(All amounts in Saudi Riyals unless otherwise stated)

38 Financial risk management (continued)

38.2 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 Company is exposed to credit risk on the following financial instruments, while it uses two types of ECL approaches for its financial instruments;

	Notes	Category	Impairment model approach	31 December 2022	31 December 2021
Financial assets class					
Due from shareholders	36.2	Amortised cost	General	**282,876,178**	141,022,271
Due from fellow subsidiaries	36.2	Amortised cost	General	**147,547,781**	66,215,420
Trade receivables	22	FVTPL	Not applicable	**1,407,472,855**	838,633,727
Other receivables	22	Amortised cost	Simplified	**337,400,453**	229,920,985
Time deposits	23	Amortised cost	General	**2,550,479,170**	-
Cash and cash equivalents	24	Amortised cost	General	**1,273,976,488**	1,299,586,856
Total				**5,999,752,925**	2,575,379,259

38 Financial risk management (continued)

38.2 Credit risk (continued)

ECL approaches

The Company uses staging criteria to determine the ECL on its financial instruments. Following are the stages which are being used by the Company to determine ECL:

Stage	Description	Loss Recognition
1	Performing	12 months ECL
2	Significant increase in credit risk	Lifetime ECL
3	Credit impaired	Lifetime ECL

Stage-1 - Performing or low credit risk

Sr. no	Indicators	Cash and Cash equivalents	Time deposits
1	Days past Due	0	0
2	External rating (where applicable) *	Investment Grade	Investment Grade

*External ratings present classification of the rating grades, issued by the External Credit Assessment Institutions (ECAI), into those considered as "investment grades", "non-investment grades" and "in default". If Counterparty does not have external rating, the Company uses Sovereign Rating. Where Sovereign Rating is Investment Grade, Counterparty's rating should be one notch downgraded (vis a vis Sovereign rating). While, where Sovereign Rating is Non-Investment Grade, Counterparty's rating should be two notches downgraded (vis a vis Sovereign Rating).

The Company uses "low credit risk" practical expedient for the following financial instruments categories:
- Cash & Cash equivalents;
- Time deposits; and
- Other investments.

The Company assumes that the credit risk on a financial instrument has not increased significantly since initial recognition, and therefore the ECL is estimated at an amount equal to the expected credit losses for a period of 12 months, as these financial instruments are determined to have low credit risk at the reporting date.

Stage-2 - Significant increase in credit risk ("SICR")

The Company considers the following indicators to be determinants of the SICR:

Sr. no	Indicators	Cash and Cash equivalents	Time deposits
1	Days past Due	1-6	1-6
2	External rating	External rating for the counterparty downgraded to "Non-Investment Grade" (NIG) relative to "Investment Grade" (IG) as of initial recognition date.	External rating for the counterparty downgraded to "Non-Investment Grade" (NIG) relative to "Investment Grade" (IG) as of initial recognition date.

To identify SICR, where applicable, the Company undertakes a holistic analysis of various factors, including those which are specific to a particular financial instrument or to a Counterparty.

Stage-3 - Credit impaired or definition of default

The Company considers the following indicators to be determinants of a credit impaired financial asset:

Sr. no	Indicators	Cash and Cash equivalents	Time deposits	Other investments	Trade and other receivables*
1	Days past due (DPD)	7+	7+	30+	90+
2	External rating (where applicable)	In default	In default	In default	In default

38 Financial risk management (continued)

38.2 Credit risk (continued)

ECL approaches

Stage-3 - Credit impaired or definition of default (continued)

* If the Company has reasonable and supporting information to demonstrate that the counterparty is not impaired, but has crossed DPD of 90+, then it would be classed as Stage 2 exposure and the Company applies stage-2 for ECL estimation.

Similarly, where the counterparty balance does not go beyond DPD of 90+, but the Company has reasonable and supporting information to demonstrate that counterparty will face significant financial difficulty:

- the lender(s) of the borrower, for economic or contractual reasons relating to the borrower's financial difficulty, having granted to the borrower a concession(s) that the lender(s) would not otherwise consider;
- it is becoming probable that the borrower will enter bankruptcy or other financial reorganization;
- other information.

In this case, ECL would be applied as follows:

a) The Company estimates definition of default at the counterparty's level and includes all financial instruments to Stage 2, if the balance amount of the exposure in default is not more than 5% from the total receivables amount from the counterparty; and
b) The Company evaluates definition of default at the counterparty's level and includes all financial instruments for Stage 3, if the balance amount of exposure in default exceeds 5% of the total receivable amount from the counterparty.

General approach for estimating ECL:

The Company uses the following staging criteria when using the general approach for estimating ECL:

a) At initial recognition, Stage 1 is assigned to the financial asset;

b) At subsequent measurement date, a financial asset would be classed in:

  - **Stage 1**, if at the reporting date it is not credit-impaired and credit risk has not increased significantly since initial recognition or it belongs to a low credit risk portfolio;
  - **Stage 2**, if at the reporting date it is not credit-impaired and credit risk has increased significantly since initial recognition; or
  - **Stage 3**, if at the reporting date it is credit-impaired.

Simplified approach for estimating ECL:

The Company uses a simplified approach for estimating ECL of trade and other receivables using the credit ratings for the counterparties.

The Company has limited number of customers and have no history of defaults. The Company does not use any groupings for the counterparties for the assessment of credit risk. The Company 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.

Where the receivable is credit impaired, the indicators for which include the receivable being 90 days overdue or the credit rating for the counterparty being downgraded to NIG relative to IG as of initial recognition date, the probability of default for ECL determination is considered as 100%. The Company does not hold collateral as security. The letters of credit and other forms of credit insurance are considered integral part of trade receivables and considered in the calculation of impairment, based on which, the Company does not have any history of write-offs. At 31 December 2022, 100% (2021: 100%) of the Company's trade receivables are covered by letters of credit and other forms of credit insurance. 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. For concentration of credit risk – see Note 22 and 36.

(All amounts in Saudi Riyals unless otherwise stated)

38 Financial risk management (continued)

38.2 Credit risk (continued)

Credit risk exposure

The Company 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 Company has limited number of customers and have no history of defaults. The Company 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. For banks and time deposits, only independently rated parties with a minimum credit of Baa3 are accepted. 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.

For concentration of credit risk – see Note 22 and 36.

The Company 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 Company 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. In addition to the use of credit ratings, 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 Company and changes in the operating results of the borrower.

As of 31 December 2022, the Company has not recognized any ECL allowance as the ECL on other receivables and other financial assets is not material to the financial statements.

Trade and other receivables

As at the balance sheet date, the analysis of trade receivable that were neither past due nor impaired are as follows (Note 22):

	Note	31 December 2022	31 December 2021
Neither past due nor impaired		**1,261,311,817**	838,633,727
Past due but not impaired			
< 30 days		**146,161,038**	-
31 – 60 days		**-**	-
61 – 90 days		**-**	-
> 90 days		**-**	-
Total	22	**1,407,472,855**	838,633,727

MA'ADEN WA'AD AL SHAMAL PHOSPHATE COMPANY
(A Saudi Arabian limited liability company)
Notes to the financial statements for the year ended 31 December 2022
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38 Financial risk management (continued)

38.2 Credit risk (continued)

Trade and other receivables

As at the balance sheet date, the analysis of non-trade receivable that were past due but not impaired are as follows (Note 22):

	Note	31 December 2022	31 December 2021
Neither past due nor impaired		**314,549,485**	14,501,532
Past due but not impaired			
< 30 days		**1,492,773**	22,328,000
31 – 60 days		**936,853**	19,978,000
61 – 90 days		**2,419,090**	22,224,542
> 90 days		**18,002,252**	150,888,911
Total	22	**337,400,453**	229,920,985

Geographical distribution of revenue generation

The Company has, through the marketing agreement with its three shareholders (Note 22), indirect exposure to the following major customers, in the following countries:

Geographical distribution of revenue generation by destination is as follows:

	Notes	31 December 2022	31 December 2021
Ammonia sales			
International			
India		**817,202,122**	243,444,000
Korea		**774,363,404**	256,066,567
Taiwan		**271,900,538**	133,383,179
China		**78,570,149**	331,234,569
Jordan		**69,506,218**	120,537,620
Morocco		**132,023,662**	-
Belgium		**88,744,545**	-
Various		**-**	53,665,875
Sub-total	5	**2,232,310,638**	1,138,331,810
Di-ammonium phosphate (DAP) fertilizer sales			
International			
India		**5,889,050,125**	3,947,706,992
United States of America		**1,292,482,521**	524,071,024
Uruguay		**209,628,456**	-
Ukraine		**47,458,106**	-
Thailand		**72,249,188**	-
Tanzania		**94,855,462**	-
Mozambique		**126,786,568**	-
South Africa		**25,269,515**	-
Kenya		**106,981,832**	369,653,071
Bangladesh		**163,339,490**	69,089,285
Brazil		**37,592,494**	-
Pakistan		**-**	38,671,875
Various		**-**	61,761,120
Sub-total	5	**8,065,693,757**	5,010,953,367
Domestic		**15,099,872**	12,144,449
Sub-total		**8,080,793,629**	5,023,097,816
Total	5, 36.1	**10,313,104,267**	6,161,429,626

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38 Financial risk management (continued)

38.3 Liquidity risk

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

As at 31 December 2022, the Company's liquidity position is improved, and its current assets exceeded the current liabilities by Saudi Riyals 4,086 million (31 December 2021: Saudi Riyals 775.12 million).

Further, 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. Further, the Company's treasury maintains flexibility in funding by maintaining availability under committed credit lines.

	Note	31 December 2022	31 December 2021
Time deposits	23	**2,550,479,170**	-
Cash and cash equivalents	24	**1,273,976,488**	1,299,586,856
Total		**3,824,455,658**	**1,299,586,856**

Maturities of financial liabilities

The tables below analyze the Company'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.

(All amounts in Saudi Riyals unless otherwise stated)

38 Financial risk management (continued)

38.3 Liquidity risk (continued)

Maturities of financial liabilities

Contractual maturities of financial liabilities	Notes	Payable: Within 12 months	Payable: Between 1 - 2 years	Payable: Between 3 – 5 years	Payable: Over 5 years	Total contractual cash flows	Carrying amount liabilities
Non-derivatives as at							
31 December 2022							
Due to shareholders	18.2	146,520,297	-	-	-	146,520,297	146,520,297
Due to fellow subsidiaries	19.2	154,663,648	-	-	-	154,663,648	154,663,648
Long-term borrowings	27.4	1,355,758,559	2,851,711,495	8,208,406,896	10,570,709,620	22,986,586,570	17,383,110,142
Lease liabilities	29	17,835,725	8,119,252	9,836,977	-	35,791,954	34,237,562
Other non-current liabilities	30	485,111,366	143,456,386	-	-	628,567,752	628,567,752
Projects, trade and other payable	32	861,821,702	-	-	-	861,821,702	861,821,702
Accrued expenses	33	793,859,093	-	-	-	793,859,093	793,859,093
Total		**3,815,570,390**	**3,003,287,133**	**8,218,243,873**	**10,570,709,620**	**25,607,811,016**	**20,002,780,196**
31 December 2021							
Due to shareholders	18.2	77,353,183	-	-	-	77,353,183	77,353,183
Due to fellow subsidiaries	19.2	94,932,397	-	-	-	94,932,397	94,932,397
Long-term borrowings	27.4	973,687,239	2,007,567,816	4,399,203,981	14,516,514,807	21,896,973,843	18,457,136,037
Lease liabilities	29	17,389,526	7,884,415	4,912,000	-	30,185,941	29,415,409
Other non-current liabilities	30	468,767,355	67,027,460	-	-	535,794,815	535,794,815
Projects, trade and other payable	32	801,849,261	-	-	-	801,849,261	801,849,261
Accrued expenses	33	940,029,821	-	-	-	940,029,821	940,029,821
Total		3,374,008,782	2,082,479,691	4,404,115,981	14,516,514,807	24,377,119,261	20,936,510,923

MA'ADEN WA'AD AL SHAMAL PHOSPHATE COMPANY
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39 Capital management

39.1 Risk management

The Company'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 Company may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

The net debt of the Company is as follows:

	Notes	31 December 2022	31 December 2021
Time deposits	23	**2,550,479,170**	-
Cash and cash equivalents	24	**1,273,976,488**	1,299,586,856
Long-term borrowings – payable within one year	27.2	**(658,846,020)**	(608,021,150)
Long-term borrowings – payables after one year	27.2	**(16,724,264,122)**	(17,849,114,887)
Lease liability – payable within one year	29.1	**(17,835,725)**	(17,389,526)
Lease liability – payable after one year	29.1	**(16,401,837)**	(12,025,883)
Net debt		**(13,592,892,046)**	(17,186,964,590)

(All amounts in Saudi Riyals unless otherwise stated)

39 Capital management (continued)

39.1 Risk management (continued)

Net debt reconciliation

The movement in net debt is as follows:

	Other assets		Liabilities from financing activities				
	Time deposits	Cash and cash equivalents	Long-term borrowings – payable within one year	Long-term borrowings – payable after one year	Lease liability – payable within one year	Lease liability – payable after one year	Total
1 January 2021	-	390,420,893	(350,000,000)	(18,381,613,269)	(23,329,714)	(9,894,062)	(18,374,416,152)
Cash flows	-	909,165,963	350,000,000	-	23,329,714	3,708,058	1,286,203,735
Adjustments	-	-	-	1,028,677	-	-	1,028,677
New leases	-	-	-	-	-	(23,229,405)	(23,229,405)
Transfer	-	-	(531,469,705)	531,469,705	(17,389,526)	17,389,526	-
Other changes							
Interest expense	-	-	(445,478,656)	-	(1,028,675)	-	(446,507,331)
Interest payments (presented as operating cash flows)	-	-	368,927,211	-	1,028,675	-	369,955,886
31 December 2021	-	1,299,586,856	(608,021,150)	(17,849,114,887)	(17,389,526)	(12,025,883)	(17,186,964,590)
Cash flows	2,550,479,170	(25,610,368)	608,021,150	505,721,328	17,389,526	3,721,034	3,659,721,840
Adjustments	-	-	-	676,418		-	676,418
New leases	-	-	-	-		(25,932,713)	(25,932,713)
Transfer	-	-	(618,453,019)	618,453,019	(17,835,725)	17,835,725	-
Other changes							
Interest expense	-	-	(595,808,357)	-	(676,418)	-	(596,484,775)
Interest payments (presented as operating cash flows)	-	-	555,415,356	-	676,418	-	556,091,774
31 December 2022	**2,550,479,170**	**1,273,976,488**	**(658,846,020)**	**(16,724,264,122)**	**(17,835,725)**	**(16,401,837)**	**(13,592,892,046)**

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39 Capital management (continued)

39.1 Risk management (continued)

Consistent with others in the industry, the Company 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 statement of financial position)."

The gearing ratio in accordance with the financial covenants pertaining to the long-term borrowings (Note 27.2) at the end of the year were as follows:

	Note	31 December 2022	31 December 2021
Long term debt	27	**17,383,110,142**	18,457,136,037
Total equity		**10,694,914,555**	7,221,394,074
Capital and debt		**28,078,024,697**	25,678,530,111
Gearing ratio		**0.62**	0.72

39.2 Loan covenants

As per the terms of the agreement with Saudi Industrial Development Fund ("SIDF"), the Company is required at all times after the commencement of the commercial operations of the project to maintain total liabilities to tangible net worth ratio of not more than 3:1 and current ratio not less than 1:1. As at 31 December 2022, the Company's is compliant with loan covenants and the ratio of total liabilities to tangible net worth was 2.10:1 and current ratio was 2.04.:1.

And for Islamic and commercial banks loan facilities and PPA loan agreement, the Company is also required to maintain total net debt to tangible net worth ratio of not less than 4:1, the Company is in compliance with these loan covenants during the year.

40 Dividend approved

The Board of Managers recommended the payment of SAR 375,000,000 as final dividends out of the retained earnings as of 31 December 2022 to the shareholders and also approved at the Annual General Meeting of the shareholders on 31 January 2023. The final dividends for the year ended 31 December 2022 are to be paid into 2 tranches during the 1st quarter of FY 2023.

41 Financial assets and financial liabilities

The Company holds the following classes of financial instruments:

	Notes	31 December 2022	31 December 2021
Financial assets measured at amortised cost			
Due from shareholder	18.1	**282,876,178**	141,022,271
Due from fellow subsidiaries	19.1	**147,547,781**	66,215,420
Other receivable	22	**337,400,453**	229,920,985
Time deposits	23	**2,550,479,170**	-
Cash and cash equivalents	24	**1,273,976,488**	1,299,586,856
Sub-total		**4,592,280,070**	1,736,745,532
Financial assets measured at FVTPL			
Trade receivables	22	**1,407,472,855**	838,633,727
Total		**5,999,752,925**	2,575,379,259

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41 Financial assets and financial liabilities (continued)

	Notes	31 December 2022	31 December 2021
Financial liabilities measured at amortised cost			
Due to shareholder	18.2	146,520,297	77,353,183
Due to fellow subsidiaries	19.2	154,663,648	94,932,397
Long-term borrowings	27.2	17,383,110,142	18,457,136,037
Lease liabilities	29	34,237,562	29,415,409
Other non-current liabilities	30	628,567,752	535,794,815
Projects, trade and other payables	32	861,821,702	801,849,261
Accrued expenses	33	793,859,093	940,029,821
Total		**20,002,780,196**	20,936,510,923

In accordance with IFRS 7 paragraph 29 (a), disclosure of fair values is not required when the carrying amount is a reasonable approximation of its fair value for financial instruments such as short-term trade receivables, projects, trade and other payables and accrued expenses.

