudi Arabian commercial bank or any other international commercial bank of recognized standing.

(All amounts in Saudi Riyals unless otherwise stated)

35.1 Facilities approved (continued)

MIC facility

On 30 December 2015 the company entered into a Murabaha Facility Agreement ("MFA") with HSBC Saudi Arabia Limited, comprising of:

Murabaha facility	Facility approved
HSBC Saudi Arabia Limited – as agent for the Murabaha facility participants	1,000,000,000

The facility was drawn down on 17 February 2016.

MPC facility

On 15 June 2008, the company had entered into a CTA with a consortium of financial institutions, however, the facility had been repaid in full from a drawing on 30 March 2016 under a new MFA signed by the company on 25 February 2016 with Murabaha facility participants comprising of:

Murabaha facility	Facility approved
Riyad Bank – as agent for the Murabaha facility participants	11,493,750,000

The MFA signed by the company on 25 February 2016, have been partially repaid from a drawing under a new SFA signed by the company on 20 February 2018 with sukuk facility participants comprising of:

Sukuk facility	Facility approved
HSBC Saudi Arabia – as agent for the sukuk facility	3,500,000,000

(All amounts in Saudi Riyals unless otherwise stated)

35.2 Facilities utilized under the different CTAs

MAC facility – restructured on 14 December 2017

	30 June 2021	30 June 2020	31 December 2020
Public Investment Fund (Note 44.2)	**4,275,375,000**	4,275,375,000	4,275,375,000
Less: Transaction cost balance at the period / year end	**(32,670,943)**	(36,778,106)	(34,725,524)
Sub-total	**4,242,704,057**	4,238,596,894	4,240,649,476

The rate of commission on the principal amount of the loan drawdown and outstanding for each commission period is LIBOR plus 1.5%.

After the restructuring on 14 December 2017, the repayment of the loan will start on 31 March 2023, on a six monthly basis, starting at SAR 99.9 million and increasing over the term of the loan with the final repayment of SAR 1,218 million on 30 September 2031 (Note 35.9).

In addition, the company is required to make certain prepayments as described in Note 35.1.

The upfront transaction cost incurred, is amortized over the term of the loan and the amortization for the period amounted to SAR 2,054,581 (30 June 2020: SAR 2,052,593 and 31 December 2020: SAR 4,105,175) (Note 35.11).

	30 June 2021	30 June 2020	31 December 2020
Islamic and commercial banks			
Riyal Murabaha	**5,178,750,000**	5,178,750,000	5,178,750,000
Commercial – USD conventional	**1,503,750,000**	1,503,750,000	1,503,750,000
Sub-total	**6,682,500,000**	6,682,500,000	6,682,500,000
Less: Repaid during the period / year	**(387,808,875)**	-	-
Sub-total	**6,294,691,125**	6,682,500,000	6,682,500,000
Less: Transaction cost balance at the period / year end	**(38,659,836)**	(48,634,781)	(43,651,114)
Sub-total	**6,256,031,289**	6,633,865,219	6,638,848,886

The rate of commission on the principal amount of the loan drawn on Islamic Murabaha Riyal is Saudi Interbank Offered Rate (“SIBOR”) plus a margin of 1.65% whereas, the rate of commission on the principal amount of the loan drawn on Dollar Conventional facility is LIBOR plus a margin of 1.55%.

The repayment of the loan drawn on Islamic Murabaha Riyal started from 31 March 2021, on a six monthly basis starting at SAR 259 million and increasing over the term of the loan with the final repayment of SAR 1,812 million on 30 September 2027 (Note 35.9).

The repayment of the loan drawn on Dollar Conventional facility started from 31 March 2021, on a six monthly basis starting at SAR 129 million and increasing over the term of the loan with the final repayment of SAR 601 million on 30 September 2024 (Note 35.9).

In addition, the company is required to make certain prepayments as described in Note 35.1.

The upfront transaction cost incurred, is amortized over the term of the loan and the amortization for the period amounted to SAR 4,991,278 (30 June 2020: SAR 4,983,655 and 31 December 2020: SAR 9,967,322) (Note 35.11).

	30 June 2021	30 June 2020	31 December 2020
Total MAC borrowings (Note 35.8)	**10,498,735,346**	10,872,462,113	10,879,498,362

(All amounts in Saudi Riyals unless otherwise stated)

35.2 Facilities utilized under the different CTA's (continued)

MRC facility

	30 June 2021	**30 June 2020**	**31 December 2020**
Islamic and commercial banks ***– restructured on 19 December 2019***			
Riyal procurement	**1,312,500,000**	1,312,500,000	1,312,500,000
Less: Repaid during the period / year	**(39,375,000)**	-	-
Sub-total	**1,273,125,000**	1,312,500,000	1,312,500,000
Less: Transaction cost balance at the period / year end	**(9,255,476)**	(10,678,588)	(9,889,479)
Sub-total	**1,263,869,524**	1,301,821,412	1,302,610,521

The rate of commission on the principal amount of the loan drawn for each commission period on all the Saudi Riyal facilities is Saudi Interbank Offered Rate ("SIBOR") plus a margin of 0.95%.

The repayment of the loan will start from June 2021, starting at SAR 39 million and increasing over the term of the loan with the final repayment of SAR 263 million on June 2032 (Note 35.9).

The transaction cost incurred on obtaining the loan amounted to SAR 11,156,250 has been netted-off with the loan balance and is amortized over the term of the loan. The amortization for the period amounted to SAR 634,003 (30 June 2020: SAR 477,662 and 31 December 2020: SAR 1,266,771) (Note 35.11).

Saudi Industrial Development Fund	**225,000,000**	275,000,000	275,000,000
Less: Repaid during the period / year	**(50,000,000)**	-	(50,000,000)
Sub-total	**175,000,000**	275,000,000	225,000,000
Less: Transaction cost balance at the period / year end	**(3,232,367)**	(6,088,306)	(4,362,969)
Sub-total	**171,767,633**	268,911,694	220,637,031

Repayment of the SIDF facility started from 25 January 2016, starting at SAR 25 million and increasing over the term of the loan with the final repayment of SAR 62.5 million on 19 July 2021 (Note 35.9).

The upfront transaction cost incurred, is amortized over the term of the loan and the amortization for the period amounted to SAR 1,130,602 (30 June 2020: SAR 2,034,076 and 31 December 2020: SAR 3,759,413) (Note 35.11).

Total MRC borrowings (Note 35.8)	**1,435,637,157**	1,570,733,106	1,523,247,552

(All amounts in Saudi Riyals unless otherwise stated)

35.2 Facilities utilized under the different CTA's (continued)

MBAC facility – restructured on 16 July 2018

	30 June 2021	**30 June 2020**	**31 December 2020**
Public Investment Fund (Note 44.2)	**3,291,316,875**	3,431,917,500	3,431,917,500
Less: Repaid during the period / year	**(79,241,250)**	(70,475,625)	(140,600,625)
Sub-total	**3,212,075,625**	3,361,441,875	3,291,316,875
Less: Transaction cost balance at the period / year end	**(93,628,068)**	(102,939,652)	(98,242,623)
Sub-total	**3,118,447,557**	3,258,502,223	3,193,074,252

The rate of commission on the principal amount of the loan drawdown and outstanding for each commission period is LIBOR plus 1.5%.

After the restructuring on 16 July 2018, the repayment of the loan started on 30 June 2019, on a six monthly basis, starting at SAR 74.3 million and increasing over the term of the loan with the final repayment of SAR 392.7 million on 31 July 2031 (Note 35.9).

The upfront transaction cost incurred is amortized over the term of the loan and the amortization for the period amounted to SAR 4,614,555 (30 June 2020: SAR 4,697,030 and 31 December 2020: SAR 9,394,059) (Note 35.11).

Islamic and commercial banks			
Riyal Murabaha	**3,827,524,500**	3,957,063,500	3,957,063,500
Riyal Wakala	**211,266,000**	216,766,000	216,766,000
Sub-total	**4,038,790,500**	4,173,829,500	4,173,829,500
Less: Repaid during the period / year	**(119,053,500)**	(67,725,000)	(135,039,000)
Sub-total	**3,919,737,000**	4,106,104,500	4,038,790,500
Less: Transaction cost balance at the period / year end	**(25,756,531)**	(30,496,308)	(28,087,009)
Sub-total	**3,893,980,469**	4,075,608,192	4,010,703,491

The rate of commission on the principal amount (lease base amount in case of Wakala facilities) of the loan drawn for each commission period on all the Saudi Riyal facilities is SIBOR plus a margin (mark-up in case of Wakala facilities) of 1.55% for Riyal Murabaha Tranche B and Riyal Wakala and 1.45% for Riyal Murabaha Tranche A.

Repayment of the principal amounts of total approved facilities commenced from 30 June 2019. The repayments started at SAR 34 million and will increase over the term of the loan with the final repayment of SAR 223 million on 31 December 2030.

The upfront transaction cost incurred is amortized over the term of the loan and the amortization for the period amounted to SAR 2,330,478 (30 June 2020: SAR 2,409,304 and 31 December 2020: SAR 4,818,603) (Note 35.11).

Sub-total carried forward	**7,012,428,026**	7,334,110,415	7,203,777,743

(All amounts in Saudi Riyals unless otherwise stated)

35.2 Facilities utilized under the different CTA's (continued)

MBAC facility (continued)

	30 June 2021	30 June 2020	31 December 2020
Balance brought forward	**7,012,428,026**	7,334,110,415	7,203,777,743
Riyal Murabaha facility (a working capital facility)	**346,693,750**	346,693,750	346,693,750
Less: Transaction cost balance at the period / year end	**(1,703,506)**	(2,268,292)	(2,043,857)
Sub-total	**344,990,244**	344,425,458	344,649,893

Riyal Murabaha facility as at 31 December 2018 was repaid in full and a new Murabaha facility was drawn down during the quarter ended 31 March 2019.

The rate of profit on the purchase price i.e. principal amount of the loan drawn for each commission period was Saudi Interbank Offered Rate ("SIBOR") plus 0.95% on the repaid facility and is SIBOR plus 0.8% on the new drawn down facility.

The repayment of Murabaha facility will be due in January 2024 (Note 35.9).

The upfront transaction cost incurred amounting to SAR 2,941,000 is amortized over the term of the loan and the amortization for the period amounted to SAR 340,351 (30 June 2020: SAR 224,429 and 31 December 2020: SAR 448,864) (Note 35.11).

Total MBAC borrowings (Note 35.8)	**7,357,418,270**	7,678,535,873	7,548,427,636

(All amounts in Saudi Riyals unless otherwise stated)

35.2 Facilities utilized under the different CTA's (continued)

MWSPC facility

	30 June 2021	30 June 2020	31 December 2020
Public Investment Fund ("PIF") (Note 44.2)	-	6,599,903,363	6,599,903,363
Less: Repaid during the period / year	-	-	-
Sub-total	-	6,599,903,363	6,599,903,363
Less: Transaction cost balance at the period / year end	-	(45,815,117)	(45,815,117)
	-	6,554,088,246	6,554,088,246
Loan transferred to Public Pension Agency ("PPA")			
Principal amount of loan	-	(6,599,903,363)	(6,599,903,363)
Unamortised transaction cost balance	-	45,815,117	45,815,117
Sub-total	-	-	-

The rate of commission on the principal amount of the loan drawdown and outstanding for each commission period, is LIBOR plus 1.5% per annum.

The repayment of the principal amount of loan will be in 24 installments on a six monthly basis starting from 30 June 2019. The repayments are starting at SAR 112.5 million and increasing over the term of the loan with the final repayment of SAR 606 million on 31 December 2030 (Note 35.9).

The upfront transaction cost incurred, is amortized over the term of the loan and the amortization for the period amounted to Nil (30 June 2020: SAR 3,322,220 and 31 December 2020: SAR 3,322,220) (Note 35.11).

Loan transferred to PPA

Subsequent to the PPA loan agreement entered by the company on 20 June 2020, all the secured debt of PIF under the original agreement was transferred from PIF to PPA.

This transfer resulted in extinguishment of the loan and the unamortised transaction cost balance of SAR 45,815,117 as at 20 June 2020 has been charged to the consolidated statement of profit or loss for the period.