Long-term borrowings are initially recognized at their fair value (being proceeds received, net of eligible transaction cost incurred). Subsequent to the initial recognition long-term borrowings are measured at amortized cost using the effective interest rate method.

42 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 Company'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 Company 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 Company recognizes transfers between levels of the fair value hierarchy at the end of the reporting year 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 31 December 2022, the mark-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 at their fair values based on the fair value hierarchy:

	31 December 2022	31 December 2021
Trade receivables		
Level - 2	**1,407,472,855**	838,633,727

43 Events after the reporting date

See Note 40 for dividends approved subsequent to the reporting date.

No other events have arisen subsequent to 31 December 2022 and up to the date of authorization for issue and before the date of signing the independents auditor's report that could have a significant effect on the financial statements as at 31 December 2022.

MA’ADEN Wa’ad Al Shamal Phosphate Company
(A Saudi Arabian limited liability Company)
Financial statements for the year ended
31 December 2023

MA'ADEN WA'AD AL SHAMAL PHOSPHATE COMPANY
(A Saudi Arabian limited liability company)
Financial statements for the year ended 31 December 2023

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(A Saudi Arabian limited liability company)
Administration and contact details as at 31 December 2023

Commercial registration number	3451002631	
Board of Managers	Mr. Hassan M. Al-Ali	Chairman
	Mr. Mohammed Essa Marwahi	
	Mr. Anas M. Al-Bassam	
	Mr. Attaullah Nihal	
	Engr. Yazzeed Al-Angari	
	Engr. Walter Precourt III	
	Mr. Jonathan Breviu	
Registered address	Road 12, Umm Wu'al Project Turaif 91411 Kingdom of Saudi Arabia	
Postal address	P.O.Box 202 Turaif 91411 Kingdom of Saudi Arabia	
Bankers	Banque Saudi Fransi Saudi Awwal Bank Riyad Bank	
Auditors	PricewaterhouseCoopers 14th Floor, Al Hugayet Tower, King Abdul Aziz Street P.O.Box 467, Dhahran Airport Al-Khobar 31952 Kingdom of Saudi Arabia	

MA'ADEN WA'AD AL SHAMAL PHOSPHATE COMPANY
(A Saudi Arabian limited liability company)
Statement of Managers' responsibilities
for the preparation and approval of the financial statements
for the year ended 31 December 2023

The following statement, which should be read in conjunction with the independent auditor's responsibilities stated in the independent auditor's report, set out on page 3 and 4, is made with a view to distinguish the responsibilities of the Board of Managers and those of the independent auditors in relation to the financial statements of Ma'aden Wa'ad Al Shamal Phosphate Company (the "Company").

The management is responsible for the preparation of the financial statements that present fairly the financial position of the Company as at 31 December 2023, its financial performance, changes in shareholders' equity and cash flows for the year then ended, in accordance with International Financial Reporting Standards ("IFRS") as endorsed in the Kingdom of Saudi Arabia, and other standards and pronouncements issued by the Saudi Organization for Chartered and Professional Accountants ("SOCPA").

In preparing the financial statements, the management is responsible for:

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

The management is also responsible for:

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

The financial statements for the year ended 31 December 2023 set out on pages 5 to 78, were approved and authorized for issue by the Board of Managers on 21 February 2024 and signed on its behalf by:

Ali

Khalid S. Al-Turaifi
Vice President, Finance & Reporting

Engr. Hassan Abdulrazaq Al-Baghdadi
SVP, WAS Production

Engr. Hassan M. Al-Ali
Chairman of the Board

11 Shaban 1445H
21 February 2024
Turaif City
Kingdom of Saudi Arabia

Independent auditor's report to the shareholders of Ma'aden Wa'ad Al Shamal Phosphate Company

Report on the audit of the financial statements

Our opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of Ma'aden Wa'ad Al Shamal Phosphate Company (the "Company") as at 31 December 2023, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards, that are endorsed in the Kingdom of Saudi Arabia, and other standards and pronouncements issued by the Saudi Organization for Chartered and Professional Accountants (SOCPA).

What we have audited

The Company's financial statements comprise:

- the statement of profit or loss and other comprehensive income for the year ended 31 December 2023;
- the statement of financial position as at 31 December 2023;
- the statement of changes in shareholders' equity for the year then ended;
- the statement of cash flows for the year then ended; and
- the notes to the financial statements, comprising material accounting policy information and other explanatory information.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing, that are endorsed in the Kingdom of Saudi Arabia. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We are independent of the Company in accordance with the International Code of Ethics for Professional Accountants (including International Independence Standards), endorsed in the Kingdom of Saudi Arabia (the "Code"), that is relevant to our audit of the financial statements and we have fulfilled our other ethical responsibilities in accordance with the Code's requirements.

Responsibilities of management and those charged with governance for the financial statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with International Financial Reporting Standards, that are endorsed in the Kingdom of Saudi Arabia and other standards and pronouncements issued by SOCPA, and the applicable requirements of the Regulations for Companies and the Company's Articles of Association, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance, i.e. the Board of Managers, are responsible for overseeing the Company's financial reporting process.

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Independent auditor's report to the shareholders of Ma'aden Wa'ad Al Shamal Phosphate Company (continued)

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with International Standards on Auditing, that are endorsed in the Kingdom of Saudi Arabia, will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with International Standards on Auditing, that are endorsed in the Kingdom of Saudi Arabia, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

PricewaterhouseCoopers

Bader I. Benmohareb
License Number 471

29 February 2024

MA'ADEN WA'AD AL SHAMAL PHOSPHATE COMPANY
(A Saudi Arabian limited liability company)
Statement of profit or loss and other comprehensive income
for the year ended 31 December 2023
(All amounts in Saudi Riyals unless otherwise stated)

	Notes	Year ended 31 December 2023	Year ended 31 December 2022
Sales	5	**7,313,593,486**	10,313,104,267
Cost of sales	6	**(4,489,657,079)**	(5,160,607,381)
Gross profit		**2,823,936,407**	5,152,496,886
Operating expenses			
Selling, marketing and logistic expenses	7	**(415,617,276)**	(574,959,261)
General and administrative expenses	8	**(224,297,996)**	(198,024,490)
Operating profit		**2,184,021,135**	4,379,513,135
Other income / (expenses)			
Income from time deposits	9	**162,438,884**	66,097,617
Finance costs	10	**(995,750,775)**	(586,406,478)
Other expenses		**(58,563,574)**	(74,427,254)
Profit before zakat, income tax and severance fees		**1,292,145,670**	3,784,777,020
Zakat expense	34.2	**(75,859,230)**	(116,053,586)
Income tax	34.5	**(26,637,406)**	(108,619,208)
Deferred tax charge	16, 34.6	**(46,704,872)**	(83,177,889)
Severance fees	35.3	**(147,849,376)**	-
Profit for the year		**995,094,786**	3,476,926,337
Other comprehensive income / (loss)			
Items that will not be reclassified to profit or loss in subsequent years			
Income / (loss) attributable to the re-measurements of employees' end of service termination benefits obligation	31.1	**4,327,669**	(3,405,856)
Other comprehensive income / (loss) for the year		**4,327,669**	(3,405,856)
Total comprehensive income for the year		**999,422,455**	3,473,520,481

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MA'ADEN WA'AD AL SHAMAL PHOSPHATE COMPANY
(A Saudi Arabian limited liability company)
Statement of financial position as at 31 December 2023
(All amounts in Saudi Riyals unless otherwise stated)

	Notes	31 December 2023	31 December 2022
Assets			
Non-current assets			
Mine properties	11	**3,230,463,980**	3,284,919,391
Property, plant and equipment	12	**19,125,718,079**	19,522,802,181
Right-of-use assets	13	**31,153,970**	34,594,823
Capital work-in-progress	14	**870,110,243**	882,391,680
Intangible assets	15	**46,648,709**	17,272,329
Deferred tax and severance assets	16.1	**407,793,206**	384,678,233
Other non-current assets	17	**16,709,882**	17,446,897
Total non-current assets		**23,728,598,069**	24,144,105,534
Current assets			
Current portion of long-term employees' homeowner's receivable	17	**10,893,415**	10,643,415
Due from shareholder	18.1	**43,997,269**	282,876,178
Due from fellow subsidiaries	19.1	**54,734,006**	147,547,781
Advances and prepayments	20	**491,616**	56,764,130
Inventories	21	**1,649,726,676**	1,250,497,944
Trade and other receivables	22	**1,991,682,851**	1,859,495,269
Time deposits	23	**633,913,777**	2,550,479,170
Cash and cash equivalents	24	**1,199,729,436**	1,273,976,488
Total current assets		**5,585,169,046**	7,432,280,375
Total assets		**29,313,767,115**	31,576,385,909
Shareholders' equity and liabilities			
Shareholders' equity			
Share capital	25	**7,942,501,875**	7,942,501,875
Statutory reserve			
Transfer of net income	26	**184,535,172**	144,558,274
Retained earnings		**3,192,299,962**	2,607,854,406
Total shareholders' equity		**11,319,337,009**	10,694,914,555
Liabilities			
Non-current liabilities			
Long-term borrowings	27.2	**13,190,164,710**	16,724,264,122
Provision for decommissioning, site rehabilitation and plant dismantling obligations	28	**358,888,346**	62,261,932
Non-current portion of lease liabilities	29	**16,014,476**	16,401,837
Other non-current liabilities	30	**180,079,316**	143,456,386
Employees' benefits	31	**92,014,294**	94,591,912
Deferred tax and severance liabilities	16.2	**712,130,221**	494,461,001
Total non-current liabilities		**14,549,291,363**	17,535,437,190
Current liabilities			
Projects, trade and other payables	32	**1,038,307,039**	861,821,702
Accrued expenses	33	**1,120,566,069**	793,859,093
Zakat and income tax payable	34	**114,856,850**	219,369,016
Severance fee payable	35	**4,573,704**	8,007,297
Due to shareholders	18.2	**86,659,952**	146,520,297
Due to fellow subsidiaries	19.2	**43,770,095**	154,663,648
Current portion of long-term borrowings	27.2	**602,949,253**	658,846,020
Current portion of lease liabilities	29	**14,975,149**	17,835,725
Current portion of other non-current liabilities	30	**418,480,632**	485,111,366
Total current liabilities		**3,445,138,743**	3,346,034,164
Total liabilities		**17,994,430,106**	20,881,471,354
Total shareholders' equity and liabilities		**29,313,767,115**	31,576,385,909

MA'ADEN WA'AD AL SHAMAL PHOSPHATE COMPANY
(A Saudi Arabian limited liability company)
Statement of changes in shareholders' equity
for the year ended 31 December 2023
(All amounts in Saudi Riyals unless otherwise stated)

	Notes	Saudi Arabian shareholders: Saudi Arabian Mining Company 60%	Saudi Arabian shareholders: Saudi Basic Industries Corporation 15%	Saudi Arabian shareholders: Sub-total 75%	Foreign shareholder: Mosaic Phosphates B.V. 25%	Total 100%
Share capital						
1 January 2022		4,765,501,125	1,191,375,281	5,956,876,406	1,985,625,469	7,942,501,875
31 December 2022	25	4,765,501,125	1,191,375,281	5,956,876,406	1,985,625,469	7,942,501,875
31 December 2023	25	**4,765,501,125**	**1,191,375,281**	**5,956,876,406**	**1,985,625,469**	**7,942,501,875**
Statutory reserve						
1 January 2022		21,453,457	5,363,365	26,816,822	8,938,941	35,755,763
Net income transferred to statutory reserve		65,281,506	16,320,377	81,601,883	27,200,628	108,802,511
31 December 2022	26	86,734,963	21,683,742	108,418,705	36,139,569	144,558,274
Net income transferred to statutory reserve		23,986,139	5,996,534	29,982,673	9,994,225	39,976,898
31 December 2023	26	**110,721,102**	**27,680,276**	**138,401,378**	**46,133,794**	**184,535,172**
Retained earnings						
1 January 2022		(438,405,825)	(109,601,456)	(548,007,281)	(208,856,283)	(756,863,564)
Net profit before zakat and income tax		2,270,866,212	567,716,553	2,838,582,765	946,194,255	3,784,777,020
Zakat	34.3	(92,842,869)	(23,210,717)	(116,053,586)	-	(116,053,586)
Income tax	34.5	-	-	-	(191,797,097)	(191,797,097)
Other comprehensive loss:						
Loss attributable to the re-measurements of employees' end of service termination benefits obligation for the year	31.1	(2,043,514)	(510,878)	(2,554,392)	(851,464)	(3,405,856)
Total comprehensive income for the year		2,175,979,829	543,994,958	2,719,974,787	753,545,694	3,473,520,481
Transfer of net income to statutory reserve	26	(65,281,506)	(16,320,377)	(81,601,883)	(27,200,628)	(108,802,511)
31 December 2022		1,672,292,498	418,073,125	2,090,365,623	517,488,783	2,607,854,406
Net profit before zakat and income tax		775,287,402	193,821,850	969,109,252	323,036,417	1,292,145,669
Zakat	34.3	(60,687,384)	(15,171,846)	(75,859,230)	-	(75,859,230)
Income tax	34.5	-	-	-	(73,342,278)	(73,342,278)
Severance fees	35.3	(118,279,501)	(29,569,875)	(147,849,376)	-	(147,849,376)
Other comprehensive income:						
Gain attributable to the re-measurements of employees' end of service termination benefits obligation for the year	31.1	2,596,601	649,151	3,245,752	1,081,917	4,327,669
Total comprehensive income for the year		598,917,118	149,729,280	748,646,398	250,776,056	999,422,454
Transfer of net income to statutory reserve	26	(23,986,139)	(5,996,534)	(29,982,673)	(9,994,225)	(39,976,898)
Final dividend for the year ended 31 December 2022 of SAR 0.44 per ordinary share	40	(225,000,000)	(56,250,000)	(281,250,000)	(93,750,000)	(375,000,000)
31 December 2023		**2,022,223,477**	**505,555,871**	**2,527,779,348**	**664,520,614**	**3,192,299,962**
Total shareholders' equity						
31 December 2022		6,524,528,586	1,631,132,148	8,155,660,734	2,539,253,821	10,694,914,555
31 December 2023		**6,898,445,704**	**1,724,611,428**	**8,623,057,132**	**2,696,279,877**	**11,319,337,009**

MA'ADEN WA'AD AL SHAMAL PHOSPHATE COMPANY
(A Saudi Arabian limited liability company)
Statement of cash flows
for the year ended 31 December 2023
(All amounts in Saudi Riyals unless otherwise stated)

	Notes	Year ended 31 December 2023	Year ended 31 December 2022
Operating activities			
Profit before zakat and income tax		**1,292,145,670**	3,784,777,020
Adjustments for non-cash flow items:			
Income from time deposits	9	**(162,438,884)**	(66,097,617)
Finance costs	10	**995,750,775**	586,406,478
Depreciation	11.1, 12.1, 13.1	**1,361,528,970**	1,321,259,577
Property, plant and equipment written off	12	**8,901,104**	740,740
Amortization of intangible assets	15	**6,130,983**	1,695,594
Provision for employees' end of service termination	31.1	**12,347,354**	10,073,947
Contribution for the employees' savings plan	31.2	**5,151,287**	4,514,000
Provision for severance fee	35	**1,988,617**	8,548,279
Non-cash employee benefits expense – shared based	36.4	**890,507**	-
Changes in working capital:			
Other non-current assets	17	**487,015**	5,557,622
Due from shareholder	18.1	**238,878,909**	(141,853,907)
Due to shareholder	18.2	**(60,750,852)**	69,167,114
Due from fellow subsidiaries	19.1	**92,813,775**	(81,332,361)
Due to fellow subsidiaries	19.2	**(128,624,639)**	59,731,250
Advances and prepayments	20	**56,272,514**	(55,624,640)
Inventories	21	**(399,228,732)**	(6,573,789)
Trade receivable from shareholders	22	**(132,187,582)**	(776,983,411)
Projects trade and other payables	32	**176,485,337**	25,172,441
Accrued expenses	33	**311,040,080**	(81,197,438)
Other non-current liabilities	30	**(30,007,804)**	92,772,936
Employees' end of service termination benefits paid	31.1	**(1,246,703)**	(4,680,977)
Employees' savings plan withdrawal	31.2	**(943,758)**	(1,786,647)
Zakat and income tax paid	34.3, 34.4	**(207,008,802)**	(48,774,051)
Severance fee paid	35.1	**(5,422,210)**	(18,647,869)
Finance costs paid		**(962,641,248)**	(556,091,771)
Net cash generated from operating activities		**2,470,311,683**	4,130,772,520
Investing activities			
Additions to mine properties	11	**(19,558,783)**	(10,412,715)
Additions to capital work-in-progress	14	**(594,896,459)**	(477,594,367)
Additions to intangible assets	15	**-**	(18,967,923)
(Increase) / Decrease in time deposits	23	**1,896,250,000**	(2,515,000,000)
(Increase) in restricted cash	24	**(4,207,528)**	(2,727,353)
Income received from time deposits		**182,754,277**	30,618,447
Projects and other payables – Projects	32	**-**	34,800,000
Accrued expenses – Projects	33	**15,666,896**	(64,973,290)
Net cash generated from / (utilized in) investing activities		**1,476,008,403**	(3,024,257,201)
Financing activities			
Repayment of long-term borrowings	27.2	**(3,629,006,995)**	(1,113,742,480)
Repayment of lease liabilities	29	**(20,767,671)**	(21,110,560)
Dividends paid	40	**(375,000,000)**	-
Net cash utilized in financing activities		**(4,024,774,666)**	(1,134,853,040)
Net decrease in cash and cash equivalents		**(78,454,580)**	(28,337,721)
Unrestricted cash and cash equivalents at the beginning of the year	24	**1,262,694,213**	1,291,031,934
Unrestricted cash and cash equivalents at the end of the year	24	**1,184,239,633**	1,262,694,213

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(All amounts in Saudi Riyals unless otherwise stated)

Statement of cash flow (continued)

	Notes	Year ended 31 December 2023	Year ended 31 December 2022
Non-cash flow transactions			
Increase / (decrease) in mine properties and provision for decommissioning, site rehabilitation and dismantling	11, 28	**55,549,275**	(71,527,574)
Transfer to mine properties from capital work-in-progress	11, 14	**34,243,070**	407,206,697
Transfer to property, plant and equipment from capital work-in-progress	12, 14	**555,350,183**	925,519,394
Recognition of plant dismantling asset and corresponding site rehabilitation and dismantling obligations	11, 28	**31,400,037**	-
Recognition of plant dismantling asset and corresponding site rehabilitation and dismantling obligations	12, 28	**202,780,048**	-
Recognition of right-of-use assets and corresponding lease liabilities	13, 29	**16,568,312**	25,256,295
Transfer to intangible assets from capital work-in-progress	14, 15	**35,507,363**	-
Borrowing costs capitalized attributable to qualifying assets	10, 14.1	**17,922,720**	16,471,808
Amortization of transaction cost	27.2	**37,997,345**	38,693,546
Employees' end of service termination benefits transferred to a fellow subsidiary	31	**17,731,086**	(384,496)
Employees' share-based payment plan	36.4	**890,507**	-

1. General information

Ma'aden Wa'ad Al Shamal Phosphate Company (the "Company") is a limited liability company registered in the Kingdom of Saudi Arabia under Commercial Registration number 3451002631 dated 26th of Rabi' I 1435H (corresponding to 27 January 2014), with an authorized share capital of Saudi Riyals ("SAR") 8,437,500,000 comprising of 843,750,000 ordinary shares at a nominal value of SAR 10 each (Note 25).

The Company is owned by:

Saudi Arabian shareholders
- 60% by Saudi Arabian Mining Company ("Ma'aden")
- 15% by Saudi Basic Industries Corporation ("SABIC"), and

A Foreign shareholder
- 25% by Mosaic Phosphates B.V., a limited liability company registered in the Netherlands, wholly owned by The Mosaic Company ("Mosaic")

The objectives of the Company are the production of:

- Di-ammonium and mono-ammonium phosphate fertilizer;
- Di-calcium and mono-calcium phosphate,
- Ammonia,
- Purified phosphoric acid,
- Phosphoric acid,
- Sulphuric acid and
- Sulphate of potash.

On 19 March 2013, the three shareholders signed Heads of Agreement to jointly develop a fully integrated phosphate production facility located at the King Abdullah Project for the development of Wa'ad Al Shamal Mineral Industrial City, in the Northern Region, near the city of Turaif in the Kingdom of Saudi Arabia.

On 5 August 2013, the three shareholders signed a Shareholders Agreement to jointly develop a fully integrated phosphate production facility. This project is based on the exploitation of the Al-Khabra phosphate deposit for which Ma'aden owns the mining license and includes the utilization of captive national resources such as groundwater and sulfur, taking advantage of the existing railway infrastructure, linking the Northern Borders to Ras Al-Khair in the Eastern Province to have access to the port facilities at the Arabian Gulf. The project had planned estimated capital cost of SAR 28 billion.

On 1 January 2017, the Company announced the commencement of commercial production of the ammonia plant. The plant has achieved stable operations and has a designed production capacity of 1.1 million tonnes of ammonia per year.

On 8 July 2017, the Company announced the commencement of initial production of Di-ammonium Phosphate (DAP) as part of its commissioning activities. During initial production, the Company will gradually ramp-up until it reaches 3 million tonnes production capacity.

On 2 December 2018, the Company declared commercial production of the Di-ammonium Phosphate (DAP) plant. The plant has achieved stable operations and has a designed production capacity of 3 million tonnes of di-ammonium phosphate per year.

2. Basis of preparation

Statement of compliance

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

The 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 3 – Summary of material accounting policies.

These financial statements are presented in Saudi Riyals, which is both the functional and reporting currency of the Company.

2. Basis of preparation (continued)

New standards, amendments to standards and interpretations not yet adopted

Certain new amendments to standards have been published by the International Accounting Standards Board ("IASB"), endorsed in the Kingdom of Saudi Arabia by SOCPA, that are not mandatory for 31 December 2023 reporting period and have not been early adopted by the Company. These amendments are not expected to have a material impact on the entity in the current or future reporting periods and on foreseeable future transactions.

New and amended standards adopted by the Company

The Company has adopted the following standards and amendments, that are endorsed in the Kingdom of Saudi Arabia, effective from 1 January 2023:

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

Amendments to IAS 1, IFRS practice statement 2 and IAS 8: The amendments issued require entities to disclose their material rather than their significant accounting policies. The amendments define what is 'material accounting policy' and explain how to identify when accounting policy information is material.

There are no other amendments or interpretations that are effective from 1 January 2023 that have a material effect on the Company's financial statements.

New and amended IFRS standards adopted by the Company

The Company has applied the following standards and amendments to the standards for the first time for their reporting periods commencing on or after 1 January 2023:

- IFRS 17 Insurance Contracts
- Disclosure of Accounting Policies – Amendments to IAS 1 and IFRS Practice Statement 2
- Definition of Accounting Estimates – Amendments to IAS 8
- Deferred Tax related to Assets and Liabilities arising from a single transaction – Amendments to IAS 12
- Non-current liabilities with covenants – Amendment to IAS 1
- International tax reform – pillar two model rules – Amendment to IAS 12
- Supplier finance arrangements – Amendments to IAS 7 and IFRS 7

The standards and amendments listed above did not have any impact on the amounts recognized in prior and current periods and are not expected to significantly affect the future periods.

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

3. Summary of material accounting policies

The material accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all years presented, unless otherwise stated.

3.1 Foreign currency translation

Foreign currency transactions are translated into Saudi Riyals at the spot rate of exchange prevailing at the date the transaction first qualifies for recognition.

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

3. Summary of material accounting policies (continued)

3.2 Revenue recognition

Revenue comprises of sales directly to customers, through the three marketers, and is recognised and measured based on the considerations specified in the contracts with customers, and excludes rebates and amounts if any, collected on behalf of the third parties. Revenue is recognized either at:

- a point in time or
- over time, when (or as) the Company satisfies the performance obligations as specified in the contract with the customer, by transferring control over the promised goods or service to the customer.

The Company, as a principal, recognizes revenue from the following main sources:

- sale of ammonium phosphate fertilizer and ammonia as a principal, directly to customers, through the three marketers at a point in time;
- rendering of transportation services directly to the customers over a period of time, equivalent to the stage of completion of the service.

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

The Company, as a principal, sells ammonium phosphate fertilizer and ammonia products directly to the customers, through Ma'aden, SABIC and Mosaic, acting as marketing agents, for the sale of phosphate fertilizer and ammonia.

The Company sells a proportion of its goods on Cost and Freight ("CFR") Incoterms and therefore, the Company is responsible for providing shipping services after the date at which control of the goods passes to the customer at the loading port. The Company 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 goods to the customer and recognizing the related revenue at a point in time basis, and
- shipping services for the delivery of the 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 service

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 Company's performance obligation and triggers the recognition of revenue at a point in time.

The selling price includes revenue generated from the sale of goods and transportation services depending on the contract terms with the customer. The selling price is therefore unbundled or disaggregated using standalone selling prices into these two performance obligations where appropriate, being the sale of goods and the transportation thereof and disclosed separately.

The Company recognizes a trade receivable for the sale and delivery of 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 Company does not expect to have any contracts where the period between the transfer of the promised goods or services to the customer and payment by the customer exceeds one year. As a consequence, the Company does not adjust any of the transaction prices for the time value of money.

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

Income from time deposits

For all financial assets measured at amortised cost, interest income is measured using the effective interest rate, which is the rate that exactly discounts the estimated future cash receipts through the expected life of the financial asset or a shorter period, where appropriate, to the net carrying amount of the financial asset. Interest revenue is included in finance income in the profit or loss.

3. Summary of material accounting policies (continued)

3.3 Selling, marketing and logistic expenses

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

3.4 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 Company. Allocations between general and administrative expenses and cost of sales, are made on a consistent basis, when required.

3.5 Mine properties and property, plant and equipment

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 assets 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 takes a substantial period to get ready for their intended use, the applicable borrowing costs.

Mine properties are depreciated using the units of production ("UOP") method, where the assets used for run-of-mine activity are depreciated using tonnes of ore extracted, while the assets used for post run-of-mine activity are depreciated using the recoverable output produced, based on the economically recoverable proven and probable ore reserves of the mine concern. In case of mine properties whose economic useful life is shorter than the life-of-mine ("LoM"), depreciation is charged to the profit or loss using the straight-line method.

Property, plant and equipment are carried at cost less accumulated depreciation. Depreciation is charged to 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 estimated 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 basis over their economic useful lives or the LOM, whichever is the shorter, unless those assets are readily transferable to another productive mine or have alternative use.

Depreciation is charged to the profit or loss, using the UOP method or the straight-line method for certain mining assets and processing plants where applicable, to allocate the depreciable amount over the following estimated economic useful lives:

Categories of mine properties and property plant and equipment	Number of years
• Mine properties	Using the UOP method over the economically recoverable proven and probable reserves or the straight-line method over the economic useful life, whichever is the shorter
• Land and Buildings	20-40
• Plant and Equipment	10-40
• Furniture and fittings	5-10

Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognized when replaced. 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 profit or loss as and when incurred.

3. Summary of material accounting policies (continued)

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

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

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 the proceeds received with the carrying amount and are included in the profit or loss.

Borrowing costs related to qualifying assets that take a substantial period of time to get ready for their intended use are capitalized as part of the cost of the qualified assets until the commencement of commercial production.

Capital spare parts are treated as property, plant and equipment when they can be used only in connection with an item of property, plant and equipment and are expected to have a service life period of more than one year. Depreciation of capital spare parts is based on the shorter of the expected economic useful life of the spare part while in use, or the useful life of the larger asset to which it relates.

Stripping activity asset and stripping activity expense

The Company incurs stripping (waste removal) costs during the development and production stage of its open pit mining operations.

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

Stripping cost incurred during the production phase of an open pit mining operation 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 year 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 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) in the 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.

3. Summary of material accounting policies (continued)

3.6 Right-of-use assets and lease liabilities

The Company assesses whether a contract is or contains a lease, at inception of a contract. The Company recognises a right-of-use ("RoU") 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 Company 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.

Right-of-use assets

The RoU 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 Company 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 15ecognized and measured under IAS 37. The costs are included in the related right-of-use asset, unless those costs are incurred to produce inventories.

RoU assets are depreciated over the shorter period of 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 RoU asset reflects that the Company expects to exercise a purchase option, the related RoU asset is depreciated over the useful life of the underlying asset. The depreciation starts at the commencement date of the lease.

The RoU assets are presented as a separate line item in the statement of financial position.

The Company applies ***IAS 36 Impairment of assets*** to determine whether a RoU asset is impaired and accounts for any identified impairment loss as described in Note 3.9.

Variable rents that do not depend on an index or rate are not included in the measurement the lease liability and the RoU asset. The related payments are 15ecognized 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 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 Company 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 item in the 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 method) and by reducing the carrying amount to reflect the lease payments made.

3. Summary of material accounting policies (continued)

3.6 Right-of-use assets and liabilities (continued)

The Company remeasures the lease liability (and makes a corresponding adjustment to the related RoU 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.

3.7 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 directly attributable cost to the acquisition or construction of an item as intended by management. Costs associated with commissioning the items (prior to its being available for use) are capitalized net of proceeds from the sale of any production during the commissioning period.

Borrowing costs related to qualifying assets are capitalized 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.

3.8 Intangible assets

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

Internally generated intangibles, excluding capitalised development costs, are not capitalised. Instead, the related expenditure is recognised in the statement of profit or loss in the year 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 on intangible assets with finite lives is recognised in the statement of profit or loss within the expense category that is consistent with the function of the intangible assets. The Company amortises intangible assets with a finite useful life using the straight-line method over the following periods:

Categories of intangible assets	Number of years
• ERP Software	10
• Internally developed software	7-10
• Technical development	5-7

3. Summary of material accounting policies (continued)

3.8 Intangible assets (continued)

The Company 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 de-recognition 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 statement of profit or loss when the asset is de-recognised.

3.9 Impairment of mine properties, property, plant and equipment, right-of-use assets and capital work-in-progress

At each reporting date, the Company reviews the carrying amounts of its mine properties, property plant and equipment, right-of-use assets and capital work-in-progress to determine whether there is any indication that those assets are impaired. If such an indication exist, 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 Company estimates the recoverable amount of the cash generating unit ("CGU") to which the asset belongs. An intangible assets with an indefinite useful life is tested for impairment annually or whenever there is indication that the asset may be impaired.

Recoverable amount is the higher of fair value less cost of disposal ("FVLCD") and value-in-use ("VIU"). In assessing VIU, the estimated future cash flows are discounted to their present value using a pre-tax 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 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 to determine the asset or CGU's recoverable amount since the last impairment loss was recognized.

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 profit or loss.

3.10 Inventories

Finished goods

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

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

- labor costs, consumables materials, repair and maintenance expenses of plant and machinery (which are not eligible for capitalization in items of plant and machinery),
- contractor expenses which are directly attributable to the extraction and processing of ore and production of finished goods and
- direct and allocated production overheads,

3. Summary of material accounting policies (continued)

3.10 Inventories (continued)

Work- in- process

Work-in-process is measured at the lower of cost or net realizable value. The cost of work-in-process is determined using the unit cost of production for the year, based on the percentage of completion method at the applicable stage and includes:

- 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 leases of property, plant and equipment used in the extraction and processing of ore, and the amortization of any deferred stripping assets,
- variable and fixed production overheads, the latter being allocated on the basis of normal operating capacity, and
- direct production overheads.

Ore stockpiles

Ore stockpiles represent ore that has been extracted from the mine, considered to be of future economic benefits under current prices and is available for further processing. If the ore stockpile is not expected to be processed in 12 months after the reporting date, it is included in non-current assets. Cost of ore stockpiles are determined by using the weighted average cost basis. If the ore extracted, in the stockpile is considered not to be economically viable the cost 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 (as determined based on the weighted average cost basis) or net realizable value. Quantities and grades of stock piles are assessed primarily through surveys and assays.

Spare parts and consumable materials

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

Raw materials

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

Net realizable value

Net realizable value is the estimated selling price in the ordinary course of business, less estimated costs to complete production and the estimated costs of any selling expenses

3.11 Trade and other receivables

Trade receivables are recognized initially at fair value and subsequently measured at either amortized cost using the effective interest method less loss allowances, if any, or at fair value through profit or loss. See Note 3.14 for a description of the Company's impairment policies.

Trade receivable 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 is recognized in the statement of comprehensive income and presented within "Net revenue".

3.12 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 provision is recognized at an amount equal to 12-month ECL unless there is evidence of significant increase in credit risk of the counter party.

3. Summary of material accounting policies (continued)

3.13 Cash and cash equivalents

Cash and cash equivalents comprise of cash in hand, cash held at banks and short-term bank deposits with an original maturity of three months or less at the date of acquisition, which are readily convertible to 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 Company are excluded from cash and cash equivalents for the purposes of the statement of cash flows. Restricted cash and cash equivalents are related to the employees' savings plan program, see Notes 3.18, 24 and 31.2

3.14 Financial instruments and financial assets and financial liabilities

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

Commodity contracts

The Company's earnings are exposed to movements in the prices of the commodities it produces.

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

Provisional price contracts

Certain of the Company'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 SPPI test. As a result, these receivables are measured at 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. Such fair value gains (losses) on provisionally priced products are presented within revenue.

Financial assets

The Company's principal financial assets include:

- trade and other receivables – excluding pre-payments and zakat / income tax receivables - (Accounting policy 3.11)
- time deposits (Accounting policy 3.12)
- cash and cash equivalents (Accounting policy 3.13)
- due from fellow subsidiaries and shareholders

They are derived directly from the Company's operations.

Recognition of financial assets

Financial assets are initially recognized at fair value on the trade date plus, in the case of a financial asset not at FVTPL, transaction costs

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

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

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

3. Summary of material accounting policies (continued)

3.14 Financial instruments and financial assets and financial liabilities (continued)

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").

Impairment and uncollectibility of financial assets

At each reporting date, the Company measures the loss allowance for a financial asset (using the Expected credit loss 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 Company measures the loss allowance for the financial asset at an amount equal to twelve month 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 measured at amortised cost 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 profit or loss.

Derecognition of financial assets

The Company derecognizes a financial asset 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 statement of profit or loss.

Financial liabilities

The Company's principal financial liabilities comprise of:

- lease liabilities (accounting policy 3.6)
- long-term borrowings (Accounting policy 3.15),
- projects, trade and other payables – excluding zakat / income tax liabilities and employees' end of service termination benefits obligations - (Accounting policy 3.19) and
- accrued expenses (Accounting policy 3.19)
- due to fellow subsidiaries and shareholders

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

Recognition of financial liabilities

Financial liabilities are initially recognized at 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 proceed received, net of eligible transaction cost 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 statement of profit or loss over the period of the long-term borrowings using effective interest rate method.