Public Pension Agency ("PPA") (Note 44.2)	**6,599,903,363**	6,599,903,363	6,599,903,363
Less: Transaction cost balance at the period / year end	**(49,059,021)**	(56,099,179)	(54,228,793)
Sub-total	**6,550,844,342**	6,543,804,184	6,545,674,570

The rate of commission on the principal amount of the loan drawdown and outstanding for each commission period, is LIBOR plus 1.5% per annum.

The repayment of the principal amount of loan will be in 27 installments on a six monthly basis starting from 30 June 2022. The repayments are starting at SAR 59 million and increasing over the term of the loan with the final repayment of SAR 379 million on 30 June 2035 (Note 35.9).

The transaction cost incurred on transfer of the loan amounted to SAR 56,099,179 and has been netted-off with the loan balance which is amortized over the term of the loan and the amortization for the period amounted to SAR 5,169,772 (30 June 2020: Nil and 31 December 2020: SAR 1,870,386) (Note 35.11).

Sub-total carried forward	**6,550,844,342**	6,543,804,184	6,545,674,570

(All amounts in Saudi Riyals unless otherwise stated)

35.2 Facilities utilized under the different CTA's (continued)

MWSPC facility (continued)

	30 June 2021	30 June 2020	31 December 2020
Balance brought forward	**6,550,844,342**	6,543,804,184	6,545,674,570
Islamic and commercial banks			
Dollar procurement	**-**	293,738,779	293,738,779
Saudi Riyal procurement	**-**	2,177,078,304	2,177,078,304
Commercial	**-**	5,001,234,430	5,001,234,430
Wakala	**-**	1,236,444,786	1,236,444,786
Sub-total	**-**	8,708,496,299	8,708,496,299
Less: Repaid during the period / year	**-**	(8,708,496,299)	(8,708,496,299)
Sub-total	**-**	-	-

The rate of commission on the principal amount of the loan drawdown and outstanding for each commission period is LIBOR plus 1.25% to 2.10% per annum.

The repayment of the principal amounts of loans before restructuring started from 30 June 2019. The repayments were starting at SAR 171 million and increasing over the term of the loan with the final repayment of SAR 809 million on 31 December 2030 (Note 35.9).

The upfront transaction cost incurred, is amortized over the term of the loan and the amortization for the period amounted to Nil (30 June 2020: SAR 14,230,753 and 31 December 2020: SAR 2,490,308) (Note 35.11).

	30 June 2021	30 June 2020	31 December 2020
Islamic and commercial banks ***– restructured on 20 June 2020***			
Riyad Bank - as agent for the Murabaha facility	**6,808,496,299**	6,808,496,299	6,808,496,299
Riyad Bank - as agent for the Wakala facility	**1,900,000,000**	1,900,000,000	1,900,000,000
Sub-total	**8,708,496,299**	8,708,496,299	8,708,496,299
Less: Transaction cost balance at the period / year end	**(66,149,398)**	(78,376,467)	(76,004,738)
Sub-total	**8,642,346,901**	8,630,119,832	8,632,491,561

The restructuring resulted in an extinguishment of the previous loan and the unmortised transaction cost balance of SAR 14,230,753 as at 20 June 2020 was charged to the consolidated statement profit or loss.

The rate of commission on the principal amount of the loan drawdown and outstanding for each commission period on all the Saudi Riyal facilities is SIBOR plus a margin (mark-up in case of Wakala facilities) of 1.45% for Murabaha facility and 1.55% for Wakala facility.

The repayment of the principal amounts of loans will commence from 30 June 2022. The repayments will start at SAR 77 million and will increase over the term of the loan with the final repayment of SAR 500 million on 30 June 2035.

The transaction cost incurred on obtaining the loan amounted to SAR 78,376,467 and has been netted-off with the loan balance which is amortized over the term of the loan and the amortization for the period amounted to SAR 9,855,340 (30 June 2020: Nil and 31 December 2020: SAR 2,371,729) (Note 35.11).

Sub-total carried forward	**15,193,191,243**	15,173,924,016	15,178,166,131

(All amounts in Saudi Riyals unless otherwise stated)

35.2 Facilities utilized under the different CTA's (continued)

MWSPC facility (continued)

	30 June 2021	30 June 2020	31 December 2020
Balance brought forward	**15,193,191,243**	15,173,924,016	15,178,166,131
Saudi Industrial Development Fund	**3,795,000,000**	3,795,000,000	3,795,000,000
Less: Repaid during the period / year	**(175,000,000)**	-	-
Sub-total	**3,620,000,000**	3,795,000,000	3,795,000,000
Less: Transaction cost balance at the period / year end	**(232,029,750)**	(259,002,208)	(241,552,862)
Sub-total	**3,387,970,250**	3,535,997,792	3,553,447,138

The rate of commission on the principal amount of the loan drawdown and outstanding for each commission period, is in the range of 1.7% per annum.

The repayment of the principal amounts of loans started from 22 December 2018. The repayments are starting at SAR 60 million and increasing over the term of the loan (Note 35.9).

After the restructuring on 20 June 2020, the repayment of the loan started from May 2021, on a six monthly basis, starting at SAR 175 million and increasing over the term of the loan with the final repayment of SAR 55 million in August 2031 (Note 35.9).

The upfront transaction cost incurred is amortized over the term of the loan and the amortization for the period amounted to SAR 9,523,112 (30 June 2020: SAR 17,441,078 and 31 December 2020: SAR 34,890,424) (Note 35.11).

	30 June 2021	30 June 2020	31 December 2020
Total MWSPC borrowings (Note 35.8)	**18,581,161,493**	18,709,921,808	18,731,613,269

35.3 Syndicated revolving credit facility

Ma'aden facility

	30 June 2021	30 June 2020	31 December 2020
Syndicated revolving credit facility (Note 35.9 and 46.3)	**-**	-	-

The rate of commission on the principal amount of the borrowing drawdown is SIBOR plus 0.85% per annum.

(All amounts in Saudi Riyals unless otherwise stated)

35.4 Facility utilized under the different CTA's

MGBM facility

	30 June 2021	30 June 2020	31 December 2020
As Suq mine			
Saudi Industrial Development Fund	**68,000,000**	96,000,000	96,000,000
Less: Repaid during the period / year	**(16,000,000)**	(14,000,000)	(28,000,000)
Sub-total	**52,000,000**	82,000,000	68,000,000
Less: Transaction cost balance at the period / year end	**(769,595)**	(1,958,280)	(1,301,807)
Sub-total	**51,230,405**	80,041,720	66,698,193

The repayment of this loan started on 20 July 2016, on a six monthly basis, starting at SAR 8 million and increasing over the term of the loan with the final repayment of SAR 18 million on 9 November 2022 (Note 35.9).

The upfront transaction cost incurred, is amortized over the term of the loan the amortization for the period amounted to SAR 532,212 (30 June 2020: SAR 760,518 and 31 December 2020: SAR 1,416,991) (Note 35.11).

	30 June 2021	30 June 2020	31 December 2020
Ad-Duwayhi mine and water pipeline			
Saudi Industrial Development Fund	**590,000,000**	760,000,000	760,000,000
Less: Repaid during the period / year	**(90,000,000)**	(80,000,000)	(170,000,000)
Sub-total	**500,000,000**	680,000,000	590,000,000
Less: Transaction cost balance at the period / year end	**(9,568,407)**	(18,198,683)	(13,543,640)
Sub-total	**490,431,593**	661,801,317	576,456,360

The repayment of this loan started on 9 July 2017, on a six monthly basis, starting at SAR 60 million and increasing over the term of the loan with the final repayment of SAR 100 million on 30 October 2023 (Note 35.9).

The upfront transaction cost incurred, is amortized over the term of the loan and the amortization for the period amounted to SAR 3,975,233 (30 June 2020: SAR 5,152,072 and 31 December 2020: SAR 9,807,115) (Note 35.11).

	30 June 2021	30 June 2020	31 December 2020
Mansourah-Massarah			
Saudi Industrial Development Fund	**600,000,000**	-	-
Less: Transaction cost balance at the period / year end	**(39,981,505)**	-	-
Sub-total	**560,018,495**	-	-

The repayment of this loan will start on 24 April 2024, on a six monthly basis, starting at SAR 30 million and increasing over the term of the loan with the final repayment of SAR 95 million on 24 July 2032 (Note 35.9).

The transaction cost incurred on obtaining the loan amounted to SAR 40,000,000 and has been netted-off with the loan balance which is amortized over the term of the loan and the amortization for the period amounted to SAR 18,495 (30 June 2020: Nil and 31 December 2020: Nil) (Note 35.11).

	30 June 2021	30 June 2020	31 December 2020
Total MGBM borrowings (Note 35.8)	**1,101,680,493**	741,843,037	643,154,553

(All amounts in Saudi Riyals unless otherwise stated)

35.5 Facilities utilized under the different MFAs

MIC facility

	30 June 2021	30 June 2020	31 December 2020
HSBC Saudi Arabia Limited – as agent for the Murabaha facility participants	**649,000,000**	727,000,000	727,000,000
Less: Repaid during the period / year	**(39,000,000)**	(39,000,000)	(78,000,000)
Sub-total	**610,000,000**	688,000,000	649,000,000
Less: Transaction cost balance at the period / year end	**(4,500,000)**	(5,500,000)	(5,000,000)
	605,500,000	682,500,000	644,000,000

The rate of commission on the principal amount of the loan drawdown and outstanding for each commission period, is in the range of SIBOR plus 1 % per annum.

The repayment of the principal amount of the loan started from 30 December 2016, in equal principal repayments of SAR 39 million, on a semi-annual over a 10 year period with the final principal repayment of SAR 298 million on 30 December 2025 (Note 35.9).

The upfront transaction cost incurred, is amortized over the term of the loan and the amortization for the period amounted to SAR 500,000 (30 June 2020: SAR 500,000 and 31 December 2020: SAR 1,000,000) (Note 35.11).

	30 June 2021	30 June 2020	31 December 2020
Total MIC borrowings (Note 35.8)	**605,500,000**	682,500,000	644,000,000

MPC facility

	30 June 2021	30 June 2020	31 December 2020
Riyad Bank – as agent for the Murabaha facility participants	**4,425,661,763**	5,163,272,057	5,163,272,057
Less: Repaid during the period / year	**(368,805,147)**	(368,805,147)	(737,610,294)
Sub-total	**4,056,856,616**	4,794,466,910	4,425,661,763
Less: Transaction cost balance at the period / year end	**(13,946,353)**	(25,222,674)	(19,353,733)
	4,042,910,263	4,769,244,236	4,406,308,030

The rate of commission on the principal amount of the loan drawdown and outstanding for each commission period, is in the range of SIBOR plus 1% per annum for SAR Murabaha facility and LIBOR plus 1.1% per annum for US Dollar Murabaha facility.

The repayment of this loan started from 25 February 2017, starting at SAR 575 million and increasing over the term of the loan with the final repayment of SAR 3,448 million on 25 February 2023 (Note 35.9).

The upfront transaction cost balance is amortized over the term of the loan and the amortization for the period amounted to SAR 5,407,380 (30 June 2020: SAR 6,125,116 and 31 December 2020: SAR 11,994,057) (Note 35.11).