3. Summary of material accounting policies (continued)

3.14 Financial instruments and financial assets and financial liabilities (continued)

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 Company 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 statement of profit or loss.

Borrowings are removed from the statement of financial position when the obligation specified in the contract is discharged, cancelled or expired. 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, it is treated in the statement of profit or loss as other income or finance costs.

Offsetting financial assets and financial liabilities

A financial asset and liability is offset and net amount reported in the financial statements, when the Company 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.

3.15 Long-term borrowings

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, if any) and the redemption amount is recognised in the statement of profit or loss over the period of the borrowings using the effective interest rate method.

Up-front fees paid on the establishment of loan facilities are recognized as transaction costs of the long-term borrowings 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 capitalized as a prepayment for liquidity services and amortized over the period of the facility to which it relates.

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

General and specific borrowing costs that are directly attributable to the acquisition, construction or production of qualifying assets are capitalized during the period of time that is required to complete and prepare the 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 statement of profit or loss.

3. Summary of material accounting policies (continued)

3.16 Provisions

Provisions are recognized when the Company 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
- the amount can be reliably estimated.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects current market assessment of the time value of money 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 costs in the statement of profit or loss.

3.17 Provision for decommissioning, site rehabilitation and plant dismantling obligations

The mining, extraction and processing activities of the Company 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 structures including plant and buildings,
- removal or treatment of waste materials,
- rehabilitating mines, sites and land,
- restoring, reclaiming and revegetating affected areas.

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

The obligation generally arises when the asset is installed, or the ground environment is disturbed at the mining operations location. The full estimated future cost of mines and processing facilities is discounted to its present value and capitalized as part of "Mine under construction" or "Capital work-in-progress" and once it has been transferred to "Mine properties" or "Property, plant and equipment" it is then depreciated as an expense on the expected life of mine or at varying rates on straight line method over their economic useful lives of the assets, whichever is the shorter, unless those assets are readily transferable to another productive mine or have alternative use.

Costs included in the provision includes all decommissioning and dismantling obligations expected to occur over the life-of-mine and at the time of mine closure or plant dismantling in connection with the mining or processing activities being undertaken at the reporting date. Costs arising from unforeseen circumstances, such as the contamination caused by unplanned discharges, are recognized 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 or dismantling expenditure is dependent upon a number of factors such as:

- the life-of-mine or plant,
- 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 or dismantling 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 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.

3. Summary of material accounting policies (continued)

3.17 Provision for decommissioning, site rehabilitation and plant dismantling obligations borrowings (continued)

Over time, the discounted liability is increased for the change in present value based on the discount rates that reflect current market assessments and the risks specific to the liability. The periodic unwinding of the discount is recognized in the statement of profit or loss and other comprehensive income as part of finance costs.

3.18 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 Company 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 Company.

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 Saudi Riyals 300 per month.

This is a defined contribution plan where the Company 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, which will in turn be credited to the savings accounts of the employee. The Company's portion is charged to statement of profit or loss on a monthly basis. The Company's portion will only be paid upon termination or resignation of the employee.

Other short-term obligations

Liabilities for wages and salaries, including non-monetary benefits and accumulating sick leave that are expected to be settled in full within 12 months after the end of the year in which the employees render the related service are recognized in respect of employees' services up to the end of the reporting year and are measured at the amounts expected to be paid when the liabilities are settled. The liabilities are presented as part of accrued expenses in the statement of financial position.

Home ownership program ("HOP")

The Company 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 security. The repayment of the loan is deducted from the employees' salary in monthly installment.

The interest cost associated with the funding of the acquisition or construction of the employees' house is borne by the Company in accordance with the approved Home owners plan, and expensed as part of finance cost.

Employees' end-of-service termination benefits obligation

The liability recognized in the statement of financial position in respect of the defined employee end-of-service-termination benefits plan, is the present value of the defined benefit obligation at the end of the reporting year. The defined benefit 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 yields of high quality corporate bonds from United States of America as adjusted for the country risk of the Kingdom of Saudi Arabia are used to calculate the present value of the defined benefit 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 defined benefit obligation. This cost is included in finance cost in the statement of profit or loss.

Remeasurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognized in the year in which they occur, directly in the statement of other comprehensive income. They are included in retained earnings in the statement of changes in equity and in the statement of financial position.

Changes in the present value of the defined benefits obligation resulting from plan amendments or curtailments are recognized immediately in the statement of profit or loss as past service costs.

3. Summary of material accounting policies (continued)

3.19 Share-based payment

Share-based compensation benefits are provided to employees of the Company via Employee Stock Incentive Program ("Plan") approved at the Ma'aden Group level. Information relating to the Plan is set out in Note (36.4).

The fair value of shares granted under the Plan is recognised as an expense (salaries and staff related benefits), with a corresponding increase in "Due to Shareholders" since the Company is required to compensate Maaden for the shares granted. The total amount to be expensed is determined by reference to the fair value of the shares granted:

a) including any market conditions (e.g. the Ma'aden Group's share price).

b) excluding the impact of any service and non-market performance vesting conditions (e.g. profitability, sales growth targets and remaining an employee of the entity over a specified time period), and

c) including the impact of any non-vesting conditions (e.g. the requirement for employees to save or hold shares for a specific period of time).

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

3.20 Projects, trade and other payables and accrued expenses

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

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

3.21 Zakat, income tax, withholding tax and deferred taxes

The Company is subject to zakat for Saudi shareholders and income tax for the foreign shareholder in accordance with the regulations of the Zakat, Tax and Customs Authority ("ZATCA"). A provision for zakat and income tax for the Company is charged to the statement of profit or loss. Differences, if any, at the finalization of the final assessments by ZATCA are accounted for when such amounts are determined.

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

The income tax expense for non-GCC shareholders includes the current tax and deferred tax charge recognized in the statement of profit or loss

Current tax payable is based on taxable profit for year. Taxable profit differs from net profit as reported in the 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 Company'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 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.

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 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.

3. Summary of material accounting policies (continued)

3.22 Severance fees

Effective from 1 January 2021 onwards, as per the Mining Investment Law as issued via Ministerial Resolution No. 1006/1/1442 dated 9 Jumada Al-Awwal 1442H (corresponding to 17 April 2021) (the "Mining Law"), the Company is required to pay to the Government of Saudi Arabia severance fee representing equivalent of

a) 20% of hypothetical income net of proportionate zakat due to Zakat, Tax and Customs Authority ("ZATCA") and.

b) specified percentage of the net value of the minerals upon extraction.

Provision for severance fees is accounted as follows:

a) severance fees equivalent of 20% of hypothetical income net of proportionate zakat due to ZATCA is accounted for under IAS 12 "Income Taxes", accordingly, this component of severance fees along with the deferred severance fee is presented separately in the statement of profit or loss, and

b) severance fees based on specified percentage of the net value of the minerals upon extraction is accounted for under IFRIC 21 "Levies", accordingly, is charged to cost of sales in the statement of profit or loss and is not included in the valuation of inventory.

In mixed 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% of taxable income attributable to foreign shareholder.

4. Critical accounting, judgments, estimates and assumptions

The preparation of financial statements in conformity with IFRS that are endorsed in the Kingdom of Saudi Arabia and other standards and pronouncement that are issued by SOCPA, requires the Company's management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, their accounting disclosures and the disclosures of contingent liabilities at the date of the 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 Company makes estimates and assumptions concerning the future. The accounting estimates will, by definition, seldom equal the related actual results.

4.1 Critical accounting judgments in applying accounting standards

The following critical judgments have the most significant effect on the amounts recognized in the financial statements:

- right-of-use assets and lease liabilities
- stripping cost
- determination of cash generating unit ("CGU")
- commercial production start date and
- Severance fees under the Mining Law

Right-of-use assets and lease liabilities

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 Company, 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.

4. Critical accounting, judgments, estimates and assumptions (continued)

4.1 Critical accounting judgments in applying accounting standards (continued)

Stripping cost

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 the creation of a stripping activity asset. Once the Company 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.

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 Company 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.

Determination of cash generating units

The classification of assets into CGUs requires significant judgement and interpretations with respect to the integration between assets, the existence of active markets, external users, and the way in which management monitors the Company's operations. The Company's plants are considered as one CGU as individual asset / plant does not generate cash flows that are independent from other assets / plants.

Commercial production start date

Commercial production of the ammonia plant was declared on 1 January 2017 when the plant was capable of stable operations and has a designed production capacity of 1.1 million tonnes per year.

Commercial production of the di-ammonium phosphate plant was declared 2 December 2018 when the plant was capable of stable operations and has a designed production capacity of 3 million tonnes of di-ammonium phosphate per year.

Commercial production for the mine properties is achieved when the mining related assets are capable of operating in the manner envisaged by the entity's management during the commissioning phase. After declaring commercial production, the mining related assets are ramping up to 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.
- mineral recoveries at or near expected levels.
- achievement of continuous production.
- the level of future capital expenditure still to be incurred.

The final decision on when the mining related asset is capable of commercial production should be agreed with the Ma'aden Corporate Financial control department to ensure that the decision is consistent with other decisions within Ma'aden Group.

It may also be necessary to consider aspects of the mining / production process (e.g. mine, processing plant, refinery, etc.) separately when considering 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.

4. Critical accounting, judgments, estimates and assumptions (continued)

4.1 Critical accounting judgments in applying accounting standards (continued)

Severance fees under the Mining Law

In accordance with the Mining Law, the Company is required to pay to the Government of Saudi Arabia severance fees representing equivalent of 20% of hypothetical income net of proportionate zakat due to ZATCA in addition to specified percentage of the net value of the minerals upon extraction. Management has applied judgement in evaluating the recognition for severance fees under IAS 12 for component of severance fees equivalent to 20% of hypothetical income net of proportionate zakat due to ZATCA.

4.2 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:

- impairment and the reversal of impairment
- economic useful lives and residual values of mine properties and property, plant and equipment
- zakat and income tax
- mineral resource and ore reserves estimates,
- Decommissioning, site rehabilitation and dismantling obligations
- allowances for obsolete and slow-moving spare parts and
- contingencies.

Impairment and the reversal of impairment

The Company reviews the carrying amounts of mine properties, property, plant and equipment, right-of-use assets, and 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.

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

The Company'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 and has not been identified as readily transferable to another productive mine or have alternative use, 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 Company's assets, classified within property, plant and equipment, are depreciated on a straight line basis over their economic useful lives. The economic useful lives and residual values of mine properties and property, plant and equipment are 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 Company. Also see Note 4.3.

4. Critical accounting, judgments, estimates and assumptions (continued)

4.2 Key sources of estimation uncertainty (continued)

Zakat and income tax

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.

Mineral resource and ore reserve estimates

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

The proven and probable ore reserve estimates of the Company 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.

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 Company's ability to extract these ore reserves, could have a material adverse effect on the Company's business, prospects, financial condition and operating results.

Decommissioning, site rehabilitation and dismantling obligations

The Company's mining, exploration and processing activities are subject to various environmental laws and regulations. The Company estimates environmental obligations based on management's understanding of the current legal requirements in the Kingdom of Saudi Arabia, the Company's environmental policy, terms of the license agreements and engineering estimates. Provision for decommissioning, site rehabilitation and dismantling is made 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, future changes in the Company's environmental policy, usage of plant and facilities and life-of-mine estimates could affect the carrying amount of this provision. Also see Note 4.3.

Allowances for obsolete and slow-moving spare parts

The Company also creates an allowance for obsolete and slow-moving spare parts. These estimates take into consideration fluctuations of price or cost directly relating to events occurring subsequent to the statement of financial position date to the extent that such events confirm conditions existing at the end of the year. As at 31 December 2023 there's no provision for obsolete slow-moving items.

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 judgment and estimates of the outcome of future events.

4.3 Changes in accounting estimates

As part of the Company's annual assessment and taking into consideration the changes in laws and regulations and overall change in the economic environment of the Kingdom of Saudi Arabia specific to the Company's business and industry, the Company management in consultation with their external experts carried out a detailed exercise and concluded to revise the following significant accounting estimates during the year ended 31 December 2023:

a) Decommissioning, site rehabilitation and dismantling obligations; and
b) Economic useful lives and residual values of mine properties and property, plant and equipment.

4. Critical accounting, judgments, estimates and assumptions (continued)

4.3 Changes in accounting estimate (continued)

Impact of change in estimate of useful lives and residual values

As a result, during the year, the Company has revised the estimate of useful life and residual value for all the components of assets related to its mine properties and property, plant and equipment. The revisions were accounted for prospectively as a change in accounting estimate and as a result the depreciation expense of the Company for the year ended 31 December 2023 decreased by SAR 97.4 million and carrying amounts of mine properties and property, plant and equipment has increased by SAR 13.7 million and SAR 83.7 million, respectively, as compared to what it would have been using the previous estimates of useful lives and residual values.

Recognition of provision for site rehabilitation and dismantling of plants and processing facilities for its mining and non-mining properties

As a result of recent developments in the economic and legal environment in which the Company operates, during 2023, the Company reassessed and identified a legal obligation to dismantle its plants and processing facilities related to its operational mining and non-mining properties where there was no contractual obligation based on the Company's underlying lease arrangements. This reassessment was concluded during the quarter ended 31 December 2023 and has resulted in the following impact:

i. provision of SAR 234.2 million for plant dismantling and site rehabilitation, see also Note 28,
ii. increase in depreciation expense of SAR 1.6 million, and
iii. increase in finance cost of SAR 6.9 million.

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5. Sales

	Notes	Year ended 31 December 2023	Year ended 31 December 2022
Revenue from sale of goods			
Diammonium phosphate (DAP) fertilizer		**6,168,536,690**	7,874,159,296
Ammonia		**824,502,119**	1,838,100,062
Phosphoric acid		**174,503,229**	-
Sub-total		**7,167,542,038**	9,712,259,358
Revenue from transportation services			
Diammonium phosphate (DAP) fertilizer		**216,237,756**	234,928,944
Ammonia		**21,270,168**	257,539,350
Sub-total		**237,507,924**	492,468,294
Total revenue		**7,405,049,962**	10,204,727,652
Provisional price adjustment			
Diammonium phosphate (DAP) fertilizer		**(57,584,147)**	(28,294,612)
Ammonia		**(33,872,329)**	136,671,227
Sub-total		**(91,456,476)**	108,376,615
Total revenue (net)	36.1, 38.2	**7,313,593,486**	10,313,104,267
DAP fertilizer sales analysis			
Quantity sold in tonnes		**3,136,755**	2,582,681
Average realized price per tonne in:			
US$		**538**	834
Saudi Riyal (equivalent)		**2,017**	3,129
Ammonia sales analysis			
Quantity sold in tonnes		**485,784**	623,780
Average realized price per tonne in:			
US$		**446**	954
Saudi Riyal (equivalent)		**1,671**	3,579
Phosphoric acid sales analysis			
Quantity sold in tonnes		**50,156**	-
Average realized price per tonne in:			
US$		**928**	-
Saudi Riyal (equivalent)		**3,479**	-

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6. Cost of sales

	Notes	Year ended 31 December 2023	Year ended 31 December 2022
Raw material, utilities and consumables		**1,694,155,850**	2,329,542,675
Salaries and staff related benefits		**502,589,637**	393,073,147
Contracted services		**361,143,742**	365,689,284
Repairs and maintenance		**19,281,977**	17,896,320
Consumables		**281,833,090**	178,121,655
Overheads and other consumables		**147,016,242**	140,510,765
Total cash operating costs		**3,006,020,538**	3,424,833,846
Depreciation of mine properties	11.1	**195,206,576**	154,519,547
Depreciation of property, plant and equipment	12.1	**1,106,024,251**	1,102,707,169
Depreciation of right-of-use assets	13.1	**9,939,910**	12,157,730
Amortization of intangible assets	15.1	**196,875**	-
Severance fees	35	**1,988,617**	8,548,279
Total operating costs		**4,319,376,767**	4,702,766,571
(Increase) / Decrease in inventory	21	**(67,227,612)**	(34,627,484)
Total cost of goods sold		**4,252,149,155**	4,668,139,087
Cost of rendering transportation services		**237,507,924**	492,468,294
Total		**4,489,657,079**	5,160,607,381

7. Selling, marketing, and logistic expenses

	Year ended 31 December 2023	Year ended 31 December 2022
Marketing fees	**303,559,925**	444,116,034
Deductibles	**51,028,595**	79,700,620
Logistic expenses	**61,028,756**	51,142,607
Total	**415,617,276**	574,959,261

8. General and administrative expenses

	Notes	Year ended 31 December 2023	Year ended 31 December 2022
Salaries and staff related benefits		**22,050,989**	19,905,487
Contracted services		**104,259,871**	112,956,228
Overheads and other consumables		**41,694,796**	11,592,050
Depreciation of property, plant and equipment	12.1	**40,288,978**	43,587,997
Depreciation of right-of-use assets	13.1	**10,069,254**	8,287,134
Amortization of intangible assets	15.1	**5,934,108**	1,695,594
Total		**224,297,996**	198,024,490

9. Income from time deposits

	Year ended 31 December 2023	Year ended 31 December 2022
Income on time deposits – measured using effective interest rate	**162,438,884**	66,097,617

(All amounts in Saudi Riyals unless otherwise stated)