	30 June 2021	30 June 2020	31 December 2020
Total MPC borrowings (Note 35.8)	**4,042,910,263**	4,769,244,236	4,406,308,030

(All amounts in Saudi Riyals unless otherwise stated)

35.6 Facility utilized under SFA

MPC facility

	30 June 2021	30 June 2020	31 December 2020
HSBC Saudi Arabia – as agent for the sukuk facility	**3,500,000,000**	3,500,000,000	3,500,000,000
Less: Transaction cost balance at the period / year end	**(2,586,131)**	(3,266,635)	(2,930,519)
	3,497,413,869	3,496,733,365	3,497,069,481
The rate of commission on the principal amount of the loan drawdown and outstanding for each commission period, is in the range of SIBOR plus 1.35% per annum			
The one-time repayment of this loan will be on 20 February 2025 (Note 35.9).			
The upfront transaction cost balance is amortized over the term of the loan and the amortization for the period amounted to SAR 344,388 (30 June 2020: SAR 326,323 and 31 December 2020: SAR 662,439) (Note 35.11).			
Total MPC borrowings (Note 35.8)	**3,497,413,869**	3,496,733,365	3,497,069,481

35.7 Meridian

	30 June 2021	30 June 2020	31 December 2020
Commercial banks	**132,024,665**	138,193,679	136,383,866
Bank overdraft and other facilities	**61,725,590**	244,740,577	163,770,360
Total borrowings (Note 35.8)	**193,750,255**	382,934,256	300,154,226

(All amounts in Saudi Riyals unless otherwise stated)

35.8 Total borrowings

	Notes	30 June 2021	30 June 2020	31 December 2020
Facilities utilized under:				
CTAs:				
MAC – restructured on 14 December 2017	35.2	**10,570,066,125**	10,957,875,000	10,957,875,000
MRC – restructured on 19 December 2019	35.2	**1,448,125,000**	1,587,500,000	1,537,500,000
MBAC – restructured on 16 July 2018	35.2	**7,478,506,375**	7,814,240,125	7,676,801,125
MWSPC	35.2	**18,928,399,662**	19,103,399,662	19,103,399,662
MGBM facility	35.4	**1,152,000,000**	762,000,000	658,000,000
MFAs:				
MIC	35.5	**610,000,000**	688,000,000	649,000,000
MPC	35.5	**4,056,856,616**	4,794,466,910	4,425,661,763
SFA:				
MPC	35.6	**3,500,000,000**	3,500,000,000	3,500,000,000
Meridian	35.7	**193,750,255**	382,934,256	300,154,226
Sub-total	46.1.2, 47	**47,937,704,033**	49,590,415,953	48,808,391,776
Less: Transaction cost balance at the period / year end		**(623,496,887)**	(685,508,159)	(634,918,667)
Sub-total	35	**47,314,207,146**	48,904,907,794	48,173,473,109
Less: Current portion of borrowings shown under current liabilities				
MAC		**775,617,760**	387,808,875	775,617,750
MRC		**191,250,000**	139,375,000	178,750,000
MBAC		**369,865,125**	335,733,749	398,461,125
MWSPC		**496,244,760**	175,000,000	350,000,000
MGBM		**234,000,000**	210,000,000	222,000,000
MIC		**78,000,000**	78,000,000	78,000,000
MPC		**737,610,294**	737,610,294	737,610,294
Meridian		**113,677,633**	257,690,707	236,760,011
Sub-total	35,47	**2,996,265,572**	2,321,218,625	2,977,199,180
Long-term portion of borrowings	35,47	**44,317,941,574**	46,583,689,169	45,196,273,929

35.9 Maturity profile of long-term borrowings

	30 June 2021	30 June 2020	31 December 2020
2020	**-**	1,095,135,478	-
2021	**1,489,833,030**	2,515,682,718	2,977,199,180
2022	**3,789,170,581**	4,546,568,895	3,772,492,174
2023	**4,525,033,215**	5,483,265,998	4,525,033,215
2024	**3,039,861,415**	4,043,276,958	2,979,861,415
2025	**6,141,304,024**	7,074,663,544	6,061,304,024
2026	**2,627,675,976**	7,074,663,544	2,527,675,976
2027 thereafter	**26,324,825,792**	17,757,158,818	25,964,825,792
Total	**47,937,704,033**	49,590,415,953	48,808,391,776

35.10 Facilities' currency denomination

The Group's facilities have been contracted in United States Dollar (US$) and Saudi Riyals (SAR) and the drawdown balances of these facilities, represented in US$, are shown below:

	30 June 2021 (US$)	30 June 2020 (US$)	31 December 2020 (US$)
Public Investment Fund (US$)	**1,996,653,500**	2,036,484,500	2,017,784,500
Public Pension Agency (US$)	**1,759,974,230**	1,759,974,230	1,759,974,230
Islamic and commercial banks			
Procurement (US$)	**-**	-	-
Procurement (SAR)	**-**	-	-
Commercial (US$)	**418,301,035**	503,115,802	481,041,127
Wakala (SAR)	**561,637,334**	563,649,600	563,004,267
Murabaha (SAR)	**4,117,841,546**	4,234,577,280	4,217,272,213
Sub-total	**5,097,779,915**	5,301,342,682	5,261,317,607
Saudi Industrial Development Fund (SAR)	**1,319,200,000**	1,288,533,333	1,247,466,667
Murabaha facility (SAR)	**1,116,495,098**	1,259,491,177	1,193,243,137
Murabaha facility (USD)	**467,500,000**	552,500,000	510,000,000
Sukuk facility (SAR)	**933,333,333**	933,333,333	933,333,333
Riyal Murabaha facility (a working capital facility) (SAR)	**92,451,667**	92,451,667	92,451,667
Total	**12,783,387,743**	13,224,110,922	13,015,571,141

35.11 Amortization of transaction cost

	Notes	Quarter ended 30 June 2021	Quarter ended 30 June 2020	Six months ended 30 June 2021	Six months ended 30 June 2020	Year ended 31 December 2020
CTAs:						
MAC – restructured on 14 December 2017	35.2	**3,522,936**	3,518,124	**7,045,859**	7,036,248	14,072,497
MRC – restructured on 19 December 2019	35.2	**705,842**	1,255,869	**1,764,605**	2,511,738	5,026,184
MBAC – restructured on 16 July 2018	35.2	**3,642,692**	3,665,381	**7,285,384**	7,330,763	14,661,526
MWSPC	35.2	**12,378,507**	70,148,405	**24,548,224**	80,809,168	102,500,629
MGBM facility	35.4	**2,223,913**	2,903,249	**4,525,940**	5,912,590	11,224,106
MFAs:						
MIC	35.5	**250,000**	250,000	**500,000**	500,000	1,000,000
MPC	35.5	**2,650,927**	3,004,025	**5,407,380**	6,125,116	11,994,057
SFA:						
MPC	35.6	**172,774**	162,146	**344,388**	326,323	662,439
Sub-total	13	**25,547,591**	84,907,199	**51,421,780**	110,551,946	161,141,438
Less: Capitalised as part of capital work-in-progress						
MGBM	13.1,19	**(2,223,913)**	(895,766)	**(4,525,940)**	(1,561,552)	(11,224,106)
Total charged to finance cost		**23,323,678**	84,011,433	**46,895,840**	108,990,394	149,917,332

(All amounts in Saudi Riyals unless otherwise stated)

35.12 Security

The following assets were pledged as security for these long-term borrowings in accordance with the applicable CTAs:

	Notes	30 June 2021	30 June 2020	31 December 2020
Mine properties	16.2	**4,215,083,325**	4,863,088,629	4,616,711,558
Property, plant and equipment	17.2	**20,486,715,015**	21,531,961,757	20,990,652,045
Capital work-in-progress	19.1	**1,042,195,581**	760,153,960	795,377,798
Total		**25,743,993,921**	27,155,204,346	26,402,741,401

36 Provision for decommissioning, site rehabilitation and dismantling obligations

	Notes	30 June 2021	30 June 2020	31 December 2020
Gold mines	36.1	**186,644,492**	126,267,998	180,629,247
Bauxite mine	36.2	**142,955,450**	124,253,223	140,928,037
Phosphate mines	36.3	**197,522,224**	207,072,062	194,444,458
Low grade bauxite, kaolin and magnesite mines	36.4	**4,934,180**	4,746,854	4,838,703
Total		**532,056,346**	462,340,137	520,840,445

Decommissioning provisions are made for the mine closure, reclamation and dismantling obligation of the mine and the related plants and infrastructure. These obligations are expected to be incurred in the year in which the mine is expected to be closed. Management estimates the provision based on management's understanding of the current legal requirements in the Kingdom of Saudi Arabia, terms of the license agreements and engineering estimates.

The provision for mine decommissioning obligation represents the present value of full amount of the estimated future closure and reclamation costs for the various operational mining properties, based on information currently available including closure plans and applicable regulations. Future changes, if any, in regulations and cost assumptions may be significant and will be recognised when determined.

The movement in the provision for mine decommissioning obligation for each of the mines along with the year in which they commenced commercial production and expected date of closure is as follows:

(All amounts in Saudi Riyals unless otherwise stated)

36.1 Gold mines

	Notes	As Suq mine	Mahad mine	Ad Duwayhi mine	Al-Amar mine	Sukhaybarat mine	Bulghah mine	Total
1 January 2020		14,842,227	27,065,518	22,599,377	13,903,448	21,191,616	20,952,634	120,554,820
Increase arising from passage of time during the period	13	271,636	409,599	387,114	245,383	395,063	387,249	2,096,044
Reversal during the period credited to other income	14	-	(44,788)	-	-	-	-	(44,788)
(Decrease) / increase in provision during the period	16	(29,702)	-	711,489	1,177,946	1,267,204	534,985	3,661,922
30 June 2020	36	15,084,161	27,430,329	23,697,980	15,326,777	22,853,883	21,874,868	126,267,998
Increase arising from passage of time during the during the remainder of the year	13	1,124,310	1,695,343	1,658,309	1,038,492	1,807,718	1,773,447	9,097,619
Reversal during the remainder of the year credited to other income	14	-	(752,313)	-	-	-	-	(752,313)
(Decrease) / increase in provision during the remainder of the year	16	(197,493)	1,623,920	31,993,488	3,243,236	(3,995,287)	13,348,079	46,015,943
31 December 2020	36	16,010,978	29,997,279	57,349,777	19,608,505	20,666,314	36,996,394	180,629,247
Increase arising from passage of time during the period	13	145,053	201,181	558,101	149,166	284,737	509,730	1,847,968
Increase / (decrease) in provision during the period	16	96,280	278,255	439,057	147,802	1,148,988	2,056,895	4,167,277
Reclassifications during the period		1,868,093	(1,868,093)	-	-	-	-	-
30 June 2021	36	**18,120,404**	**28,608,622**	**58,346,935**	**19,905,473**	**22,100,039**	**39,563,019**	**186,644,492**
Commenced commercial production in		2014	1988	2016	2008	1991	2001	
Expected closure date in		2026	2024	2029	2025	2042	2042	

(All amounts in Saudi Riyals unless otherwise stated)

36.2 Bauxite mine

	Notes	Al-Ba'itha mine
1 January 2020		122,222,998
Increase arising from passage of time during the period	13	2,030,225
30 June 2020	36	124,253,223
Increase arising from passage of time during the remainder of the year	13	2,030,222
Increase in provision during the remainder of the year	16	14,644,592
31 December 2020	36	140,928,037
Increase arising from passage of time during the period	13	2,027,413
30 June 2021	36	**142,955,450**
Commenced commercial production in		2014
Expected closure date in		2058

36.3 Phosphate mines

	Notes	Al-Jalamid mine	Al-Khabra mine	Total
1 January 2020		77,082,576	126,580,117	203,662,693
Increase arising from passage of time during the period	13	1,290,147	2,119,222	3,409,369
30 June 2020	36	78,372,723	128,699,339	207,072,062
Increase arising from passage of time during the remainder of the year	13	1,290,147	266,793	1,556,940
Increase / (decrease) in provision during the remainder of the year	16	8,138,723	(22,323,267)	(14,184,544)
31 December 2020	36	87,801,593	106,642,865	194,444,458
Increase arising from passage of time during the period	13	1,162,729	1,915,037	3,077,766
30 June 2021	36	**88,964,322**	**108,557,902**	**197,522,224**
Commenced commercial production in		2008	2017	
Expected closure date in		2042	2045	

36.4 Low grade bauxite, kaolin and magnesite mines

	Notes	Az-Zabirah mine	Al-Ghazallah mine	Madinah plants	Total
1 January 2020		2,019,998	92,539	2,542,467	4,655,004
Increase arising from passage of time during the period	13	39,288	1,967	50,595	91,850
30 June 2020	36	2,059,286	94,506	2,593,062	4,746,854
Increase arising from passage of time during the year	16	39,288	1,966	50,595	91,849
31 December 2020	36	2,098,574	96,472	2,643,657	4,838,703
Increase arising from passage of time during the period	13	40,818	2,050	52,609	95,477
30 June 2021	36	**2,139,392**	**98,522**	**2,696,266**	**4,934,180**
Commenced commercial production in		2008	2011	2011	
Expected closure date in		2036	2057	2041	

(All amounts in Saudi Riyals unless otherwise stated)