10. Finance costs

	Notes	Year ended 31 December 2023	Year ended 31 December 2022
Public Pension Agency		**388,305,932**	201,349,831
Riyad bank - Murabaha		**402,498,350**	224,237,525
Riyad bank - Wakala		**112,322,435**	62,576,416
Saudi Industrial Development Fund		**60,528,000**	68,951,039
Sub-total	14.1	**963,654,717**	557,114,811
Amortization of transaction cost	27.2	**37,997,345**	38,693,546
Accretion of provision for mine decommissioning obligations	28	**3,127,975**	4,460,842
Accretion of provision for plant dismantling obligations	28	**3,769,079**	-
Interest cost under lease liabilities	29	**951,422**	676,418
Interest cost on employees' end of service termination benefit obligation	31.1	**4,172,957**	1,932,669
Total		**1,013,673,495**	602,878,286
Less: Borrowing costs capitalized as part of qualifying assets in capital work-in-progress during the year	14.1	**(17,922,720)**	(16,471,808)
Total		**995,750,775**	586,406,478

(All amounts in Saudi Riyals unless otherwise stated)

11. Mine properties

	Notes	Operating Mine						
		Land and Buildings	Plant and Equipment	Mine closure and rehabilitation provision	Mine Plant Dismantling	Stripping activity asset	Mine capital work-in progress	Total
Cost								
1 January 2022		1,563,925,826	1,738,463,462	104,887,128	-	56,450,742	105,833,907	3,569,561,065
Adjustments during the year	28	-	-	(71,527,574)	-	-	-	(71,527,574)
Additions for the year		-	-	-	-	-	10,412,715	10,412,715
Transfer from mine properties capital work-in progress		-	82,533,010	-	-	-	(82,533,010)	-
Transfer from capital work-in progress	14	-	407,206,697	-	-	-	-	407,206,697
31 December 2022		1,563,925,826	2,228,203,169	33,359,554	-	56,450,742	33,713,612	3,915,652,903
Adjustments during the year	28	-	-	55,549,275	-	-	-	55,549,275
Additions for the year		-	-	-	31,400,037	-	19,558,783	50,958,820
Transfer from mine properties capital work-in progress		-	32,426,818	-	-	-	(32,426,818)	-
Transfer from capital work-in progress	14	4,723,770	29,519,300	-	-	-	-	34,243,070
31 December 2023		**1,568,649,596**	**2,290,149,287**	**88,908,829**	**31,400,037**	**56,450,742**	**20,845,577**	**4,056,404,068**
Accumulated depreciation								
1 January 2022		(197,644,021)	(266,656,787)	(7,336,763)	-	(4,576,394)	-	(476,213,965)
Charge for the year	11.1	(63,170,950)	(87,720,313)	(2,076,635)	-	(1,551,649)	-	(154,519,547)
31 December 2022		(260,814,971)	(354,377,100)	(9,413,398)		(6,128,043)	-	(630,733,512)
Charge for the year	11.1	(56,316,100)	(135,760,254)	(980,389)	(212,859)	(1,936,974)	-	(195,206,576)
31 December 2023		**(317,131,071)**	**(490,137,354)**	**(10,393,787)**	**(212,859)**	**(8,065,017)**	**-**	**(825,940,088)**
Net book value								
31 December 2022		1,303,110,855	1,873,826,069	23,946,156	-	50,322,699	33,713,612	3,284,919,391
31 December 2023		**1,251,518,525**	**1,800,011,933**	**78,515,042**	**31,187,178**	**48,385,725**	**20,845,577**	**3,230,463,980**

During the year, the Company has reassessed and revised economic useful lives and residual values of assets related to its mine properties. See Note 4.3 "Changes in accounting estimates".

11. Mine properties (continued)

Initial recognition at cost

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 re-vegetating affected areas.

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

Producing mine

Upon completion of the "Mine under construction" phase and the declaration of commercial production, the assets are transferred to "Mine properties". Items of mine properties are stated at cost, less accumulated depreciation and impairment losses. The initial cost of an asset comprises of its purchases price, 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. The capitalized value of a finance lease is also included in property, plant and equipment.

Stripping activity asset

As part of its open pit mining operations, the Company incurs stripping (waste removal) costs both during the development phase and the production phase of its open pit mining operations.

Stripping costs incurred in the development phase of the 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 the mine using a UOP method. The capitalization of developing stripping costs ceases when the mine 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 a component of the ore body to be mined in the future.

Where the benefits are realized in the form of inventory produced during the year, 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 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".

Stripping activities that give rise to improved access to a component of the ore body to be mined in the future (developed stripping) is accounted for as an asset category of the mine asset, and is presented as part of "Mine properties" in the 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.

(All amounts in Saudi Riyals unless otherwise stated)

11. Mine properties (continued)

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 a particular asset category of the producing mine and put into use, from which point onwards it is being depreciated.

Depletion, depreciation and impairment

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

The asset carrying value of mine closure and rehabilitation provision, will only be depreciated once commercial production has been declared, it is however tested for impairment on an annual basis as and when impairment indicators have been identified.

Mining capital work-in-progress

Mining capital work-in-progress is 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.

11.1 Allocation of depreciation charge during the year to:

	Note	Year ended 31 December 2023	Year ended 31 December 2022
Cost of sales	6	**195,206,576**	154,519,547

11.2 Mine properties pledged as security

As at 31 December 2023, mine properties with a net book value of SAR 3,230,463,980 (December 2022: SAR 3,284,919,391) have been pledged as security to the lender under the Common Terms Financing Agreement (Note 27.5).

(All amounts in Saudi Riyals unless otherwise stated)

12. Property, plant and equipment

	Notes	Land and Buildings	Plant and Equipment	Plant Site Rehab and Dismantling	Furniture and fixtures	Total
Cost						
1 January 2022		9,233,346,104	14,202,898,296	-	19,516,278	23,455,760,678
Disposal during the year		-	(740,740)	-	-	(740,740)
Transfer from capital work-in progress	14	77,231,582	848,287,812	-	-	925,519,394
31 December 2022		9,310,577,686	15,050,445,368	-	19,516,278	24,380,539,332
Additions for the year		-	-	202,780,048	-	202,780,048
Retired during the year		-	(17,510,368)	-	-	(17,510,368)
Transfer from capital work-in progress	14	11,622,974	542,082,881	-	1,644,328	555,350,183
31 December 2023		**9,322,200,660**	**15,575,017,881**	**202,780,048**	**21,160,606**	**25,121,159,195**
Accumulated depreciation						
1 January 2022		(883,668,322)	(2,816,432,306)	-	(11,341,357)	(3,711,441,985)
Charge for the year	12.1	(283,036,378)	(859,580,510)	-	(3,678,278)	(1,146,295,166)
31 December 2022		(1,166704,700)	(3,676,012,816)	-	(15,019,635)	(4,857,737,151)
Charge for the year	12.1	(277,204,189)	(864,348,850)	(1,353,886)	(3,406,304)	(1,146,313,229)
Retired during the year		-	8,609,264	-	-	8,609,264
31 December 2023		**(1,443,908,889)**	**(4,531,752,402)**	**(1,353,886)**	**(18,425,939)**	**(5,995,441,116)**
Net book value						
31 December 2022		8,143,872,986	11,374,432,552	-	4,496,643	19,522,802,181
31 December 2023		**7,878,291,771**	**11,043,265,479**	**201,426,162**	**2,734,667**	**19,125,718,079**

During the year, the Company has reassessed and revised economic useful lives and residual values of assets related to its mine properties. See Note 4.3 "Changes in accounting estimates".

(All amounts in Saudi Riyals unless otherwise stated)

12. Property, plant and equipment (continued)

12.1 Allocation of depreciation charge during the year to:

	Notes	Year ended 31 December 2023	Year ended 31 December 2022
Cost of sales	6	**1,106,024,251**	1,102,707,169
General and administrative expenses	8	**40,288,978**	43,587,997
Total	12	**1,146,313,229**	1,146,295,166

12.2 Property, plant and equipment pledged as security

As at 31 December 2023, the net book value of SAR 19,125,718,079 (31 December 2022: SAR 19,522,802,181) has been pledged as security to the lender under the Common Terms Financing Agreement (Note 27.5).

13. Right-of-use assets

	Notes	Equipment	Vehicles	Total
Cost				
1 January 2022		33,004,976	29,193,367	62,198,343
Additions during the year		10,491,829	14,764,466	25,256,295
Retired during the year		-	(2,937,848)	(2,937,848)
31 December 2022	29	43,496,805	41,019,985	84,516,790
Additions during the year		16,568,312	-	16,568,312
Retired during the year		(43,496,805)	-	(43,496,805)
31 December 2023	29	**16,568,312**	**41,019,985**	**57,588,297**
Accumulated depreciation				
1 January 2022		(23,470,201)	(8,944,750)	(32,414,951)
Charge during the year	13.1	(12,157,730)	(8,287,134)	(20,444,864)
Retired during the year		-	2,937,848	2,937,848
31 December 2022		(35,627,931)	(14,294,036)	(49,921,967)
Charge during the year	13.1	(9,939,911)	(10,069,254)	(20,009,165)
Retired during the year		43,496,805	-	43,496,805
31 December 2023		**(2,071,037)**	**(24,363,290)**	**(26,434,327)**
Net book value				
31 December 2022	29	7,868,874	26,725,949	34,594,823
31 December 2023	29	**14,497,275**	**16,656,695**	**31,153,970**

13.1 Allocation of depreciation charge during the year to:

	Notes	Year ended 31 December 2023	Year ended 31 December 2022
Cost of sales	6	**9,939,911**	12,157,730
General and administrative expenses	8	**10,069,254**	8,287,134
Total		**20,009,165**	20,444,864

13. Right-of-use assets (continued)

13.2 Short-term and low-value lease payments

The Company has used practical expedient available in IFRS 16 – Leases for short-term leases and leases of low-value assets (such as personal computers and office furniture). These are recognized on a straight-line basis as an expense in the statement of profit or loss.

Payments under short-term and low-value leases, recognized as an expense during the year.

	Year ended 31 December 2023	Year ended 31 December 2022
Office equipment	**4,366,883**	8,926,003

(All amounts in Saudi Riyals unless otherwise stated)

14. Capital work-in-progress

	Notes	Plant and Equipment	Land and Buildings	Capital spares	Administrative Offices and others	Total
Cost						
1 January 2022		985,204,710	140,618,252	361,265,596	233,963,037	1,721,051,595
Additions during the year		372,755,681	80,939,462	40,371,033	-	494,066,176
Reclass during the year		176,371,187	-	-	(176,371,187)	-
Transfer to mine properties during the year	11	(340,937,068)	-	(66,269,629)	-	(407,206,697)
Transfer to property, plant and equipment during the year	12	(683,501,769)	(77,231,582)	(164,786,043)	-	(925,519,394)
31 December 2022		509,892,741	144,326,132	170,580,957	57,591,850	882,391,680
Reclass during the year		20,516,377	(20,516,377)	-	-	-
Additions during the year		375,619,332	43,510,764	139,643,176	54,045,907	612,819,179
Transfer to mine properties during the year	11	(29,519,300)	(4,723,770)	-	-	(34,243,070)
Transfer to property, plant and equipment during the year	12	(468,826,870)	(11,622,974)	(73,256,011)	(1,644,328)	(555,350,183)
Transfer to intangible assets during the year	15	-	-	-	(35,507,363)	(35,507,363)
31 December 2023		**407,682,280**	**150,973,775**	**236,968,122**	**74,486,066**	**870,110,243**

(All amounts in Saudi Riyals unless otherwise stated)

14. Capital work-in-progress (continued)

14.1 Borrowing costs attributable to qualifying assets

The Company has capitalized net borrowing cost attributable to qualifying assets as part of capital work-in-progress the following:

	Notes	Year ended 31 December 2023	Year ended 31 December 2022
Gross borrowing cost incurred	27.2	**1,013,673,495**	602,878,286
Expensed during year	10	**(995,750,775)**	(586,406,478)
Net borrowing cost capitalized as part of qualifying assets in Capital work-in-progress		**17,922,720**	16,471,808

During 2023, the capitalization rate of 7.20% (2022: 3.10%) has been used for the calculation of borrowing cost attributable to qualifying assets.

14.2 Other cost capitalized under capital work-in-progress

In addition to borrowing cost in Note 14.1, the Company has capitalized as part of capital work-in-progress the following:

	31 December 2023	31 December 2022
Advances to contractors capitalized as part of capital work-in-progress during the year	**19,485,140**	28,086,105

14.3 Capital work-in-progress pledged as security

Asset in the course of construction are capitalized in the capital work-in-progress account and is not subject to depreciation. As at 31 December 2023 the net book value of SAR 824,197,419 (31 December 2022; SAR 882,391,680) has been pledged as security to the lender under the Common Terms Financing Agreement (Note 27.5).

14.4 Impairment test for mine properties, property, plant and equipment, right-of-use assets and capital work-in-progress

As at 31 December 2023, management of the Company performed an impairment assessment of the MWSPC CGU, due to lower than budgeted results mainly due to decrease in prices in the international market. 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 9.5% (31 December 2022: 9.7%) per annum which was calculated using a Capital Asset Pricing Model (CAPM) methodology;
- Commodities prices - which have been estimated based on third parties 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 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.

(All amounts in Saudi Riyals unless otherwise stated)

14. Capital work-in-progress (continued)

14.4 Impairment test for mine properties, property, plant and equipment, right-of-use assets and capital work-in-progress (continued)

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

	31 December 2023	31 December 2022
Discount rate:		
From	**8.70 %**	9.70 %
To	**10.80 %**	11.36 %
Decrease in sales prices	**5.55 %**	6.46 %

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.

15. Intangible assets

	Notes	ERP software
Cost		
1 January 2022		-
Additions during the remaining of the year		18,967,923
31 December 2022		18,967,923
Transfer from capital work-in progress	14	35,507,363
31 December 2023		**54,475,286**
Accumulated amortization		
1 January 2022		-
Charge during the year	8	(1,695,594)
31 December 2022		(1,695,594)
Charge during the year	8	(6,130,983)
31 December 2023		**(7,826,577)**
Net book value		
31 December 2022		17,272,329
31 December 2023		**46,648,709**

15.1 Allocation of depreciation charge during the year to:

	Notes	31 December 2023	31 December 2022
Cost of sales	6	**196,875**	-
General and administrative expenses	8	**5,934,108**	1,695,594
Total		**6,130,983**	1,695,594

16. Deferred taxes and severance assets / (liabilities)

	Notes	31 December 2023	31 December 2022
Deferred tax and severance assets	16.1	**407,793,206**	384,678,233
Deferred tax and severance liabilities	16.2, 16.3	**(712,130,221)**	(494,461,001)
Total		**(304,337,015)**	(109,782,768)

(All amounts in Saudi Riyals unless otherwise stated)

16. Deferred taxes and severance assets / (liabilities) – (continued)

16.1 Deferred tax and severance assets

	Notes	Tax losses	Provision for research and development and community development	Provision for site rehabilitation & dismantling (Note 28)	Employees' benefits (Note 31)	Severance fees (Note 35.3.1)	Total
1 January 2021		404,597,597	3,055,245	6,466,433	3,773,399	-	417,892,674
Credited to profit or loss for the year	34.5	(35,919,089)	4,380,967	(2,249,359)	573,040	-	(33,214,441)
31 December 2022	16	368,678,508	7,436,212	4,217,074	4,346,439	-	384,678,233
Credited to profit or loss for the year	34.5, 35.3	(9,166,448)	782,274	(2,635,690)	254,275	33,880,562	23,114,973
31 December 2023	16	**359,512,060**	**8,218,486**	**1,581,384**	**4,600,714**	**33,880,562**	**407,793,206**

The deferred tax and severance assets have arisen because of the temporary differences between:

- the operating loss carry forward on a year-to-year basis, is in excess of the tax deduction allowed against gross income for the year and can be carried forward to be off settled against taxable income in the future years.
- the carrying value of the provision for research and development program and community development and their tax base.
- the carrying value of the provision for decommissioning, site rehabilitation and dismantling obligations and their tax base.
- the carrying value of the employees' end of service benefits obligation and their tax base.

(All amounts in Saudi Riyals unless otherwise stated)

16. Deferred taxes and severance assets / (liabilities) – (continued)

16.2 Deferred tax and severance liabilities

	Notes	31 December 2023	31 December 2022
Deferred tax liabilities on income tax	16.2.1	**530,400,282**	494,461,001
Deferred severance liabilities	16.2.2	**181,729,939**	-
Total		**712,130,221**	494,461,001

16.2.1 Deferred tax liabilities on income tax

The deferred tax liability has arisen because of the temporary difference between:

- the carrying value of the property, plant and equipment as per IFRS and Zakat, Tax and Customs Authority ("ZATCA") tax base.

	Notes	31 December 2023	31 December 2022
Foreign shareholder's 25% proportionate share of the balance of temporary differences attributable to Property, plant and equipment:			
1 January		**494,461,001**	444,497,552
Debited to profit or loss during the year	34.5	**35,939,281**	49,963,449
31 December	16	**530,400,282**	494,461,001

As at 31 December 2023, a significant component of temporary difference has arisen between the carrying value of property, plant and equipment excluding capital work-in-progress based on IFRS which is amounted to SAR 22,408,235,088 (Note 11, 12 and 13) and based on Zakat, Tax and Customs Authority ("ZATCA") computation on the carrying value of the Company's property plant and equipment which amounted to SAR 11,800,229,422.

The net taxable temporary difference of SAR 10,608,005,666 based on foreign shareholder's 25% proportionate share and income tax rate of 20% would give rise to deferred tax liability of SAR 530,400,283.

16.2.2 Deferred severance liabilities

The deferred severance liability has arisen because of the temporary difference between:

- the carrying value of the mine properties as per IFRS and Zakat, Tax and Customs Authority ("ZATCA") tax base.