37 Lease liabilities

	Notes	30 June 2021	30 June 2020	31 December 2020
Future minimum lease payments	37.1	**2,020,926,518**	2,223,316,320	2,127,852,382
Less: Future finance cost not yet due	37.2	**(766,173,493)**	(814,642,335)	(790,682,746)
Net present value of minimum lease payments	6.2, 46.3,48	**1,254,753,025**	1,408,673,985	1,337,169,636
Less: Current portion of lease liabilities shown under current liabilities		**(167,133,708)**	(223,595,331)	(163,555,939)
Long-term portion of lease liabilities		**1,087,619,317**	1,185,078,654	1,173,613,697

Maturity profile

Minimum lease payments falling due during the following years:

	30 June 2021	30 June 2020	31 December 2020
2020	**-**	149,167,878	-
2021	**121,805,528**	201,978,104	244,127,649
2022	**156,336,630**	136,013,692	149,371,305
2023	**104,287,591**	101,117,848	101,948,306
2024	**89,565,919**	90,867,526	85,126,949
2025	**89,432,707**	68,069,288	85,376,519
2026 thereafter	**1,459,498,143**	1,476,101,984	1,461,901,654
Total	**2,020,926,518**	2,223,316,320	2,127,852,382

37.1 Movement in future minimum lease payments:

		Quarter ended		Six months ended		Year ended
	Notes	30 June 2021	30 June 2020	30 June 2021	30 June 2020	31 December 2020
1 April / 1 January		**2,077,341,119**	2,064,170,755	**2,127,852,382**	2,092,572,575	2,092,572,575
Additions during the quarter / period / year	18	**3,772,947**	244,620,986	**36,769,764**	263,337,349	312,464,966
Payments during the quarter / period / year		**(60,186,163)**	(85,234,630)	**(134,538,254)**	(130,445,684)	(271,919,778)
Adjustment		**(1,385)**	(240,791)	**(9,157,374)**	(2,147,920)	(5,265,381)
30 June / 31 December	37	**2,020,926,518**	2,223,316,320	**2,020,926,518**	2,223,316,320	2,127,852,382

37.2 Movement in future finance cost:

		Quarter ended		Six months ended		Year ended
	Notes	30 June 2021	30 June 2020	30 June 2021	30 June 2020	31 December 2020
1 April / 1 January		**(776,825,620)**	(814,612,143)	**(790,682,746)**	(825,972,265)	(825,972,265)
Accretion of future finance cost during the quarter / period / year	13	**10,814,237**	16,810,538	**25,724,085**	29,474,843	55,451,071
Additions during the quarter / period / year	18	**(162,110)**	(16,862,255)	**(1,537,305)**	(18,246,173)	(20,544,134)
Adjustment		**-**	21,525	**322,473**	101,260	382,582
30 June / 31 December	37	**(766,173,493)**	(814,642,335)	**(766,173,493)**	(814,642,335)	(790,682,746)

The future minimum lease payments have been discounted, using an effective interest rate of approximately 3.3% to 4% per annum, to its present value.

(All amounts in Saudi Riyals unless otherwise stated)

38 Derivative financial instruments

	Notes	Quarter ended 30 June 2021	30 June 2020	Six months ended 30 June 2021	30 June 2020	Year ended 31 December 2020
1 April / 1 January		**351,542,560**	417,557,390	**425,875,705**	236,723,783	236,723,783
Net accrued derivative interest		**20,096,187**	1,524,561	**(11,372,737)**	11,758,537	26,641,843
Accrual during the quarter / period / year	13	**32,287,356**	22,040,874	**63,862,831**	33,858,944	93,187,934
Paid during the quarter / period / year		**(12,191,169)**	(20,516,313)	**(75,235,568)**	(22,100,407)	(66,546,091)
(Gain) / loss in fair value of hedge instrument charged to other comprehensive income	34.2	**(39,036,147)**	40,289,837	**(81,900,368)**	210,889,468	162,510,079
30 June / 31 December	46.3	**332,602,600**	459,371,788	**332,602,600**	459,371,788	425,875,705

(Gain) / loss in fair value of hedge instrument charged to other comprehensive income is attributable to:

	Note	Quarter ended 30 June 2021	30 June 2020	Six months ended 30 June 2021	30 June 2020	Year ended 31 December 2020
Ordinary shareholders of the parent company		**(29,238,074)**	30,177,088	**(61,343,376)**	157,956,212	121,720,049
Non-controlling interest	34.3	**(9,798,073)**	10,112,749	**(20,556,992)**	52,933,256	40,790,030
Total		**(39,036,147)**	40,289,837	**(81,900,368)**	210,889,468	162,510,079

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 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.

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 year.

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

Effective date	Maturity date	Notional amount
1 October 2018	29 September 2023	1,820,250,000
1 April 2019	1 April 2024	1,800,000,000
30 June 2019	28 June 2024	1,227,187,500
Total notional hedge exposure (Note 46.1.2)		**4,847,437,500**

The swap contracts require settlement of net interest receivable or payable every six months ending 31 March and 30 September. 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 2021	30 June 2020	31 December 2020
Carrying amount (liability)	**332,602,600**	459,371,788	425,875,705
Notional amount	**4,847,437,500**	4,847,437,500	4,847,437,500
Hedge ratio	**1:1**	1:1	1:1
(Gain) / loss in value of hedge item used to determine hedge effectiveness	**(79,179,429)**	210,889,468	162,510,079

Accumulated loss in fair value of outstanding hedging instruments

	Quarter ended 30 June 2021	30 June 2020	Six months ended 30 June 2021	30 June 2020	Year ended 31 December 2020
1 April / 1 January	**345,480,653**	396,434,426	**388,344,874**	225,834,795	225,834,795
(Gain) / loss for the quarter / period / year charged to other comprehensive income / (loss)	**(39,036,147)**	40,289,837	**(81,900,368)**	210,889,468	162,510,079
30 June / 31 December	**306,444,506**	436,724,263	**306,444,506**	436,724,263	388,344,874

(All amounts in Saudi Riyals unless otherwise stated)

39 Employees' benefits

	Notes	30 June 2021	30 June 2020	31 December 2020
Employees' end of service termination benefits obligation	39.1	**743,576,795**	672,843,684	708,307,551
Employees' savings plan	39.2	**144,964,306**	108,030,301	135,142,606
Total		**888,541,101**	780,873,985	843,450,157

39.1 Employees' end of service termination benefits obligation

The Group operates a termination benefit plan in line with the Labor Law requirement in the Kingdom of Saudi Arabia for each of the respective subsidiary entities. The end of service benefit payments under the plan are based on the employees' final salaries and allowances and their cumulative years of service at the date of their termination of employment, as defined by the conditions stated in the Labor Laws of the Kingdom of Saudi Arabia.

Employees' end of service termination benefit plans are unfunded plans and the benefit payment obligations are met when they are due.

Amounts recognized in the consolidated statement of financial position

The amounts recognised in the consolidated statement of financial position and the movements in the employees' end of service termination benefits obligation over the quarter / period / year are as follows:

	Notes	Quarter ended 30 June 2021	30 June 2020	Six months ended 30 June 2021	30 June 2020	Year ended 31 December 2020
1 April / 1 January		**723,115,348**	647,589,620	**708,307,551**	625,553,417	625,553,417
Total amount recognised in profit or loss		**34,123,019**	30,777,901	**63,729,359**	66,847,861	108,514,281
Current service cost		**28,519,816**	24,466,525	**52,740,754**	54,225,108	83,492,145
Finance cost	13	**5,603,203**	6,311,376	**10,988,605**	12,622,753	25,022,136
Loss attributable to the re-measurements of employees' end of service termination benefits obligation	39.1.1	**-**	-	**-**	-	12,196,393
Loss from change in financial assumptions		**-**	-	**-**	-	14,282,101
Experience gains		**-**	-	**-**	-	(2,085,708)
Settlements		**(13,661,572)**	(5,523,837)	**(28,460,115)**	(19,557,594)	(37,956,540)
30 June / 31 December	39	**743,576,795**	672,843,684	**743,576,795**	672,843,684	708,307,551

39.1.1 Loss attributable to the re-measurements of employees' end of service termination benefits obligation recognised in other comprehensive income:

	Note	Quarter ended 30 June 2021	30 June 2020	Six months ended 30 June 2021	30 June 2020	Year ended 31 December 2020
Re-measurement loss debited in other comprehensive income during the quarter / period / year*	39.1	**-**	-	**-**	-	12,196,393

*Re-measurement loss debited in other comprehensive income during the quarter / period / year is attributable to:

	Notes	Quarter ended 30 June 2021	30 June 2020	Six months ended 30 June 2021	30 June 2020	Year ended 31 December 2020
Shareholders of the parent company		**-**	-	**-**	-	9,591,478
Non-controlling interest	34.2,34.3	**-**	-	**-**	-	2,604,915
Total		**-**	-	**-**	-	12,196,393

(All amounts in Saudi Riyals unless otherwise stated)

39.1 Employees' end of service termination benefits obligation (continued)

Significant actuarial assumptions

The significant actuarial assumptions used in determining employees' end of service benefits obligation were as follows:

	30 June 2021	30 June 2020	31 December 2020
Discount rate	**2.60%**	4%	2.60%
Salary increase rate	**2.60%**	2.5-4%	2.60%
Mortality rate	**A80 table**	A80 table	A80 table
Withdrawal rate	**6%**	6%	6%

Sensitivity analysis

The sensitivity of the defined benefit obligation to changes in the weighted principal assumptions is:

	Sensitivity level % increase	Impact on termination benefit obligation	Sensitivity level % decrease	Impact on termination benefit obligation
30 June 2021				
Discount rate	**1%**	**(81,191,682)**	**1%**	**98,406,287**
Salary increase rate	**1%**	**97,360,682**	**1%**	**(42,648,005)**
Mortality rate	**10%**	**(129,851)**	**10%**	**130,232**
Withdrawal rate	**10%**	**(1,881,142)**	**10%**	**1,953,464**
30 June 2020				
Discount rate	1%	(70,336,397)	1%	86,897,150
Salary increase rate	1%	86,211,041	1%	(71,126,175)
Mortality rate	10%	(116,318)	10%	116,647
Withdrawal rate	10%	(1,765,772)	10%	1,841,408
31 December 2020				
Discount rate	1%	(81,191,682)	1%	98,406,287
Salary increase rate	1%	97,360,682	1%	(42,648,005)
Mortality rate	10%	(129,851)	10%	130,232
Withdrawal rate	10%	(1,881,142)	10%	1,953,464

The above sensitivity analyses are based on a change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur, and changes in some of the assumptions may be correlated. When calculating the sensitivity of the employees' end of service termination benefit obligation to significant actuarial assumptions the same method (present value of the employees' end of service termination benefit obligation calculated with the projected unit credit method at the end of the reporting period) has been applied as when calculating the employees' end of service termination benefit obligation recognised in the consolidated statement of financial position.

The methods and types of assumptions used in preparing the sensitivity analysis did not change compared to the prior year.

Effect of employees' end of service termination benefits obligation on entity's future cash flows

The weighted average duration of the employees' end of service termination benefits obligation is 12.77 years. The expected maturity analysis of undiscounted employees' end of service termination benefits obligation is as follows:

	30 June 2021	30 June 2020	31 December 2020
2020	**-**	33,331,090	-
2021	**49,020,007**	32,773,551	55,924,924
2022	**27,250,477**	23,496,869	27,250,477
2023	**27,248,439**	24,544,734	27,248,439
2024	**25,399,893**	23,726,642	25,399,893
2025	**32,114,004**	23,726,642	32,114,004
2026 and thereafter	**866,263,943**	948,407,963	843,912,144
Total	**1,027,296,763**	1,110,007,491	1,011,849,881

(All amounts in Saudi Riyals unless otherwise stated)

39.2 Employees' savings plan

	Notes	Quarter ended 30 June 2021	Quarter ended 30 June 2020	Six months ended 30 June 2021	Six months ended 30 June 2020	Year ended 31 December 2020
1 April / 1 January		**139,455,749**	105,505,718	**135,142,606**	96,845,788	96,845,788
Contribution for the quarter / period / year		**12,050,064**	11,460,619	**22,386,683**	29,687,669	77,512,639
Withdrawals during the quarter / period / year		**(6,541,507)**	(8,936,036)	**(12,564,983)**	(18,503,156)	(39,215,821)
30 June / 31 December	29,39	**144,964,306**	108,030,301	**144,964,306**	108,030,301	135,142,606

40 Projects, trade and other payables

	Notes	30 June 2021	30 June 2020	31 December 2020
Non-current portion				
Gross retention withheld from progress payments		**564,445,489**	621,603,403	577,764,617
Less: Current portion of retention payable (see below)		**(564,445,489)**	(621,603,403)	(577,764,617)
Present value of long-term portion of retention payable		**-**	-	-
Non-refundable contributions	40.1	**67,102,980**	80,842,973	72,140,088
Non-controlling interest put option	40.2	**111,593,078**	88,565,935	99,415,016
Sub-total		**178,696,058**	169,408,908	171,555,104
Current portion				
Current portion of retention payable (see above)		**564,445,489**	621,603,403	577,764,617
Projects		**1,097,289,824**	573,147,676	1,224,639,110
Trade		**2,114,834,837**	1,561,891,211	1,878,627,004
Advances from customers		**10,465,462**	9,920,844	27,615,435
Rebate payable to customers		**58,285,917**	82,327,002	81,782,400
Other		**58,107,719**	68,646,888	56,330,422
Sub-total		**3,903,429,248**	2,917,537,024	3,846,758,988
Total	46.3,48	**4,082,125,306**	3,086,945,932	4,018,314,092

40.1 Movement in non-refundable contributions

	Notes	Quarter ended 30 June 2021	Quarter ended 30 June 2020	Six months ended 30 June 2021	Six months ended 30 June 2020	Year ended 31 December 2020
1 April / 1 January		**69,601,041**	88,483,189	**72,140,088**	90,373,425	90,373,425
1% deduction from certain contractor's progress payments		**588,083**	478,856	**1,759,154**	1,712,855	3,149,511
Payments made to community support project		**(3,086,144)**	(8,119,072)	**(6,796,262)**	(11,243,307)	(21,382,848)
30 June / 31 December	40	**67,102,980**	80,842,973	**67,102,980**	80,842,973	72,140,088

Contributed by one of the MAC's and MWSPC's contractors to support the companies' objective to establish a social responsibility fund for the development of a community project.

(All amounts in Saudi Riyals unless otherwise stated)

40.2 Non-controlling interest Put options

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

	Notes	Quarter ended 30 June 2021	Quarter ended 30 June 2020	Six months ended 30 June 2021	Six months ended 30 June 2020	Year ended 31 December 2020
1 April / 1 January		**105,328,190**	83,593,801	**99,415,016**	78,900,805	78,900,805
Unwinding of discount debited to other reserves		**6,264,888**	4,972,134	**12,178,062**	9,665,130	20,514,211
30 June / 31 December	33, 40,49	**111,593,078**	88,565,935	**111,593,078**	88,565,935	99,415,016

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. The Group has estimated a gross cash outflow of range of Saudi Riyals 78.3 million to Saudi Riyals 110.6 million at the exercise of option. A pre-tax discount rate of 26% has been used for redemptions values based on the options.

41 Accrued expenses

	Notes	30 June 2021	30 June 2020	31 December 2020
Projects		**512,622,594**	304,026,348	606,982,747
Trade		**2,210,979,188**	1,635,990,861	1,672,444,802
Employees		**240,895,629**	221,394,267	295,366,668
Transaction cost on transfer of PIF loan to PPA	38.2	**-**	56,099,179	-
Accrued expenses – Alcoa Corporation	44.1,44.2	**40,958,874**	25,818,003	25,161,307
Accrued expenses – The Mosaic Company	44.1,44.2	**5,214,802**	8,819,142	3,246,533
Total	46.3,48	**3,010,671,087**	2,252,147,800	2,603,202,057

Accrued expenses for projects mainly represent the contract cost accruals in relation to Corporate and MGBM.

Accrued expenses for Alcoa Corporation mainly represent the personnel and other cost accruals related to the Alcoa Corporation employees seconded to MAC, MRC and MBAC.

Accrued expenses for The Mosaic Company mainly represents the personnel and other cost accruals related to the Mosaic employees seconded to MWSPC.

(All amounts in Saudi Riyals unless otherwise stated)

42 Zakat and income tax payable

	Notes	30 June 2021	30 June 2020	31 December 2020
Zakat payable	42.2	**112,840,290**	318,510,512	193,192,048
Income tax payable	42.5	**51,876,851**	4,858,698	11,311,475
Total		**164,717,141**	323,369,210	204,503,523

42.1 Components of zakat base

The significant components of the zakat base of each company under the zakat and income tax regulation are as follows:

- shareholders' equity at the beginning of the year,
- provisions at the beginning of the year,
- long term borrowings,
- adjusted net income,
- spare parts and consumable materials,
- net book value of mine properties,
- net book value of property, plant and equipment,
- net book value of capital work-in-progress,
- net book value of intangible assets,
- carrying value of investment in joint ventures and
- other items.

Zakat is payable at 2.578% of the zakat base, excluding adjusted profit for the year, attributable to the shareholders. Zakat on adjusted profit for the year is payable at 2.5%.

42.2 Zakat payable

	Notes	Quarter ended 30 June 2021	Quarter ended 30 June 2020	Six months ended 30 June 2021	Six months ended 30 June 2020	Year ended 31 December 2020
1 April / 1 January		**213,952,029**	301,250,262	**193,192,048**	256,524,753	256,524,753
Provision for zakat		**93,691,652**	31,089,221	**148,315,262**	81,598,967	161,279,813
Current quarter / period / year	42.3	**52,303,960**	30,818,262	**106,404,945**	58,533,646	137,999,463
Prior quarter / period / year under provision		**41,387,692**	270,959	**41,910,317**	23,065,321	23,280,350
Paid during quarter / period / year to the authorities	42.4	**(194,803,391)**	(13,828,971)	**(228,667,020)**	(19,613,208)	(224,612,518)
30 June / 31 December	42	**112,840,290**	318,510,512	**112,840,290**	318,510,512	193,192,048

(All amounts in Saudi Riyals unless otherwise stated)

42.3 Provision for zakat consists of:

	Notes	Quarter ended 30 June 2021	Quarter ended 30 June 2020	Six months ended 30 June 2021	Six months ended 30 June 2020	Year ended 31 December 2020
Saudi Arabian Mining Company		**-**	-	**7,144,147**	-	9,500,000
Ma'aden Gold and Base Metals Company	43.2	**3,673,713**	7,373,969	**10,493,233**	14,448,808	19,318,054
Industrial Minerals Company		**1,334,793**	1,412,570	**2,685,959**	1,951,012	3,983,740
Ma'aden Infrastructure Company		**1,091,557**	771,162	**2,556,671**	2,062,738	3,154,099
Ma'aden Fertilizer Company		**5,657**	-	**11,314**	-	23,305
Ma'aden Marketing and Distribution Company		**624,142**	-	**793,169**	-	-
Ma'aden Phosphate Company		**18,692,814**	6,248,230	**29,612,341**	7,945,214	32,176,761
Ma'aden Aluminium Company		**12,900,706**	2,426,644	**23,434,689**	6,007,930	17,096,969
Ma'aden Rolling Company		**9,585,008**	10,139,059	**19,409,926**	19,313,399	35,700,126
Ma'aden Bauxite and Alumina Company		**4,395,570**	2,446,628	**10,263,496**	6,804,545	17,046,409
Total	42.2	**52,303,960**	30,818,262	**106,404,945**	58,533,646	137,999,463

42.4 Status of final assessments

The Company and its wholly owned subsidiaries have diligently filed their consolidated zakat returns upto 2020 and has received provisional zakat certificates for the same.

During April 2017, the ZATCA issued final zakat assessments for the Company and its wholly owned subsidiaries for the 5 years starting from 2009 until 2013 with an additional zakat liability of SAR 46.3 million, which were accepted and fully paid by the Company. The Company received ZATCA assessment for the years starting from 2014 until 2018 with an additional zakat liability of SAR 112.6 million out of which the Company has paid SAR 67 million and filed an appeal on the balance of SAR 45.6 million.

No final assessment for the Company and its wholly owned subsidiaries for years 2019 to 2020, have been received from ZATCA.

For the remaining subsidiaries, comprising of Saudi and foreign shareholders, zakat and income tax returns have been filed diligently from the date of incorporation (see Note 2) until 31 December 2020 and provisional zakat and income tax certificates upto 31 December 2020 have been received. Certain subsidiaries have received ZATCA assessments amounting to SAR 43.8 million out of which SAR 0.2 million has been accepted by the subsidiaries and filed an appeal on the balance of SAR 43.6 million.

42.5 Income tax payable

	Notes	Quarter ended 30 June 2021	Quarter ended 30 June 2020	Six months ended 30 June 2021	Six months ended 30 June 2020	Year ended 31 December 2020
1 April / 1 January		**26,574,574**	11,646,563	**11,311,475**	10,845,066	10,845,066
Income tax expense	22.1	**33,065,490**	7,945,899	**48,328,589**	9,033,349	466,409
Current quarter / period / year	42.6	**33,065,490**	7,945,899	**48,328,589**	9,663,873	6,543,689
Prior quarter / period / year over provision		**-**	-	**-**	(630,524)	(6,077,280)
Paid during quarter / period / year to the authorities		**(7,763,213)**	(14,733,764)	**(7,763,213)**	(15,019,717)	-
30 June / 31 December	42	**51,876,851**	4,858,698	**51,876,851**	4,858,698	11,311,475

(All amounts in Saudi Riyals unless otherwise stated)

42.6 Provision for income tax consist of:

	Note	Quarter ended 30 June 2021	30 June 2020	Six months ended 30 June 2021	30 June 2020	Year ended 31 December 2020
Ma'aden Aluminium Company		**24,310,902**	(1,016,471)	**31,114,373**	701,503	6,543,689
Meridian		**8,754,588**	8,962,370	**17,214,216**	8,962,370	-
Total	42.5	**33,065,490**	7,945,899	**48,328,589**	9,663,873	6,543,689

43 Severance fees payable

	Notes	Quarter ended 30 June 2021	30 June 2020	Six months ended 30 June 2021	30 June 2020	Year ended 31 December 2020
1 April / 1 January		**265,450,863**	160,456,359	**210,793,374**	124,505,948	124,505,948
Provision for severance fee made during the quarter / period / year	8	**23,138,044**	64,861,199	**77,795,533**	100,811,610	207,197,069
Current quarter / period / year charge	43.1	**23,138,044**	68,457,504	**77,795,533**	104,407,915	210,793,372
Prior quarter / period / year adjustment		**-**	(3,596,305)	**-**	(3,596,305)	(3,596,303)
Paid during quarter / period / year to the authorities		**-**	(120,909,643)	**-**	(120,909,643)	(120,909,643)
30 June / 31 December		**288,588,907**	104,407,915	**288,588,907**	104,407,915	210,793,374

In accordance with the Saudi Mining Investment Code based on the Royal Decree No. 140/M dated 19 Shawwal 1441H (corresponding to 11 June 2020), the Group is required to pay to the Government of Saudi Arabia severance fees, representing equivalent of 20% of hypothetical income in addition to a specified percentage of the net value of the minerals upon extraction effective from 01 January 2021 which supersedes the Royal Decree No. 47/M dated 20 Sha'aban 1425H (corresponding to 4 October 2004), which required the Company to pay to the Government of Saudi Arabia severance fee representing 25% of the annual net income per mining license or the equivalent of 20% of hypothetical income, whichever was lower.

The zakat due shall be deducted from this amount. Therefore, the net income for each mining license registered in the name of the Company is subject to severance fees.

Severance fees are shown as part of cost of sales in the consolidated statement of profit or loss.