	Notes	31 December 2023	31 December 2022
Saudi shareholder's 75% proportionate share of the balance of temporary differences attributable to Mine properties:			
1 January		**-**	-
Debited to profit or loss during the year	35.4	**181,729,938**	-
31 December (Note 35.3)	16	**181,729,938**	-

For severance fees calculation as at 31 December 2023, a significant component of temporary difference has arisen between the carrying value of mine properties excluding capital work-in-progress determined based on IFRS which is amounted to SAR 3,209,618,403 (Note 11) and the carrying value of the Company's mine properties determined based on Zakat, Tax and Customs Authority ("ZATCA") regulation on the carrying value of the Company's mine properties which amounted to SAR 1,825,009,350.

The net taxable temporary difference of SAR 1,384,609,053 based on Saudi shareholder's 75% proportionate share and income tax rate of 17.50% (net of Zakat rate of 2.50%) would give rise to deferred severance liability of SAR 181,729,938.

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(A Saudi Arabian limited liability company)
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17. Other non-current assets

	31 December 2023	31 December 2022
Long-term employees' home owners receivable, 1 January	**17,446,897**	23,004,519
Less: Net repayments by employees during year	**(487,015)**	(5,557,622)
• Opening	**(10,973,032)**	(5,415,410)
• Ending	**(11,460,047)**	(10,973,032)
Less: Current portion of long-term employees' home owners receivable for the year	**(250,000)**	-
• Opening	**(10,643,415)**	(10,643,415)
• Ending	**(10,893,415)**	(10,643,415)
Total	**16,709,882**	17,446,897

The Company, in compliance with its approved Home Owners Program ("HOP") sold newly constructed houses to its eligible employees on an interest free basis with an easy installment repayment plan. This also includes furniture loans and advances for the service and maintenance of the units, all the amounts are secured, interest free and payable in accordance with specific repayment terms.

18. Due from / (to) shareholders

18.1 Due from shareholders

	Notes	31 December 2023	31 December 2022
Ma'aden – the Saudi Arabian shareholder, parent company	36.2, 38.3; 41	**43,997,269**	280,986,274
Mosaic Phosphates B.V.	36.2	**-**	1,889,904
Total		**43,997,269**	282,876,178

The amount is unsecured, interest free and not subject to any specific repayment terms.

18.2 Due to shareholders

	Notes	31 December 2023	31 December 2022
Ma'aden – the Saudi Arabian shareholder, parent company	36.2, 38.2; 41	**85,655,239**	146,520,297
Mosaic Phosphates B.V.	36.2	**1,004,713**	-
Total		**86,659,952**	146,520,297

The amount is unsecured, interest free and not subject to any specific repayment terms.

19. Due from / (to) fellow subsidiaries

19.1 Due from fellow subsidiaries

	Notes	31 December 2023	31 December 2022
Ma'aden Phosphate Company	36.2	**11,058,527**	36,921,307
Ma'aden Fertilizer Company	36.2	**37,795,931**	110,603,374
Ma'aden Aluminium Company	36.2	**5,832,216**	23,100
Ma'aden Gold and Base Metal Company	36.2	**9,750**	-
Industrial Minerals Company	36.2	**37,582**	-
Total	36.2, 38.3; 41	**54,734,006**	147,547,781

The fellow subsidiary is under the direct control of the parent company. The amounts are unsecured, interest free and not subject to any specific repayment terms.

(All amounts in Saudi Riyals unless otherwise stated)

19. Due from / (to) fellow subsidiaries (continued)

19.2 Due to fellow subsidiaries

	Notes	31 December 2023	31 December 2022
Ma'aden Phosphate Company	36.2	**33,261,434**	140,498,514
Ma'aden Aluminium Company	36.2	**2,389,788**	5,638,464
Industrial Minerals Company	36.2	**7,594,378**	8,485,222
Ma'aden Gold and Base Metal Company	36.2	**24,266**	24,194
Ma'aden Infrastructure Company:	36.2	**489,976**	17,254
Ma'aden Fertilizer Company	36.2	**10,253**	-
Total	36.2, 38.3; 41	**43,770,095**	154,663,648

These fellow subsidiaries are under the direct control of the parent company (the Saudi Arabian Mining Company – Ma'aden). The amounts are unsecured, interest free and not subject to any specific repayment terms.

20. Advances and prepayments

	31 December 2023	31 December 2022
Prepaid insurance	**-**	24,730,790
Prepaid bank guarantee	**-**	31,372,500
Advance to employees	**491,616**	660,840
Total	**491,616**	56,764,130

21. Inventories

	Note	31 December 2023	31 December 2022
Saleable inventory			
Finished goods – ready for sale			
DAP		**246,491,171**	253,651,635
Cost of finished goods – DAP		**247,533,027**	258,481,373
Less: Inventory written-down to net realizable value – DAP		**(1,041,856)**	(4,829,738)
AMM		**5,737,551**	8,288,156
Sulphate of potash		**2,743,166**	2,402,447
Cost of finished goods – SOP		**9,097,835**	6,090,607
Less: Inventory written down to net realizable value - SOP		**(6,354,669)**	(3,688,160)
Work-in-process		**216,867,631**	139,085,450
Stockpile of mined ore		**34,978,334**	36,162,554
Sub-total	6	**506,817,853**	439,590,242
Consumable inventory			
Spare parts and consumable materials		**1,019,770,258**	669,797,191
Raw materials		**123,138,565**	141,110,511
Sub-total		**1,142,908,823**	810,907,702
Total		**1,649,726,676**	1,250,497,944

(All amounts in Saudi Riyals unless otherwise stated)

22. Trade and other receivables

	Notes	31 December 2023	31 December 2022
Trade receivables from shareholders			
Saudi Arabian Mining Company – Ma'aden, the parent company	36.2	**922,454,004**	865,585,916
SABIC	36.2	**269,987,554**	265,949,560
Mosaic Phosphates B.V.	36.2	**250,407,996**	275,937,379
Sub-total trade receivable from shareholders	38.1.2, 38.2	**1,442,849,554**	1,407,472,855
Trade receivables from a fellow subsidiary			
Ma'aden Phosphate Company ("MPC")	36.2	**234,303,690**	-
Sub-total trade receivable	38.1.2, 38.2	**1,677,153,244**	1,407,472,855
Other receivable			
Saudi Arabian Oil Company ("Saudi Aramco")	36.2	**96,190,629**	313,475,617
VAT receivable from regulatory authorities		**118,009,592**	93,138,579
Others		**100,329,386**	45,408,218
Sub-total other receivable	38.2	**314,529,607**	452,022,414
Total		**1,991,682,851**	1,859,495,269

All shareholders act as marketers for all of the Company's finished products and these amounts represent the amounts owing on the third-party sales (Note 36.1) concluded by them.

As per the marketing agreement, these amounts are secured by letters of credit provided by the customers to the marketers, ahead of the dispatch of any shipment, therefore indemnifying the Company and the marketers against any potential losses arising from nonperformance by the customers. Furthermore, amongst other obligations under the marketing agreement the marketers are responsible for obtaining credit insurance coverage. The Company does not bear the credit risk of any bad debts unless specifically agreed to with reference to specific transactions.

Trade receivables from MPC, a fellow subsidiary, is related to products transferred to MPC under Product Swap Agreement ("PSA") billed at market price.

The Company holds all its trade receivables, within a business model, with the objective of collecting the contractual cash flows. However, the contractual cash flows, trade receivables vary based on the change in price of the commodity and will therefore be subsequently measured at FVTPL, otherwise certain trade receivables are subsequently measured at amortised cost. As at 31 December 2023, the trade receivables from shareholders amounting to SAR 1,442,849,554 were carried at FVTPL while the trade receivable from MPC amounting to SAR 234,303,690 is measured at amortised cost.

23. Time deposits

	Notes	31 December 2023	31 December 2022
Time deposits with original maturities more than three months at the date of acquisition		**618,750,000**	2,515,000,000
Time deposit income receivable		**15,163,777**	35,479,170
Total	38.2, 40	**633,913,777**	2,550,479,170

Time deposits yield financial income at prevailing market prices.

(All amounts in Saudi Riyals unless otherwise stated)

24. Cash and cash equivalents

	Notes	31 December 2023	31 December 2022
Unrestricted			
Time deposits with original maturities equal to or less than three months at the date of acquisition		**1,183,969,508**	1,259,075,288
Cash and bank balances		**270,125**	3,618,925
Sub-total		**1,184,239,633**	1,262,694,213
Restricted			
Cash and bank balances	31.2	**15,489,803**	11,282,275
Total	38.2, 40	**1,199,729,436**	1,273,976,488

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

25. Share capital

	Note	31 December 2023	31 December 2022
Authorised share capital			
843,750,000 Ordinary shares with a nominal value of SAR 10 per share	1	**8,437,500,000**	8,437,500,000
Issued and partly paid up share capital			
843,750,000 Ordinary shares with a nominal value of SAR 10 per share partly paid up as at 31 December 2023 at approximately SAR 9.41 (SAR 9.41 per share and 31 December 2022: SAR 9.41) per share		**7,942,501,875**	7,942,501,875

The issued and partly paid-up share capital is distributed as follows:

Shareholders	% Holding	Number of Shares	31 December 2023	31 December 2022
Saudi Arabian				
Ma'aden	60%	506,250,000	**4,765,501,125**	4,765,501,125
SABIC	15%	126,562,500	**1,191,375,281**	1,191,375,281
Sub-total	75%	632,812,500	**5,956,876,406**	5,956,876,406
Foreign				
Mosaic Phosphates B.V.	25%	210,937,500	**1,985,625,469**	1,985,625,469
Total	100%	843,750,000	**7,942,501,875**	7,942,501,875

26. Transfer of net income

	31 December 2023	31 December 2022
1 January	**144,558,274**	35,755,763
Transfer at 4% of net income for the year	**39,976,898**	108,802,511
31 December	**184,535,172**	144,558,274

(All amounts in Saudi Riyals unless otherwise stated)

26. Transfer of net income (continued)

The transfer of net income is distributed as follows:

Shareholders	% Holding	31 December 2023	31 December 2022
Saudi Arabian			
Ma'aden	60%	**110,721,102**	86,734,963
SABIC	15%	**27,680,276**	21,683,742
Sub-total	75%	**138,401,378**	108,418,705
Foreign			
Mosaic Phosphates B.V.	25%	**46,133,794**	36,139,569
Total	100%	**184,535,172**	144,558,274

In accordance with the Company's Articles of Association, the Company is required to establish a statutory reserve by apportioning 4% of its annual net income to the statutory reserve, until the statutory reserve equals or exceed 20% of the Company's paid up share capital. Such transfer is to be made on an annual basis and the statutory reserve so created is not available for dividend distribution.

27. Long-term borrowings

27.1 Facilities approved

The Company entered into a Common Terms Agreement ("CTA") and other agreements (collectively referred to as "Financing Agreements") with a group of financial institutions on 30 June 2014. As part of loan restructuring the Company entered into new financing arrangements on 20 June 2020. The new financing facilities comprised:

Financial Institutions	Date of approval	Facilities granted
Public Pension Agency ("PPA")	20 June 2020	**6,599,903,363**
Islamic and commercial banks facilities		
Riyad Bank - the Murabaha facility – as agent	20 June 2020	6,808,496,298
Riyad Bank - the Wakala facility – as agent	20 June 2020	1,900,000,000
Sub-total		**8,708,496,298**
Saudi Industrial Development Fund ("SIDF")		
Loan Agreement No. 2849 and 2851	30 December 2015	2,100,000,000
Loan Agreement No. 2850 and 2852	22 November 2018	1,900,000,000
Sub-total		**4,000,000,000**
Total facilities approved		**19,308,399,661**

The new financing agreements imposed special conditions and financial covenants including:

- the limitation on creation of additional liens and/or financing obligations by the Company, unless specifically allowed under the CTFA;
- 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)

27. Long-term borrowings (continued)

27.1 Facilities approved (continued)

Facility agents:

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

In addition to scheduled repayments, the restructured Riyal Murabaha and Riyal Wakala facilities include provisions to make prepayments to the participants depending on the availability of excess cash for debt servicing. The prepayments continue until certain conditions have been met in respect of the outstanding balance under each of the facilities and are also limited in respect of time for the Riyal Murabaha and Riyal Wakala facilities.

On June 30, 2022, the Company made prepayments on its principal loan balance under the "fixed cash sweep" clause of the CTA in case of "excess cash" as defined under the CTA. Accordingly, with a total of SAR 514,116,486 availability of excess cash, 57% (Saudi Riyals 293,046,397 million) of the "excess cash" was prepaid against the borrowings from Islamic and commercial banks and 43% (Saudi Riyals 221,070,089 million) against the borrowings from PPA.

On June 30, 2023, the Company made a voluntary prepayments on its principal loan balance under clause 4.6 of the Common Terms of Agreement (CTA) which allows the Company to prepay the whole or any part of (i) a Stage payment in relation to Wakala facilities, and/or (ii) one or more Deferred Prices then outstanding under Murabaha facilities. Accordingly, with a total of SAR 3,000,000,000 voluntary prepayment of loan principal, 57% (Saudi Riyals 1,706,491,754 million) was prepaid against the borrowings from Islamic and commercial banks and 43% (Saudi Riyals 1,293,508,246 million) against the borrowings from PPA.

27.2 Facilities utilized under the different CTAs

	31 December 2023	31 December 2022
Public Pension Agency		
30 June 2020 loan transfer	**6,599,903,363**	6,599,903,363
Less: Total repayment of borrowing	**(1,720,931,166)**	(320,068,639)
• Opening	**(320,068,639)**	-
• For the year	**(1,400,862,527)**	(320,068,639)
Sub-total	**4,878,972,196**	6,279,834,724
Less: Transaction cost balance as at the end of the year	**(39,836,044)**	(37,036,193)
Sub-total	**4,839,136,152**	6,242,798,531
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 112.5 million and increasing over the term of the loan with the final repayment of SAR 379 million on 30 June 2035.		
Transaction cost incurred during the year which is amortized over the term of the loan amounted to negative SAR 2,799,851 due to loan modification and extension of loan maturity (31 December 2022: SAR 3,727,650) Note 10.		
Commission and commitment fees incurred during the year amounted to SAR 388,305,932 (31 December 2022: SAR 201,349,831) Note 10.		
Islamic and commercial banks		
Riyad Bank - as agent for the Murabaha facility	**6,808,496,299**	6,808,496,299
Riyad Bank - as agent for the Wakala facility	**1,900,000,000**	1,900,000,000
Sub-total	**8,708,496,299**	8,708,496,299
Less: Total repayment of borrowing	**(2,271,818,308)**	(423,673,841)
• Opening	**(423,673,841)**	-
• For the year – Murabaha facility	**(1,444,920,493)**	(331,237,642)
• For the year – Wakala facility	**(403,223,974)**	(92,436,199)
Sub-total	**6,436,677,991**	8,284,822,458
Less: Transaction cost balance as at the end of the year	**(43,597,081)**	(51,168,426)
Sub-total	**6,393,080,910**	8,233,654,032
Sub-total carried forward	**11,232,217,062**	14,476,452,563

(All amounts in Saudi Riyals unless otherwise stated)

27. Long-term borrowings (continued)

27.2 Facilities utilized under the different CTAs (continued)

	31 December 2023	31 December 2022
Balance brought forward	**11,232,217,062**	14,476,452,563
Islamic and commercial banks		
The rate of commission on the principal amount of the loan drawdown for each commission period on all the Saudi Riyal facilities is SIBOR plus a margin (mark-up in case of Wakala facilities) of 1.20% for Murabaha and Wakala facility.		
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 77.5 million and increasing 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 amounting to SAR 78 million has been netted-off with the loan balance and will be amortized over the term of the loan. Transaction cost incurred during the year amounted to SAR 7,571,345 (31 December 2022: SAR 3,755,331) Note 10.		
Commission and commitment fees incurred during the year amounted to SAR 402,498,350 for Murabaha facility and SAR 112,322,435 for Wakala facility) with a total of SAR 514,820,785 (31 December 2022: SAR 286,813,941) Note 10.		
Saudi Industrial Development Fund		
23 October 2017 first drawdown	**1,680,000,000**	1,680,000,000
20 November 2018 second drawdown	**420,000,000**	420,000,000
31 December 2018 third drawdown	**1,805,000,000**	1,805,000,000
10 November 2019 fourth drawdown	**95,000,000**	95,000,000
Sub-total	**4,000,000,000**	4,000,000,000
Less: Total repayment of borrowing	**(1,305,000,000)**	(925,000,000)
• Opening	**(925,000,000)**	(555,000,000)
• For the year	**(380,000,000)**	(370,000,000)
Sub-total	**2,695,000,000**	3,075,000,000
Less: Transaction cost balance as at the end of the year	**(144,534,757)**	(177,760,611)
Sub-total	**2,550,465,243**	2,897,239,389
The rate of commission on the principal amount of the loan drawdown and outstanding for each commission period, is in the range of 1.70% per annum.		
The repayment of the principal amount of the loan on the original agreement will be in 24 installments on a six-monthly basis started from 22 December 2018. The repayments are started from SAR 60 million and increasing over the term of the loan.		
On 20 June 2020, the loan was restructured and resulted to modification on the repayment of the loan which will start from May 2021, on a six-monthly basis, starting at SAR 175 and increasing over the term of the loan with the final repayment of SAR 55 million in August 2031.		
Transaction cost incurred during the year which is amortized over the term of the loan amounted to SAR 33,225,854 (31 December 2022: SAR 31,210,565) Note 10.		
Sub-total carried forward	**13,782,682,305**	17,373,691,952