43.1 Provision for severance fees consists of:

	Notes	Quarter ended 30 June 2021	30 June 2020	Six months ended 30 June 2021	30 June 2020	Year ended 31 December 2020
Gold mines	43.2	**22,569,272**	68,093,279	**76,504,902**	103,719,515	209,307,695
Low grade bauxite		**294,324**	233,319	**863,104**	412,348	945,714
Kaolin		**202,804**	91,038	**271,203**	190,705	362,406
Magnesia		**50,738**	32,878	**113,023**	70,428	136,679
Dead burned magnesia		**14,430**	6,990	**33,770**	14,451	32,906
Monolithic		**1,021**		**1,020**		
Raw ore magnesia		**5,455**	-	**8,511**	468	7,972
Total	43	**23,138,044**	68,457,504	**77,795,533**	104,407,915	210,793,372

(All amounts in Saudi Riyals unless otherwise stated)

43 Severance fees payable (continued)

43.2 The provision for severance fees payable by gold mines is calculated as follows:

	Notes	Quarter ended 30 June 2021	Quarter ended 30 June 2020	Six months ended 30 June 2021	Six months ended 30 June 2020	Year ended 31 December 2020
Net value of minerals upon extraction for the quarter / period / year		**128,880,585**	-	**642,806,910**	-	-
1.5% Ad Valorem fee on extracted minerals for the quarter / period / year		**1,604,781**	-	**9,313,676**	-	-
Hypothetical income tax at 20% based on quarter's / period's / year's taxable net income		**24,638,204**	-	**77,684,459**	-	-
Provision for severance fees for the quarter / period / year		**26,242,985**	-	**86,998,135**	-	-
Net income from operating mines before zakat and severance fee for the quarter / year		**-**	277,798,865	**-**	472,673,291	945,367,909
25% of the quarter's / period's / year's net income as defined		**-**	69,449,717	**-**	118,168,323	236,341,977
Hypothetical income tax based on quarter's / period's / year's taxable net income		**-**	41,913,861	**-**	120,127,119	228,625,749
Provision based on the lower of the above two computations		**-**	75,467,248	**-**	118,168,323	228,625,749
Deduction of provision for zakat	42.3	**(3,673,713)**	(7,373,969)	**(10,493,233)**	(14,448,808)	(19,318,054)
Net severance fee provision for the quarter / period / year	43.1	**22,569,272**	68,093,279	**76,504,902**	103,719,515	209,307,695

(All amounts in Saudi Riyals unless otherwise stated)

44 Related party transactions and balances

44.1 Related party transactions

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

Transactions with different non-controlling shareholders in subsidiaries

	Notes	Six months ended 30 June 2021	30 June 2020	Year ended 31 December 2020
Sales of MAC to Alcoa Inespal, S.A., in accordance with a shareholders off-take agreement, during the period / year		**602,378,212**	430,802,156	943,449,656
Sales of MPC through SABIC, in accordance with a marketing agreement, during the period / year		**816,291,911**	560,925,775	1,267,745,958
Sales of MWSPC through SABIC, in accordance with a marketing agreement, during the period / year		**397,341,893**	167,592,345	437,335,391
Sales of MWSPC through The Mosaic Company, in accordance with a marketing agreement, during the period / year		**411,327,888**	350,556,903	750,860,049
Cost of seconded employees, technology fee and other cost paid to Alcoa Corporation during the period / year	41	**11,416,007**	17,950,878	27,137,505
Cost of seconded employees, technology fee and other cost paid to The Mosaic Company during the period / year	41	**12,799,156**	22,585,355	45,255,332
Purchase of raw material supplies from Saudi Aramco		**675,336,997**	269,366,916	593,604,687
MPC		**403,886,625**	157,669,469	300,929,326
MWSPC		**271,450,372**	111,697,447	292,675,361

44.2 Related party balances

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

	Notes	30 June 2021	30 June 2020	31 December 2020
Trade and other receivables due from:				
Non-controlling shareholders:				
• SABIC in MPC - trade		**94,062,584**	183,999,047	123,416,016
• SABIC in MWSPC - trade		**170,696,172**	23,038,626	28,918,417
Sub-total – trade receivables due from SABIC	27	**264,758,756**	207,037,673	152,334,433
• The Mosaic Company in MWSPC - trade	27	**183,574,032**	129,566,377	65,732,053
Sub-total – trade receivables due from non-controlling shareholders		**448,332,788**	336,604,050	218,066,486
Subsidiaries of a non-controlling shareholder:				
• Alcoa Inespal, S.A. in MAC - trade	27	**113,293,149**	67,914,161	94,601,698
• Alcoa Warrick LLC in MAC - trade	27	**201,692,145**	124,500,281	67,943,908
Sub-total – trade receivable due from Alcoa		**314,985,294**	192,414,442	162,545,606
A joint venture company:				
• MBCC - other	27	**225,555**	86	86
Parent company of a non-controlling shareholder:				
• Rebate receivable from Saudi Aramco related to purchase of molten sulfur	27	**249,071,315**	-	225,549,220
Total		**1,012,614,952**	529,018,578	606,161,398

(All amounts in Saudi Riyals unless otherwise stated)

44.2 Related party balances (continued)

	Notes	30 June 2021	30 June 2020	31 December 2020
***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 – restructured on 14 December 2017	35.2	**4,275,375,000**	4,275,375,000	4,275,375,000
MBAC facility – restructured on 16 July 2018	35.2	**3,212,075,625**	3,361,441,875	3,291,316,875
Total		**7,487,450,625**	7,636,816,875	7,566,691,875

The Group also has borrowing arrangements with certain other governmental agencies at market terms. See Note 35.2 for significant transactions entered during the quarter / period / year.

	Notes	30 June 2021	30 June 2020	31 December 2020
Payable to the parent company (ultimate shareholder) of a non-controlling shareholder:				
• Payments to increase share capital received from Alcoa Corporation in MBAC		**68,155,432**	68,155,432	68,155,432
• Accrued expenses due to Alcoa Corporation in MAC, MRC and MBAC	41	**40,958,874**	25,818,003	25,161,307
Total		**109,114,306**	93,973,435	93,316,739
Payable to the parent company of a non-controlling shareholder:				
• Payable to Saudi Aramco by MPC and MWSPC		**13,154,260**	30,466,318	68,876,566
Payable to a non-controlling shareholder				
• Accrued expenses due to The Mosaic Company in MWSPC	41	**5,214,802**	8,819,142	3,246,533

44.3 Key management personnel compensation

	Quarter ended 30 June 2021	Quarter ended 30 June 2020	Six months ended 30 June 2021	Six months ended 30 June 2020	Year ended 31 December 2020
Short-term employee benefits	**11,482,769**	10,842,409	**22,949,412**	22,611,450	25,852,077
Employees' end of service termination benefits	**673,263**	866,456	**1,163,555**	1,806,962	1,829,763
Total	**12,156,032**	11,708,865	**24,112,967**	24,418,412	27,681,840

(All amounts in Saudi Riyals unless otherwise stated)

45 Commitments and contingent liabilities

45.1 Capital commitments

	30 June 2021	30 June 2020	31 December 2020
Capital expenditure contracted for:			
Property, plant and equipment	**3,515,943,938**	4,677,378,051	4,298,324,606

45.2 Guarantees

	30 June 2021	30 June 2020	31 December 2020
Guarantee in favor of Saudi Aramco, for future diesel and gas feedstock supplies	**123,670,244**	111,520,244	111,520,244
Guarantee in favor of Saudi Aramco for future supply of molten sulfur	**234,375,000**	234,375,000	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	262,500,000
Guarantee in favor of Saudi Ports Authority	**6,671,580**	6,810,838	6,671,580
Guarantees in favor of Jordan Phosphate Mine for future supply of concentrated ore	**-**	107,620,047	-
Guarantee in favor of Andritz SAS, for future supply of materials	**13,780,180**	-	16,383,897
Guarantee in favor of Mitsubishi Corporation, for future supply of materials	**-**	-	11,910,300
Others	**1,351,480**	4,822,012	4,535,286
Total	**642,348,484**	727,648,141	647,896,307

45.3 Letters of credit

	30 June 2021	30 June 2020	31 December 2020
Sight letters of credit for purchasing equipment and materials	**14,911,176**	5,894,661	1,426,527
Letter of credit in favor of General Electric Global Services	**900,000**	3,375,000	3,375,000
Total	**15,811,176**	9,269,661	4,801,527

45.4 Contingent liabilities

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. These contingent liabilities arise out of the ordinary course of business. It is not anticipated that any material liabilities will be incurred as a result of these contingent liabilities.

46 Financial risk management

The Group's activities expose it to a variety of financial risks such as:

- market risk
- credit risk and
- liquidity risk

46.1 Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises of three types of risk:

- foreign currency exchange risk,
- commission (interest) rate risk and
- commodity price risk

Financial instruments affected by market risk includes other investments, due from joint venture partner, trade receivables, time deposits, cash and cash equivalents, long-term borrowings, lease liabilities, projects, trade and other payables, accrued expenses and derivative financial instruments.

The sensitivity analysis in the following sections relate to the positions as at the reporting date.

The sensitivity analysis has been prepared on the basis that the amount of net debt, the ratio of fixed-to-floating interest rates on the debt and derivatives and the proportion of financial instruments in foreign currencies are all constant. The sensitivity analysis is intended to illustrate the sensitivity to changes in market variables on the Group's financial instruments and show the impact on profit or loss and shareholders' equity, where applicable.

The Group's overall risk management program focuses on the unpredictability of financial market and seeks to minimize potential adverse effects on the Group's financial performance.

46.1.1 Foreign currency exchange risk

Currency risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Group's functional and reporting currency is the Saudi Riyal. The Group's transactions are principally in Saudi Riyals, US Dollars and Euros. Management monitor the fluctuations in currency exchange rates and believes that the currency risk is not significant. The bulk of the exposure is in USD and the Saudi Riyal is pegged at SAR 3.75 : USD 1 therefore, the Group is not exposed to any risk from USD denominated financial instruments.

All commodity sales contracts are USD price and so is the bulk of the procurement and capital expenditure contracts.

Foreign currency exposure

The Group's exposure to foreign currency risk at the end of the reporting period, expressed in SAR, was as follows:

	30 June 2021	30 June 2020	31 December 2020
Project, trade and other payables and accrued expenses	**38,373,384**	22,945,723	26,136,572

Amount recognised in consolidated interim financial statements

During the quarter / period / year, the following foreign exchange related amounts were recognised in the consolidated interim statement of profit or loss:

		Quarter ended		Six months ended		Year ended
	Note	30 June 2021	30 June 2020	30 June 2021	30 June 2020	31 December 2020
Foreign exchange gain / (loss) included in other income / (expense), net	14	**8,505,433**	22,962,604	**10,083,926**	(49,047,994)	(122,763,792)

(All amounts in Saudi Riyals unless otherwise stated)

46 Financial risk management (continued)

46.1.1 Foreign currency exchange risk (continued)

Foreign currency sensitivity analysis

As shown in the table above, the Group is primarily exposed to changes in SAR / EURO exchange rates. The sensitivity of profit or loss and equity to changes in the foreign exchange rates arises mainly from EURO denominated balances.

Impact on post-tax profit / equity of increase / (decrease) in foreign exchange rate:

	Quarter ended 30 June 2021	Quarter ended 30 June 2020	Six months ended 30 June 2021	Six months ended 30 June 2020	Year ended 31 December 2020
SAR/ EURO exchange rate					
- Increase by 10%	**(1,605,162)**	(90,062)	**(1,586,500)**	(1,540,389)	(1,320,642)
- decrease by 10%	**1,605,162**	90,062	**1,586,500**	1,540,389	1,320,642

The Group's exposure to other foreign exchange movements is not material.

46.1.2 Interest rate risk

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Group's exposure to the risk of changes in market interest rates relates primarily to the Group's long-term borrowing which expose the Group to cash flow interest rate risk.

The Group's receivables and fixed rate borrowings carried at amortised cost are not subject to interest rate risk as defined in IFRS 7, since neither the carrying amount nor the future cash flows will fluctuate because of a change in market interest rates. Hence, the Group's exposure to fair value interest rate risk is not material.