27. Long-term borrowings (continued)

27.2 Facilities utilized under the different CTAs (continued)

	31 December 2023	31 December 2022
Balance brought forward	**13,782,682,305**	17,373,691,952
Saudi Industrial Development Fund Commission and commitment fees incurred during the year amounted to SAR 60,528,000 (31 December 2022: SAR 68,951,039) Note 10.		
Total loan borrowings	**13,782,682,305**	17,373,691,952
Accrued finance costs	**10,431,661**	9,418,190
Sub-total (Note 39.1)	**13,793,113,966**	17,383,110,142
Less: Current portion of borrowings shown under current liabilities (Note 39.1)	**(602,949,253)**	(658,846,020)
Current portion of long-term borrowings	**(592,517,592)**	(649,427,830)
Accrued finance costs	**(10,431,664)**	(9,418,190)
Long-term portion of borrowings (Note 39.1)	**13,190,164,710**	16,724,264,122

27.3 Facilities' currency denomination

Essentially all of the Company's facilities have been contracted in United States Dollar (US$) and Saudi Riyals (SAR) and the drawdown balances in US$ are shown below:

	31 December 2023 (US$)	31 December 2022 (US$)
Public Pension Agency (US$)	**1,301,059,253**	1,674,622,593
Islamic and commercial banks facilities:		
Riyad Bank - as agent for the Murabaha facility (SAR)	**1,341,956,843**	1,727,268,975
Riyad Bank - as agent for the Wakala facility (SAR)	**374,490,620**	482,017,014
Saudi Industrial Development Fund (SAR)	**718,666,667**	820,000,000
Total	**3,736,173,383**	4,703,908,582

27.4 Maturity profile of long-term borrowings

	Notes	31 December 2023	31 December 2022
Payable within 12 months		**1,384,812,522**	1,355,758,559
Between 1 - 2 years		**3,308,869,790**	2,851,711,495
Between 2 - 5 years		**5,953,825,018**	8,208,406,896
Over 5 years		**8,901,356,950**	10,570,709,620
Total	38.3	**19,548,864,280**	22,986,586,570

27.5 Security

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

	Notes	31 December 2023	31 December 2022
Mine properties	11.2	**3,230,463,980**	3,284,919,391
Property plant and equipment	12.2	**19,125,718,079**	19,522,802,181
Capital work-in-progress	14.2	**870,110,244**	882,391,680
Total		**23,226,292,303**	23,690,113,252

(All amounts in Saudi Riyals unless otherwise stated)

28. Provision for decommissioning, site rehabilitation and dismantling obligations

	Notes	Al-Khabra mine rehabilitation	Mine plant Dismantling	Plant dismantling (Non-Mine)	Total
1 January 2022		129,328,664	-	-	129,328,664
Unwinding of discount during the year arising from the passage of time	10	4,460,842	-	-	4,460,842
Decrease in provision during the year	11	(71,527,574)	-	-	(71,527,574)
31 December 2022		62,261,932	-	-	62,261,932
Addition during the year		-	31,400,037	202,780,048	234,180,085
Unwinding of discount during the year arising from the passage of time	10	3,127,975	505,377	3,263,702	6,897,054
Increase in provision during the year	11	55,549,275	-	-	55,549,275
31 December 2023		**120,939,182**	**31,905,414**	**206,043,750**	**358,888,346**

Commenced commercial production in	2017
Expected closure date for Al-khabra mine	2044
Expected date for site rehabilitation and plant dismantling	2057

(All amounts in Saudi Riyals unless otherwise stated)

28. Provision for decommissioning, site rehabilitation and dismantling obligations (continued)

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 mining license and engineering estimates.

The provision for mine decommissioning obligation represents the 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.

The full estimated cost is discounted to its present value over the life-of-mine and capitalized as part of "Operating Mine" and shown under, mine properties. The mine closure asset is depreciated over the life-of-mine, once commercial production has been declared. Future changes, if any, in regulations and cost assumptions may be significant and will be recognised when determined.

During the year, the Company has reassessed its obligations and recognized the provision for plant dismantling and site rehabilitation for its mining and non-mining plants. See Note 4.3 "Changes in accounting estimates".

In year 2023, the estimates of decommissioning, site rehabilitation and dismantling obligations were revised. The net effect of these changes in the current year was an increase in provision for decommissioning, site rehabilitation and dismantling costs and corresponding mine closure asset under the mine properties by SAR 55,549,275 (31 December 2022: SAR 71,527,574 decrease). These changes in estimates will result in a increase in accretion of provision for mine decommissioning obligations and depreciation of mine closure asset for future years, however the net effect of such changes is not material for individual years."

29. Lease liabilities

The Company has entered into certain agreements which entitled the Company to right of use asset and obligations relating to certain vehicles and heavy equipment's (Note 13).

	Notes	31 December 2023	31 December 2022
Future minimum lease payments	13, 29.1	**32,481,748**	35,791,954
Less: Future finance cost not yet due	29.2	**(1,492,123)**	(1,554,392)
Net present value of minimum lease payment	13, 38.3	**30,989,625**	34,237,562
Less: Current portion shown under current liabilities	38.3	**(14,975,149)**	(17,835,725)
Non-current portion of lease liabilities	13	**16,014,476**	16,401,837

Maturity profile of lease liabilities

	Note	31 December 2023	31 December 2022
2023		**-**	17,835,725
2024		**16,233,984**	8,119,252
2025		**9,753,802**	6,414,504
2026		**3,207,252**	3,422,473
2027		**3,286,710**	-
Total	13	**32,481,748**	35,791,954

29.1 Movement in future minimum lease payments:

	Note	31 December 2023	31 December 2022
1 January		**35,791,954**	31,646,219
Addition during the year	13	**17,457,465**	25,256,295
Payments during the year	13	**(20,767,671)**	(21,110,560)
31 December	13	**32,481,748**	35,791,954

(All amounts in Saudi Riyals unless otherwise stated)

29. Lease liabilities (continued)

29.2 Movement in future finance costs:

	Notes	31 December 2023	31 December 2022
1 January		**1,554,392**	2,230,810
Additions during the year		**889,153**	-
Accretion of finance cost during the year	10	**(951,422)**	(676,418)
31 December	29	**1,492,123**	1,554,392

The future minimum lease payments have been discounted, using an effective interest rate of approximately 5.07% per annum, to its present value.

30. Other non-current liabilities

	31 December 2023	31 December 2022
Gross retention withheld from progress payments	**418,480,632**	485,111,366
Less: Current portion of retention from contractors payable less than 12 months and shown under current liabilities	**(418,480,632)**	(485,111,366)
Net long-term portion of retention withheld from progress payments	**-**	-
Other non-current liabilities	**180,079,316**	143,456,386
Total	**180,079,316**	143,456,386

31. Employees' benefits

	Notes	31 December 2023	31 December 2022
Employees' end of service termination benefits obligation	31.1	**76,524,491**	83,309,637
Employees' savings plan	31.2	**15,489,803**	11,282,275
Total		**92,014,294**	94,591,912

31.1 Employees' end of service termination benefits obligation

	Notes	31 December 2023	31 December 2022
1 January		**83,309,637**	72,578,142
Total amount recognised in profit or loss	34.2	**16,520,311**	11,622,120
Current service cost		**12,347,354**	9,689,451
Interest expense	10	**4,172,957**	1,932,669
Loss attributable to the re-measurements recognised in other comprehensive income		**(4,327,669)**	3,405,856
Loss from change in financial assumptions		**-**	-
Experience (gain) / losses		**(4,327,669)**	3,405,856
Settlements	34.2	**(1,246,703)**	(4,680,977)
Transfer to a fellow subsidiary		**(17,731,086)**	384,496
Total	31	**76,524,490**	83,309,637

The Company operates a defined benefit plan in line with the Labour Law requirement in the Kingdom of Saudi Arabia. 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 Labour 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 the employee's service is terminated.

(All amounts in Saudi Riyals unless otherwise stated)

31. Employees' benefits (continued)

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

The Company pays the benefit as a lump sum amount upon retirement of the employees. There are no additional benefits for death in service of an employee except the insurance amount which is paid by the insurance company. No cap/limit on the benefit on retirement as per Company policy.

Significant actuarial assumptions

The significant actuarial assumptions were as follows:

	31 December 2023	31 December 2022
Discount rate	**4.75 %**	4.80 %
Salary growth rate	**4.75 %**	4.80 %
Employee mortality rate	**WHO SA19**	AM 80 Table
Employee withdrawal rate	**light**	7.0 %

Sensitivity profile

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

	Sensitivity level %		Impact on Employees' end of service termination benefits obligation	
	Increase	Decrease	Increase	Decrease
31 December 2023				
Discount rate	**1%**	**1%**	**(7,594,310)**	**9,123,779**
Salary Increase rate	**1%**	**1%**	**7,863,376**	**(6,708,855)**
Mortality rate	**10%**	**10%**	**(22,741)**	**21,668**
Withdrawal rate	**10%**	**10%**	**(413,775)**	**395,723**
31 December 2022				
Discount rate	1%	1%	(10,317,312)	12,736,537
Salary Increase rate	1%	1%	12,615,911	(10,416,715)
Mortality rate	10%	10%	(14,839)	14,881
Withdrawal rate	10%	10%	(335,373)	351,169

Sensitivity profile

The above sensitivity analyses are based on a change in an assumption while holding all the 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 defined benefit obligation to significant actuarial assumptions the same method (present value of the defined benefit obligation calculated using the projected unit credit method at the end of the reporting year) has been applied as when calculating the employees' end of service termination benefits obligation recognised in the 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 defined benefit plan on entity's future cash flows

The weighted average duration of the defined benefit obligation is 10.84 years. The expected maturity analysis of undiscounted defined benefit obligation is as follows:

	31 December 2023	31 December 2022
2023	**-**	5,951,049
2024	**5,192,657**	4,185,579
2025	**8,229,557**	3,669,512
2026	**6,493,547**	3,950,508
2027	**6,730,149**	3,714,652
2028	**8,006,097**	3,478,796
2029 and thereafter	**47,462,078**	157,041,329
Total	**82,114,085**	181,991,425

(All amounts in Saudi Riyals unless otherwise stated)

31. Employees' benefits (continued)

31.2 Employees' savings plan

	Notes	31 December 2023	31 December 2022
1 January		**11,282,275**	8,554,922
Contribution for the year	34.3	**5,151,287**	4,514,000
Withdrawals during the year		**(943,758)**	(1,786,647)
Total	3.17, 24 & 31	**15,489,803**	11,282,275

32. Projects, trade and other payable

	Note	31 December 2023	31 December 2022
Projects		**529,628,045**	529,628,045
Trade		**499,933,508**	315,420,012
Others		**8,745,486**	16,773,645
Total	38.3	**1,038,307,039**	861,821,702

Trade payable for the year includes SAR 140,739,914, (31 December 2022: NIL) to MPC, a fellow subsidiary, related to products received from MPC under the Product Swap Agreement ("PSA") billed at market price.

33. Accrued expenses

	Note	31 December 2023	31 December 2022
Projects		**34,432,966**	18,766,070
Trade		**1,029,015,437**	708,896,870
Employees		**57,117,666**	66,196,153
Total	38.3	**1,120,566,069**	793,859,093

34. Zakat and income tax payable

	Notes	31 December 2023	31 December 2022
Zakat payable	34.2	**88,150,262**	116,299,083
Income tax payable	34.5	**26,706,588**	103,069,933
Total		**114,856,850**	219,369,016

(All amounts in Saudi Riyals unless otherwise stated)

34. Zakat and income tax payable (continued)

34.1 Components of zakat base

The significant components of the zakat base for the Company attributable to the Saudi Arabian shareholders in proportion with their direct shareholding of 75% (Notes 1 and 25), under the zakat and the income tax regulations, are:

	Notes	31 December 2023	31 December 2022
Shareholders' equity, 1 January		**7,874,410,735**	5,435,685,948
Provisions at the beginning of the year		**206,610,430**	199,112,628
Long-term borrowings, net of cash	27, 24	**10,337,011,730**	13,030,268,964
Lease (assets) / liabilities net	29	**(267,946)**	3,854,255
Other non-current liability		**135,059,487**	107,592,290
Retention payable	30.1	**313,860,474**	363,833,525
Project, trade and other payable	32	**423,045,758**	446,244,677
Other payables stayed with Company for more than 354 days		**61,807,373**	-
Others Increase in provision for decommissioning, site rehabilitation & dismantling	28	**217,297,020**	(53,645,681)
Sub-total		**19,568,835,061**	19,532,946,606
Mine properties	11	**(2,407,213,802)**	(2,438,404,334)
Property, plant and equipment	12	**(14,379,275,091)**	(14,655,055,883)
Capital work-in-progress	14	**(668,216,865)**	(682,443,317)
Employee loans	17	**(12,532,412)**	(13,085,173)
Spare parts	21	**(764,827,694)**	(591,360,108)
Stockpile ore		**(26,233,751)**	(27,121,915)
Zakat base for the year		**1,310,535,446**	1,125,475,876
Net Zakat base proportioned for the year		**1,310,535,446**	1,125,475,876
Zakat due at 2.5776835% on Zakat base for the year		**33,781,457**	29,011,207
Zakat Calculation based on adjusted net income:			
Adjusted net income for the year	34.4	**1,011,429,053**	2,913,753,730
Zakat rate applicable to the Company		**2.5%**	2.5%
Zakat due at 2.5% on adjusted income for the year		**25,285,726**	72,843,843
Zakat provision on zakat base and adjusted net income	34.2	**59,067,183**	101,855,050

Zakat is calculated on (i) zakat base at 2.5776835% and (ii) adjusted net income at 2.5%

34.2 Zakat provision

	Notes	31 December 2023	31 December 2022
Zakat provision on zakat base and adjusted net income	34.1	**59,067,183**	101,855,050
Add: Under provision of zakat based on the submitted annual declaration to ZATCA for the prior year		**1,907,504**	-
Add: Additional liabilities for prior years assessment recorded in current year		**14,884,543**	14,198,536
Zakat expense during the year		**75,859,230**	116,053,586

(All amounts in Saudi Riyals unless otherwise stated)

34. Zakat and income tax payable (continued)

34.3 Zakat payable attributable to Saudi Arabian shareholders

Zakat is only payable by the Saudi Arabian shareholders at 2.578% on all components of zakat base except for adjusted net income for the year which is subject to zakat at the rate of 2.5%.

	Notes	31 December 2023	31 December 2022
1 January		**116,299,083**	35,869,915
Total provision for zakat during the year	34.2	**75,859,230**	116,053,586
Provision for zakat during the year	34.2	**59,067,183**	101,855,050
Provision for the prior year	34.2	**16,792,047**	14,198,536
Paid during the year		**(104,008,051)**	(35,624,418)
Total	34	**88,150,262**	116,299,083

34.4 Adjusted income calculation for zakat and tax provision

	Notes	31 December 2023	31 December 2022
Accounting income for the year		**1,292,145,669**	3,784,777,020
Add/less: Disallowable expenses			
Depreciation per accounting rates	11.1, 12.1, 15	**1,347,650,788**	1,302,510,307
Depreciation under right of use assets	13	**20,009,165**	17,507,016
Write-off of fixed assets	11, 12	**8,901,105**	740,740
Provision for employees' end of service termination benefits	31.1	**16,520,312**	11,622,120
Provision for savings plan		**5,151,287**	4,514,000
Provision for decommissioning		**6,897,054**	2,893,437
Provision for community development program		**12,910,719**	43,347,332
Provision for research and development program		**12,910,719**	43,347,332
Interest cost under lease liabilities		**951,422**	676,418
Interest charges in excess of the allowable limit		**109,114,746**	-
Others		**1,843,394**	-
Sub-total		**1,542,860,711**	1,427,158,702
Less: Claims			
Payments of employees' end of service termination benefits charged against provision	31.1	**(18,977,789)**	(4,296,481)
Payment of savings plan provision		**(943,758)**	(1,786,647)
Depreciation per ZATCA rates		**(2,082,141,449)**	(2,285,660,695)
Repayment of lease liabilities net		**(20,767,671)**	(23,679,701)
Sub-total		**(2,122,830,667)**	(2,315,423,524)
Adjusted income for tax calculations	34.5	**712,175,713**	2,896,512,198
Add/less adjustment for tax calculation:			
Depreciation differential between IFRS and ZATCA rates (net of write-off)		**734,490,661**	982,409,648
Interest charges in excess of the allowable limit		**(109,114,746)**	-
Payments of employees' end of service termination benefits charged against provision	31.1	**19,921,547**	6,083,128
Asset written-off		**(8,901,105)**	-
Adjusted income for zakat calculations		**1,348,572,070**	3,885,004,974
Allocation of adjusted income:			
Saudi Arabian shareholder (75%)	34.1	**1,011,429,053**	2,913,753,730
Foreign shareholder (25%)	34.5	**178,043,928**	724,128,049

The ZATCA and Ministry of Finance issued MR no. 2216 dated 7/7/1440H, for the new zakat and income tax regulations and became effective from 1 January 2019.