Cash flow hedge

The Group has entered into interest rate swap agreements which have been designated as cash flow hedge. Since the critical terms under the hedging arrangement are similar, the hedging effectiveness is expected to remain 100% throughout the life of the hedging arrangement. Below is the notional amount covered under the hedging arrangement:

	Note	30 June 2021	30 June 2020	31 December 2020
Notional amount hedged	38	**4,847,437,500**	4,847,437,500	4,847,437,500

Other comprehensive income is sensitive to higher / lower interest expense from net settled derivative as a result of changes in interest rates. The Group's other comprehensive income is affected as follows:

	Quarter ended 30 June 2021	Quarter ended 30 June 2020	Six months ended 30 June 2021	Six months ended 30 June 2020	Year ended 31 December 2020
Interest rate					
- increase by 100 basis points	**125,330,194**	46,185	**128,785,500**	4,367,242	(64,084,662)
- decrease by 100 basis points	**(125,330,194)**	(46,185)	**(128,785,500)**	(4,367,242)	64,084,662

Interest rate exposure

The exposure of the Group's borrowing to interest rate changes and the contractual re-pricing dates of the variable interest rate borrowings at the end of the reporting period are as follows:

	Note	30 June 2021	30 June 2020	31 December 2020
Fixed interest rate borrowings		**4,947,000,000**	4,832,000,000	4,678,000,000
Variable interest rate borrowings – repricing dates 6 months or less		**42,990,704,033**	44,758,415,953	44,130,391,776
Total	35.8	**47,937,704,033**	49,590,415,953	48,808,391,776

(All amounts in Saudi Riyals unless otherwise stated)

46 Financial risk management (continued)

46.1.2 Interest rate risk (continued)

Interest rate sensitivity analysis

Profit or loss and equity is sensitive to higher / lower interest expense from long-term borrowings as a result of changes in interest rates. The Group's profit before tax is affected as follows:

	30 June 2021	30 June 2020	31 December 2020
Interest rate			
- increase by 100 basis points	**(411,763,149)**	(456,181,704)	(882,987,961)
- decrease by 100 basis points	**411,763,149**	456,181,704	882,987,961

Transition from LIBOR to risk free rates

In July 2017, the United Kingdom Financial Conduct Authority ('FCA'), which regulates the London Interbank Offered Rate ('LIBOR'), announced that the interest benchmark would cease after 2021. LIBOR is one of the most common series of benchmark interest rates.

LIBOR reforms and expectation of cessation of LIBOR will impact the Group's current risk management strategy and possibly accounting for certain financial instruments. The Group has long-term borrowings of SAR 17,409,107,868 which are exposed to the impact of LIBOR as at 30 June 2021 (Note 35.8).

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.

46.1.3 Commodity price risk

The Group is exposed to the risk of fluctuations in prevailing market commodity prices on the mix of the mineral products it produces.

The Group makes sale of certain gold, by-products, phosphate and aluminium products on a provisional pricing basis. Revenue and a corresponding receivable from the sale of provisionally priced commodities is recognised when control over the promised goods have been transferred to the customer (which would generally be at a point in time, i.e. the date of delivery) and revenue can be measured reliably. At this date, the amount of revenue and receivable to be recognised will be estimated based on the forward market price of the commodity being sold.

However, the Group faces a risk that future adverse change in commodity prices would result in the reduction of receivable balance. The Group's normal policy is to sell its products at prevailing market prices. The Group does not generally believe commodity price hedging would provide long-term benefit to the shareholders.

Commodity price exposure

The exposure of the Group's trade receivables balance to changes in commodity prices are as follows:

	Note	30 June 2021	30 June 2020	31 December 2020
Trade receivables pertaining to:				
Phosphate		**1,847,597,045**	1,214,254,995	1,315,441,992
Aluminium		**1,335,462,252**	875,366,683	952,932,316
Gold		**164,011,354**	234,935,798	184,133,799
Total	27	**3,347,070,651**	2,324,557,476	2,452,508,107

Policies and procedure to manage commodity price risk

The Group policy is to manage these risks through the use of contract-base prices with customers.

(All amounts in Saudi Riyals unless otherwise stated)

46 Financial risk management (continued)

46.1.3 Commodity price risk (continued)

Commodity price sensitivity analysis

The table below shows the impact on profit before tax and equity for changes in commodity prices. The analysis is based on the assumption that phosphate, aluminium and gold prices move 10% with all other variables held constant.

	30 June 2021	30 June 2020	31 December 2020
Increase / (decrease) in phosphate prices			
Increase of 10% in USD per tonne	**130,891,027**	119,871,731	99,082,383
Decrease of 10% in USD per tonne	**(130,891,027)**	(119,871,731)	(99,082,383)
Increase / (decrease) in aluminium LME prices			
Increase of 10% in USD per tonne	**294,316,774**	228,449,529	332,615,269
Decrease of 10% in USD per tonne	**(294,316,774)**	(228,449,529)	(332,615,269)
Increase / (decrease) in gold prices			
Increase of 10% in USD per oz	**119,730,707**	143,858,315	273,506,314
Decrease of 10% in USD per oz	**(119,730,707)**	(143,858,315)	(273,506,314)

Physical commodity contracts

The Group enters into physical commodity contracts in the normal course of business. These contracts are not derivatives and are treated as executory contracts, which are recognized and measured at cost when the transaction occur.

46.2 Credit risk

Is the risk that one party will fail to discharge an obligation and cause the other party to incur a financial loss.

The Group is exposed to credit risk if counterparties fail to make payments as they fall due.

Credit risk exposure

The Group ensures that the cash collection is made on time from its counterparties, including deposits with banks and financial institutions. Credit limits are established for all customers based on internal rating criteria. Outstanding trade receivables are regularly monitored and any credit concerns highlighted to senior management.

The Group has limited number of customers and have no history of defaults. The Group calculates life time ECL through an internally developed model. Life time ECL is computed based on days past due and rating grade of the counterparty. An allowance for life time ECL is reported either as “not impaired” or “impaired” exposure accordingly.

Cash and short-term investments are substantially placed with commercial banks with sound credit ratings. Time deposits are placed with financial institutions with investment grade rating, which are considered to have low credit risk, hence provision is recognised at an amount equal to 12 month ECL unless there is evidence of significant increase in credit risk of the counter party.

There are no significant concentrations of credit risk, whether through exposure to individual customers, specific industry sectors and/or regions.

(All amounts in Saudi Riyals unless otherwise stated)

46 Financial risk management (continued)

46.2 Credit risk (continued)

The Group considers the probability of default upon initial recognition of asset and whether there has been a significant increase in credit risk on an ongoing basis throughout each reporting period. To assess whether there is a significant increase in credit risk the Group compares the risk of a default occurring on the asset as at the reporting date with the risk of default as at the date of initial recognition. It considers available reasonable and supportive forward-looking information. Especially the following indicators are incorporated:

- External credit rating (as far as available)
- Actual or expected significant adverse changes in business, financial or economic conditions that are expected to cause a significant change to the borrower's ability to meet its obligations
- Significant increases in credit risk on other financial instruments of the same borrower
- Significant changes in the value of the collateral supporting the obligation or in the quality of third-party guarantees or credit enhancements
- Significant changes in the expected performance and behaviour of the borrower, including changes in the payment status of borrowers in the Group and changes in the operating results of the borrower

	Note	Life time ECL not credit impaired	Life time ECL credit impaired	Total
Trade and other receivable (less VAT receivable and employees' home ownership program receivables)	27	3,700,506,823	-	3,700,506,823
Less: Allowance for expected credit losses				
Secured		-	-	-
Unsecured	27.1	(23,706,994)	-	(23,706,994)
Carrying amount		**3,676,799,829**	**-**	**3,676,799,829**

	Notes	12 month ECL	Life time ECL not credit impaired	Life time ECL credit impaired	Total
Time deposits	28	700,000,000	-	-	700,000,000
Less: Credit loss allowance	28.1	(2,201,194)	-	-	(2,201,194)
Carrying amount		**697,798,806**	**-**	**-**	**697,798,806**

Impairment losses on time deposits recognized in consolidated statement of profit or loss were as follows:

	Note	Quarter ended 30 June 2021	Quarter ended 30 June 2020	Six months ended 30 June 2021	Six months ended 30 June 2020	Year ended 31 December 2020
1 April / 1 January		**2,201,194**	2,201,194	**2,201,194**	2,201,194	2,201,194
Increase in allowance during the quarter / period / year		**-**	-	**-**	-	-
30 June / 31 December	28.1	**2,201,194**	2,201,194	**2,201,194**	2,201,194	2,201,194

(All amounts in Saudi Riyals unless otherwise stated)

46 Financial risk management (continued)

46.2 Credit risk (continued)

Trade receivables

The analysis of trade receivables that were past due but not impaired are as follows:

	Note	30 June 2021	30 June 2020	31 December 2020
Neither past due nor impaired		**3,237,466,018**	2,273,993,963	2,385,762,918
Past due not impaired				
< 30 days		**81,282,586**	24,966,425	46,444,081
30-60 days		**22,006,378**	10,674,666	19,630,649
61-90 days		**4,133,544**	1,127,962	989
> 90 days, net		**2,182,125**	13,794,460	669,470
Total	27	**3,347,070,651**	2,324,557,476	2,452,508,107

46.3 Liquidity risk

Liquidity risk is the risk that the Group will encounter difficulty in raising funds to meet commitments associated with financial instruments.

Prudent liquidity risk management implies maintaining sufficient cash and marketable securities and the availability of funding through an adequate amount of committed credit facilities to meet obligations when due and to close out market positions. The Group held the following deposits and cash and cash equivalents that are expected to readily generate cash inflows for managing liquidity risk. Further, Group treasury maintains flexibility in funding by maintaining availability under committed credit lines.

	Notes	30 June 2021	30 June 2020	31 December 2020
Time deposits	28	**700,000,000**	1,348,750,000	1,465,000,000
Unrestricted cash and cash equivalents	29	**4,910,221,954**	4,000,461,231	4,111,070,912
Total		**5,610,221,954**	5,349,211,231	5,576,070,912

Liquidity risk exposure

The Group had access to the following undrawn borrowing facilities at the end of the period / year:

	Note	30 June 2021	30 June 2020	31 December 2020
Floating rate				
- Expiring beyond 1 year				
• Syndicated revolving credit facility	35.1	**7,500,000,000**	7,500,000,000	7,500,000,000
• Other facilities (mainly for project financing)		**403,306,250**	403,306,250	403,306,250
Fixed rate				
- Expiring within 1 year		**-**	-	-
- Expiring beyond 1 year		**600,000,000**	-	-
Total		**8,503,306,250**	7,903,306,250	7,903,306,250

(All amounts in Saudi Riyals unless otherwise stated)

46 Financial risk management (continued)

46.3 Liquidity risk (continued)

Maturities of financial liabilities

The tables below analyze the Group's financial liabilities into relevant maturity groupings based on their contractual maturities for:

- all non-derivative financial liabilities and
- net and gross settled derivative financial instruments for which the contractual maturities are essential for an understanding of the timing of the cash flows.

The amounts disclosed in the table are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying balances as the impact of discounting is not significant.

Contractual maturities of financial liabilities	1st year	2nd year	3 - 5 years	Over 5 years	Total contractual cash flows	Carrying amount of liabilities
Non-derivatives as at:						
30 June 2021						
Long-term borrowings (Note 35)	2,476,566,915	4,954,825,152	16,776,015,910	33,740,522,605	57,947,930,582	47,439,046,130
Lease liabilities (Note 37)	121,805,528	156,336,630	283,286,217	1,459,498,143	2,020,926,518	1,254,753,025
Derivative financial instruments (Note 38)	332,602,600	-	-	-	332,602,600	332,602,600
Projects, trade and other payables (Note 40)	3,903,429,248	178,696,058	-	-	4,082,125,306	4,082,125,306
Accrued expenses (Note 41)	3,010,671,087	-	-	-	3,010,671,087	3,010,671,087
Total	**9,845,075,378**	**5,289,857,840**	**17,059,302,127**	**35,200,020,748**	**67,394,256,093**	**56,119,198,148**
Non-derivatives as at:						
30 June 2020						
Long-term borrowings (Note 35)	2,465,386,919	3,721,665,864	14,580,891,651	39,400,953,093	60,168,897,527	49,092,188,620
Lease liabilities (Note 37)	149,167,878	201,978,104	327,999,066	1,544,171,272	2,223,316,320	1,408,673,985
Derivative financial instruments (Note 38)	459,371,788	-	-	-	459,371,788	459,371,788
Projects, trade and other payables (Note 40)	2,917,537,024	169,408,908	-	-	3,086,945,932	3,086,945,932
Accrued expenses (Note 41)	2,252,147,800	-	-	-	2,252,147,800	2,252,147,800
Total	**8,243,611,409**	**4,093,052,876**	**14,908,890,717**	**40,945,124,365**	**68,190,679,367**	**56,299,328,125**
Non-derivatives as at:						
31 December 2020						
Long-term borrowings (Note 35)	4,052,837,139	4,971,211,699	16,616,640,707	33,141,754,379	58,782,443,924	48,301,731,906
Lease liabilities (Note 37)	244,127,649	149,371,305	272,451,774	1,461,901,654	2,127,852,382	1,337,169,636
Derivative financial instruments (Note 38)	425,875,705	-	-	-	425,875,705	425,875,705
Projects, trade and other payables (Note 40)	3,846,758,988	171,555,104	-	-	4,018,314,092	4,018,314,092
Accrued expenses (Note 41)	2,603,202,057	-	-	-	2,603,202,057	2,603,202,057
Total	**11,172,801,538**	**5,292,138,108**	**16,889,092,481**	**34,603,656,033**	**67,957,688,160**	**56,686,293,396**

(All amounts in Saudi Riyals unless otherwise stated)

47 Capital management

Risk management

The Group's objectives when managing capital are to

- safeguard their ability to continue as a going concern, so that they can continue to provide returns for shareholders and benefits for other stakeholders, and
- maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

The net debts of the Group are as follows:

	Notes	30 June 2021	30 June 2020	31 December 2020
Net debt				
Time deposits	28	**700,000,000**	1,348,750,000	1,465,000,000
Cash and cash equivalents	29	**4,910,221,954**	4,000,461,231	4,111,070,912
Long-term borrowings - payable within one year	35.8	**(1,489,833,030)**	(1,095,135,478)	(2,977,199,180)
Long-term borrowings - payable after one year	35.8	**(46,447,871,003)**	(48,495,280,475)	(45,831,192,596)
Lease liabilities - payable within one year	37	**(121,805,528)**	(149,167,878)	(244,127,649)
Lease liabilities - payable after one year	37	**(1,899,120,990)**	(2,074,148,442)	(1,883,724,733)
Net debt		**(44,348,408,597)**	(46,464,521,042)	(45,360,173,246)

(All amounts in Saudi Riyals unless otherwise stated)

47 Capital management (continued)

Net debt reconciliation

The movement in net debt is as follows:

		Other assets		Liabilities from financing activities				
	Notes	Time deposits (Note 28)	Cash and cash equivalents (Note 29)	Long-term borrowings - payable within one year (Note 35.8)	Long-term borrowings - payable after one year (Note 35.8)	lease liabilities - payable within one year (Note 37)	lease liabilities - payable after one year (Note 37)	Total
1 January 2020		3,159,175,000	3,508,050,288	(2,436,219,781)	(47,818,857,281)	(208,480,827)	(1,884,091,748)	(45,680,424,349)
Additions during the period	37.1	-	-	-	-	-	(263,337,349)	(263,337,349)
Adjustment	37.1	-	-	-	-	-	2,147,920	2,147,920
Cash flows for the period		(1,810,425,000)	492,410,943	1,341,084,303	(676,423,194)	59,312,949	71,132,735	(522,907,264)
30 June 2020		1,348,750,000	4,000,461,231	(1,095,135,478)	(48,495,280,475)	(149,167,878)	(2,074,148,442)	(46,464,521,042)
Additions during the remainder of the year	37.1	-	-	-	-	-	(49,127,617)	(49,127,617)
Adjustment	37.1	-	-	-	-	-	3,117,461	3,117,461
Cash flows for the remainder of the year		116,250,000	110,609,681	(1,882,063,702)	2,664,087,879	(94,959,771)	236,433,865	1,150,357,952
31 December 2020		1,465,000,000	4,111,070,912	(2,977,199,180)	(45,831,192,596)	(244,127,649)	(1,883,724,733)	(45,360,173,246)
Additions during the period	37.1	-	-	-	-	-	(36,769,764)	(36,769,764)
Adjustment	37.1	-	-	-	-	-	9,157,374	9,157,374
Cash flows for the period		(765,000,000)	799,151,042	1,487,366,150	(616,678,407)	122,322,121	12,216,133	1,039,377,039
30 June 2021		**700,000,000**	**4,910,221,954**	**(1,489,833,030)**	**(46,447,871,003)**	**(121,805,528)**	**(1,899,120,990)**	**(44,348,408,597)**

(All amounts in Saudi Riyals unless otherwise stated)

47 Capital management (continued)

Consistent with others in the industry, the Group monitors capital on the basis of the following gearing ratio:

"Long-term borrowings divided by total equity and long-term borrowings (as shown in the consolidated statement of financial position, including non-controlling interests)."

The gearing ratios, in accordance with the financial covenants pertaining to the long-term borrowings (Note 35.1), as at the end of the period / year were as follows:

	Note	30 June 2021	30 June 2020	31 December 2020
Long term borrowings	35	**47,439,046,130**	49,092,188,620	48,301,731,906
Total equity		**39,574,108,046**	36,711,246,778	37,299,769,740
Total equity and net debt		**87,013,154,176**	85,803,435,398	85,601,501,646
Debt to equity ratio		**0.55**	0.57	0.56

Loan covenants

As at 30 June 2021, MWSPC was not in compliance with certain of its loan covenants related to maintenance of certain financial ratios as per the loan agreements with SIDF. However, the company has obtained exemptions from SIDF in respect of such non-compliances and accordingly, the Company is not required to comply with such covenants for the year ending 31 December 2021.

48 Financial assets and financial liabilities

The Group holds the following classes of financial instruments:

	Notes	Amortised cost	FVTPL	Total
Financial assets				
As at 30 June 2021				
Other investments	23	**38,390,000**	**-**	**38,390,000**
Trade and other receivable (less VAT and employees' home ownership program receivables)	27	**1,465,440,249**	**2,211,359,580**	**3,676,799,829**
Time deposits	28	**699,414,282**	**-**	**699,414,282**
Cash and cash equivalents	29	**5,055,186,260**	**-**	**5,055,186,260**
Total		**7,258,430,791**	**2,211,359,580**	**9,469,790,371**
As at 30 June 2020				
Other investments	23	40,800,000	-	40,800,000
Trade and other receivable (less VAT and employees' home ownership program receivables)	27	1,036,971,969	1,654,362,427	2,691,334,396
Time deposits	28	1,360,919,170	-	1,360,919,170
Cash and cash equivalents	29	4,108,491,532	-	4,108,491,532
Total		6,547,182,671	1,654,362,427	8,201,545,098
As at 31 December 2020				
Other investments	23	38,390,000	-	38,390,000
Trade and other receivable (less VAT and employees' home ownership program receivables)	27	1,307,332,184	1,456,025,978	2,763,358,162
Time deposits	28	1,466,321,392	-	1,466,321,392
Cash and cash equivalents	29	4,246,213,518	-	4,246,213,518
Total		7,058,257,094	1,456,025,978	8,514,283,072

(All amounts in Saudi Riyals unless otherwise stated)

48 Financial assets and financial liabilities (continued)

	Notes	30 June 2021	30 June 2020	31 December 2020
Financial liabilities measured at amortised cost				
Long-term borrowings	35	**47,439,046,130**	49,092,188,620	48,301,731,906
Lease liabilities	37	**1,254,753,025**	1,408,673,985	1,337,169,636
Derivative financial instruments	38	**332,602,600**	459,371,788	425,875,705
Projects, trade and other payables	40	**4,082,125,306**	3,086,945,932	4,018,314,092
Accrued expenses	41	**3,010,671,087**	2,252,147,800	2,603,202,057
Total		**56,119,198,148**	56,299,328,125	56,686,293,396

Long-term borrowings are initially recognised at their fair value (being proceeds received, net of eligible transaction costs incurred) if any. Subsequent to the initial recognition long-term borrowings are measured at amortised cost using the effective interest rate method. The fair value measurement hierarchy, on a non-recurring basis for liabilities, is Level 3 – significant unobservable inputs.

49 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 2021					
Financial assets					
Trade receivables	48	**-**	**2,211,359,580**	**-**	**2,211,359,580**
Financial liabilities					
Derivative financial instruments	38	**-**	**332,602,600**	**-**	**332,602,600**

(All amounts in Saudi Riyals unless otherwise stated)

49 Fair value estimation (continued)

	Notes	Level 1	Level 2	Level 3	Total
As at 30 June 2020					
Financial assets					
Trade receivables	48	-	1,654,362,427	-	1,654,362,427
Financial liabilities					
Derivative financial instruments	38	-	459,371,788	-	459,371,788
As at 31 December 2020					
Financial assets					
Trade receivables	48	-	1,456,025,978	-	1,456,025,978
Financial liabilities					
Derivative financial instruments	38	-	425,875,705	-	425,875,705

50 Events after the reporting date

No events have arisen subsequent to 30 June 2021 and before the date of signing the independent auditor’s review report, that could have a significant effect on the consolidated interim financial statements as at 30 June 2021.

51 Comparative figures

During the year ended 31 December 2020, the Group undertook an analysis of the expenses classified under cost of sales function, and certain expenses that were presented as cost of sales in prior year were reclassified to general and administrative expenses during the year ended 31 December 2020, based on the more representative function of such expenses. The comparative information for the quarter and six months ended 30 June 2020 has been restated to reflect the appropriate classification. The amounts reclassified from cost of sales to general and administrative expenses in the comparative consolidated interim statements of profit or loss and other comprehensive income for the quarter and six months ended 30 June 2020, amounted to SAR 93 million and SAR 173 million, respectively (Note 8 and 10).

Such reclassifications were made in the comparative quarter / period for improved comparability and did not affect either the net worth, the operating profit / (loss) or the net profit / (loss) of the Group for the comparative quarter / period.

(All amounts in Saudi Riyals unless otherwise stated)

52 Detailed information about the subsidiaries and joint ventures

		Issued and paid-up share capital			Effective group interest %			Cost of investment by parent company		
Subsidiaries	**Nature of business**	**30 June 2021**	**30 June 2020**	**31 December 2020**	**30 June 2021**	**30 June 2020**	**31 Dec. 2020**	**30 June 2021**	**30 June 2020**	**31 December 2020**
MGBM	Gold mining	**867,000,000**	867,000,000	867,000,000	**100**	100	100	**867,000,000**	867,000,000	867,000,000
MIC	Manage and develop infrastructure projects	**500,000**	500,000	500,000	**100**	100	100	**500,000**	500,000	500,000
IMC	Kaolin, low grade bauxite and magnesite mining	**344,855,200**	344,855,200	344,855,200	**100**	100	100	**344,855,200**	344,855,200	344,855,200
MFC	Phosphate mining and production of urea, phosphate and potassium fertilizer	**1,000,000**	1,000,000	1,000,000	**100**	100	100	**1,000,000**	1,000,000	1,000,000
MMDC	Phosphate fertilizer distribution	**1,000,000**	1,000,000	1,000,000	**100**	100	100	**1,000,000**	1,000,000	1,000,000
MRC	Aluminium sheets for can body and lids and automotive heat treated and non-heat treated sheet	**2,477,371,807**	2,477,371,807	2,477,371,807	**100**	100	100	**2,477,371,807**	2,477,371,807	2,477,371,807
MAC	Aluminium ingots, T-shape ingots, slabs and billets	**6,573,750,000**	6,573,750,000	6,573,750,000	**74.9**	74.9	74.9	**4,923,738,750**	4,923,738,750	4,923,738,750
MBAC	Bauxite mining and refining	**4,828,464,412**	4,828,464,412	4,828,464,412	**74.9**	74.9	74.9	**3,616,519,845**	3,616,519,845	3,616,519,845
MPC	Phosphate mining and fertilizer producer	**6,208,480,000**	6,208,480,000	6,208,480,000	**70**	70	70	**4,345,936,000**	4,345,936,000	4,345,936,000
MWSPC	Phosphate mining and fertilizer producer	**7,942,501,875**	7,942,501,875	7,942,501,875	**60**	60	60	**4,765,501,125**	4,765,501,125	4,765,501,125
Sub-total								**21,343,422,727**	21,343,422,727	21,343,422,727
Joint ventures										
SAMAPCO	Production of concentrated caustic soda and ethylene dichloride	**900,000,000**	900,000,000	900,000,000	**50**	50	50	**450,000,000**	450,000,000	450,000,000
MBCC	Production of copper and associated minerals	**404,965,291**	404,965,291	404,965,291	**50**	50	50	**202,482,646**	202,482,646	202,482,646
Sub-total								**652,482,646**	652,482,646	652,482,646
Total								**21,995,905,373**	21,995,905,373	21,995,905,373

All the subsidiaries and joint ventures listed above are incorporated in the Kingdom of Saudi Arabia except as mentioned in Note 2.