(All amounts in Saudi Riyals unless otherwise stated)

34. Zakat and income tax payable (continued)

34.5 Income tax provision

	Notes	31 December 2023	31 December 2022
Adjusted income for tax calculations	34.4	**712,175,713**	2,896,512,198
Foreign shareholders' 25% proportionate share		**25%**	25%
Foreign shareholders' 25% proportionate share of the year income tax	34.4	**178,043,928**	724,128,049
Less: Brought forward losses – claimed to the extent of 25% adjusted profit		**(44,510,982)**	(181,032,012)
Taxable income on foreign shareholder		**133,532,946**	543,096,037
Income tax rate applicable to the Company		**20%**	20%
Income tax provision for the year		**26,706,589**	108,619,208

Income tax payable attributable to foreign shareholder

Income tax is payable at the rate of 20% by the foreign shareholder on their proportionate share of the Company's estimated taxable income.

	Notes	31 December 2023	31 December 2022
1 January		**103,069,933**	7,600,358
Provision for income tax for the year		**26,637,406**	108,619,208
Foreign shareholders' 25% proportionate share of the year income tax provision	34.4	**26,706,589**	108,619,208
Over provision for the prior year		**(69,183)**	-
Paid during the year		**(103,000,751)**	(7,514,075)
Advance income tax payment		**-**	(5,635,558)
Income tax payable attributable to foreign shareholder	34	**26,706,588**	103,069,933

34.6 Reconciliation of income and deferred tax

Income tax expense

Income tax is payable at the rate of 20% by the foreign shareholder on their proportionate share of the Company's estimated taxable income.

	Notes	31 December 2023	31 December 2022
Accounting income for the year before zakat and income tax	34.3	**1,292,145,670**	3,784,777,020
Income tax rate applicable to the Company		**20%**	20%
Foreign shareholders' 25% proportionate share of the year income tax		**25%**	25%
Income tax on foreign shareholder		**64,607,284**	189,238,851
Tax effect of interest charged in excess of the allowable limit		**5,455,737**	-
Tax effect of other differences		**3,279,257**	2,558,246
Total Income tax expense for the year	34.5	**73,342,278**	191,797,097

(All amounts in Saudi Riyals unless otherwise stated)

34. Zakat and income tax payable (continued)

34.6 Reconciliation of income tax and deferred tax (continued)

Deferred tax credit

	Notes	31 December 2023	31 December 2022
Deferred tax assets debited to income statement	16.1	**10,765,590**	33,214,440
Deferred tax liabilities debited to income statement	16.2	**35,939,282**	49,963,449
Total deferred tax provision		**46,704,872**	83,177,889
Income tax expense for the year	34.4	**26,637,406**	108,619,208
Total Income tax expense for the year	34.6	**73,342,278**	191,797,097

34.7 Status of final certificate and assessments

The Company has filed its zakat and income tax returns for the years 2014 through 2022. However, no final assessment has been issued by the ZATCA. The Company received provisional zakat and tax certificates for the years 2014 to 2022.

35. Severance fees

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

During the quarter ended 30 June 2023, the Ministry shared new interpretations under the Mining Law which had no financial impact relating to the year 2022. The Company has analyzed new interpretations to the Mining Law and have accounted for severance fees equivalent of 20% of hypothetical income net of proportionate zakat due to ZATCA under IAS 12 “Income Taxes” as it now falls under the scope of IAS 12. Accordingly, such component of severance fees along with the deferred severance income / expense, net has been presented separately in the statement of profit or loss.

35.1 Severance payable

	Note	31 December 2023	31 December 2022
1 January		**8,007,297**	18,106,887
Provision for severance fee		**1,988,617**	8,548,279
Provision of severance fee for the current year	35.2	**1,988,617**	8,007,297
Under provision of severance fee for the prior year		**-**	540,982
Paid during the year		**(5,422,210)**	(18,647,869)
Total		**4,573,704**	8,007,297

(All amounts in Saudi Riyals unless otherwise stated)

35 Severance fees (continued)

35.2 The provision for severance fees payable by phosphate mines is calculated as follows:

	Note	31 December 2023	31 December 2022
Severance fees based on the value of extracted Minerals:			
Net value of minerals upon extraction		**49,715,429**	200,182,431
Percentage of fees for the mineral extracted applicable to the Company		**4%**	4%
Ad Valorem fee on extracted minerals for the year		**1,988,617**	8,007,297
Add: Hypothetical income tax at 20% based on years taxable net income		**-**	-
Provision for severance fees based on extracted minerals for the year		**1,988,617**	8,007,297
Severance fee based on the value of adjusted profit:			
Net (loss) from operating mines before zakat and severance fee for the year		**(146,766,426)**	(82,822,892)
20% based on years taxable net income applicable to the Company		**20%**	20%
Percentage of severance fees applicable to the Company		**-**	-
Net (loss) as defined for the year		**(29,353,285)**	(16,564,578)
Severance fee provision:			
Tax (loss) on adjusted profit		**(29,353,285)**	(16,564,578)
Less: Provision for zakat settled (restricted to the guidelines per Article 134.3) for the year	34.1	**(59,067,183)**	(101,855,050)
Add: Fees for the value of minerals upon extraction		**1,988,617**	8,007,297
Net severance fee provision for the year		**1,988,617**	8,007,297

35.3 Deferred severance fees

	Notes	31 December 2023	31 December 2022
Deferred severance assets credited to income statement	16.1,	**33,880,562**	-
Deferred severance liabilities debited to income statement	16.2.2	**(181,729,938)**	-
Severance fee for the year		**(147,849,376)**	-

35.3.1 Deferred severance assets

	Tax losses	Provision for site rehabilitation & dismantling (Note 28)	Employees' benefits (Note 31)	Total
31 December 2022	-	-	-	-
Credited to profit or loss for the year	**26,084,627**	**4,151,134**	**3,644,801**	**33,880,562**
31 December 2023	**26,084,627**	**4,151,134**	**3,644,801**	**33,880,562**

The deferred severance assets which is 75% Saudi shareholder's proportionate share has arisen because of the temporary difference between:

- the operating loss relating to the mining activities carry forward on a year-to-year basis, is in excess of the tax deduction allowed against gross income for the year which can be carried forward to be off settled against taxable income in the future years.
- the carrying value of the provision for decommissioning, site rehabilitation and dismantling obligations and their tax base.
- the carrying value of the employees' end of service benefits obligation and their tax base.

(All amounts in Saudi Riyals unless otherwise stated)

36. Related party transactions and balances

36.1 Related party transactions

The Company is ultimately owned by Public Investment Fun ("PIF") (a sovereign wealth fund of the Kingdom of Saudi Arabia). Transactions with related parties carried out during the year, in the normal course of business, are summarized below:

	Notes	Year ended 31 December 2023	Year ended 31 December 2022
Sales made by the Company through marketer:			
Saudi Arabian Mining Company – Ma'aden, the parent company	5, 22	**3,857,885,240**	6,173,540,904
SABIC (a government-controlled entity)	5, 22	**1,693,594,555**	2,135,348,364
Mosaic Phosphates B.V.	5, 22	**1,524,281,666**	1,995,908,298
Sales to a fellow subsidiary:			
Ma'aden Phosphate Company	5, 22	**228,405,720**	-
Expenses charged by the shareholders to the Company			
Marketing fee for			
Saudi Arabian Mining Company – Ma'aden, the parent company	7	**165,287,240**	264,225,192
SABIC (a government-controlled entity)	7	**72,911,206**	92,788,214
Mosaic Phosphates B.V.	7	**65,361,479**	87,102,628
Deductible reimbursement by			
Saudi Arabian Mining Company – Ma'aden, the parent company	6 & 7	**350,093,203**	408,404,768
SABIC (a government-controlled entity)	6 & 7	**52,553,431**	105,614,707
Mosaic Phosphates B.V.	6 & 7	**71,805,029**	58,149,441
Expenses charged by Ma'aden to the Company			
Allocation of head office shared services charges by Ma'aden to the Company		**83,224,417**	104,506,937
Expenses charged by Mosaic to the Company			
Cost of seconded employees, and other cost paid to The Mosaic Company		**29,150,904**	25,851,100
Expenses charged by fellow subsidiaries to the Company			
Personnel and administration related services charged by MPC to the Company		**195,596,552**	131,109,605
Net product supplied to MPC under Product Swap Agreement		**228,405,720**	35,273,208
Net product received from MPC under Product Swap Agreement		**126,550,812**	90,377,312
Expenses charged by fellow subsidiaries to the Company			
Raw material purchased of kaolin from IMC		**33,093.325**	27,527,541
Raw materials supply by Company to fellow subsidiaries			
Natural gas and power charged by Company to Ma'aden Fertilizer Company ("MFC")		**119,388,642**	110,613,374
Raw materials supply by Saudi Aramco* (a government-controlled entity) *to the Company			
Molten sulfur, natural gas, and diesel supplies by Aramco to the Company		**632,991,886**	1,658,154,059
Income made by the Company through time deposits			
Income on time deposits from Maaden		**162,438,884**	51,096,003
Employees' end of service termination benefits obligation transferred to a fellow subsidiary	31	**17,731,086**	384,496

(All amounts in Saudi Riyals unless otherwise stated)

36. Related party transactions and balances (continued)

36.2 Related party balance

	Notes	31 December 2023	31 December 2022
Due from shareholders			
Ma'aden – Operational current account transactions	18.1	**43,997,269**	280,986,274
Ma'aden – Trade receivable	22	**922,454,004**	865,585,916
Sub-total		**966,451,273**	1,146,572,190
SABIC	22	**269,987,554**	265,949,560
Mosaic Phosphates B.V. – Trade receivable	22	**250,407,996**	275,937,379
Mosaic Phosphates B.V. – Operational current account transactions	18.1	**-**	1,889,904
Total		**1,486,846,823**	1,690,349,033
Due to shareholders			
Ma'aden – Allocation of head office shared services	18.2	**85,675,912**	146,520,297
Mosaic Phosphates B.V. – Operational current account transactions		**1,004,713**	-
Total		**86,680,625**	146,520,297
Due from fellow subsidiaries			
Ma'aden Phosphate Company – Product transferred under PSA and SLA agreement	19.1	**11,058,527**	36,921,307
Ma'aden Phosphate Company – Trade receivables under PSA	22	**234,303,690**	-
Sub-total		**245,362,217**	36,921,307
Ma'aden Fertilizer Company	19.1	**37,795,931**	110,603,374
Ma'aden Aluminum	19.1	**5,832,216**	23,100
Ma'aden Gold and Base Metal Company	19.1	**9,750**	-
Ma'aden Infrastructure Company:	19.1	**37,582**	-
Total		**289,037,696**	147,547,781
Due to fellow subsidiaries			
Ma'aden Phosphate Company – Product transferred under PSA and under SLA agreement	19.2	**33,261,434**	140,498,514
Ma'aden Phosphate Company – Trade payables under PSA	22	**140,739,914**	-
Sub-total		**174,001,348**	140,498,514
Ma'aden Aluminum Company	19.2	**2,389,788**	5,638,464
Industrial Minerals Company	19.2	**7,594,378**	8,485,222
Ma'aden Gold and Base Metal Company	19.2	**24,266**	24,194
Ma'aden Infrastructure Company:	19.2	**489,976**	17,254
Total	19.2	**184,499,756**	154,663,648
Non-trade receivable – related to molten sulfur rebate to Saudi Aramco			
Saudi Aramco	22	**96,190,629**	313,475,617
Trade payable to Saudi Aramco			
Saudi Aramco	32	**-**	69,851,908
Placement of time deposits with Saudi Arabian Mining Company			
Time deposit with Ma'aden		**233,969,508**	504,075,288

(All amounts in Saudi Riyals unless otherwise stated)

36. Related party transactions and balances (continued)

36.3 Key management personnel compensation

	Year ended 31 December 2023	Year ended 31 December 2022
Short-term employee benefits	**15,942,522**	18,911,552
Employees' end of service termination benefits	**767,602**	871,906
Total	**16,710,125**	19,783,458

36.4 Employees' share-based payment plan

On 7 June 2023, the shareholders of the Ma'aden Group approved the Employees Stock Incentive Program ("Plan") for the benefit of certain eligible senior executives of the Ma'aden Group (the "Participants"). The Plan entitles the Participants a conditional right to receive a number of Restricted Stock Units ("RSUs") and Performance Stock Units ("PSUs") (each unit equal to the value of one share of the Ma'aden Group at the grant date i.e. 7 June 2023), following the satisfaction of service and performance conditions. The service vesting period under the Plan is 3 years. Fair value per share on grant date is the closing price per share on Tadawul as at the grant date.

The Parent Company's shareholders in their Extraordinary General Assembly Meeting approved buy-back of 2,170,767 treasury shares under the Plan for the executives of the Ma'aden Group.

The total expense recognised for employees services received during the year ended 31 December 2023 under the Plan amounted to SAR 890,507and is recognised as "salaries and staff related benefits" in the statement of profit or loss with a corresponding increase in the statement of financial position under "Due to Shareholders".

	Year ended 31 December 2023	Year ended 31 December 2022
Employees' share-based payment plan	**890,507**	-

37. Commitments and contingent liabilities

37.1 Guarantees and letter of credit

	31 December 2023	31 December 2022
Guarantee in favor of Saudi Aramco, for future diesel and gas feedstock supplies	**117,346,375**	115,088,950
Guarantee in favor of Ras Al-Khair Port, for land lease	**30,916,900**	30,916,900
Guarantee in favor of Jubail Commercial Port, for warehouse rental in Jubail	**325,791**	325,791
Guarantee in favor of Saudi Aramco, for future supply of molten sulfur	**-**	426,937,500
Letter of credit in favor of Ministry of Petroleum and Mineral Resources, for future purified phosphoric acid, fuel and feed stocks supplies	**-**	262,500,000
Letter of credit in favor of Andritz SAS, for future supply of	**-**	-
Letter of credit in favor of Jordan Phosphate Mine, for future supply of concentrated rock	**-**	4,383,750

37.2 Capital commitments

	31 December 2023	31 December 2022
Capital expenditure contracted for:		
Progress payment commitments in accordance with contractual obligation	**36,604,874**	68,774,452

37. Commitments and contingent liabilities (continued)

37.3 Contingent liabilities

The Company 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. There are no material environmental obligations or decommissioning liabilities.

38. Financial risk management

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

- market risk
- credit risk and
- liquidity risk

38.1 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 risk,
- interest rate risk and
- commodity risk

Financial instruments affected by market risk includes loans and borrowings, cash and cash equivalents, deposits and short-term investments, trade receivables, trade payables and accrued liabilities.

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 Company's financial instruments and show the impact on profit or loss and shareholders' equity, where applicable.

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

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Company's functional and reporting currency is the Saudi Riyal. The Company'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 Company is not exposed to any risk from USD denominated financial instruments.

38.1.1 Foreign currency risk

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Company's functional and reporting currency is the Saudi Riyal. The Company'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 Company is not exposed to any risk from USD denominated financial instruments.

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

The Company's exposure to foreign currency risk (Euro) at the end of the reporting year, expressed in SAR, was as follows:

	31 December 2023	31 December 2022
Trade payables - Projects	**5,594,550**	1,602,790

38. Financial risk management (continued)

(All amounts in Saudi Riyals unless otherwise stated)

38.1 Market risk (continued)

Foreign currency sensitivity analysis

The Company 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 balance.

Impact on post tax profit / equity due to increase / (decrease) in foreign exchange rate

	31 December 2023	31 December 2022
SAR/EURO exchange rate		
- increase 10%	**559,455**	160,279
- decrease (10%)	**(559,455)**	(160,279)

38.1.2 Interest rate risk

Amount recognised in financial statements

During the year, the following foreign-exchange related amounts were expensed:

	Year ended 31 December 2023	Year ended 31 December 2022
Foreign exchange gain	**41,515**	4,340,513

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

The Company'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 value nor the future cash flows will fluctuate because of a change in market interest rates. Hence, the Company's exposure to fair value interest rate risk is not material.

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

	Note	31 December 2023	31 December 2022
Fixed interest rate – repricing dates	27.3	**13,793,113,963**	17,383,110,142
Average 1-month LIBOR rate		**-**	2.88%
Average 1-month SIBOR rate		**5.63%**	3.26%
Average annual interest rate		**5.63%**	3.07%

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

	31 December 2023	31 December 2022
Interest rates		
- increase by 100 basis points	**155,881,121**	179,201,231
- decrease by 100 basis points	**(155,881,121)**	(179,201,231)

(All amounts in Saudi Riyals unless otherwise stated)

38.1 Market risk (continued)

38.1.3 Commodity price risk

The Company is exposed to the risk of fluctuation in prevailing market commodity prices on the mineral products it produces.

The Company makes sale of certain phosphate products on a provisional pricing basis. Revenue and a corresponding receivable from the sale of the provisionally priced commodities is recognized where control of goods has been transferred to customers (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 recognized will be estimated based on the forward market price of the commodity being sold. However, the Company faces a risk that future adverse change in price of ammonia products would result in the reduction of receivable balance. The Company's normal policy is to sell its products at prevailing market prices.

The Company does not generally believe commodity price hedging would provide a long-term benefit to the shareholders.

Commodity price exposure

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

	Note	31 December 2023	31 December 2022
Trade receivables from shareholders pertaining to:			
Di-ammonium phosphate fertilizer sales		**1,113,715,878**	1,057,861,080
Ammonia sales		**329,133,676**	349,611,775
Total	22	**1,442,849,554**	1,407,472,855

Commodity price sensitivity analysis

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

	31 December 2023	31 December 2022
Increase / (decrease) in DAP fertilizer prices		
Increase of 10% in SAR per tonne	**117,351,634**	105,786,108
Decrease of 10% in SAR per tonne	**(117,351,634)**	(105,786,108)
Increase / (decrease) in ammonia prices		
Increase of 10% in SAR per tonne	**32,913,368**	34,961,178
Decrease of 10% in SAR per tonne	**(32,913,368)**	(34,961,178)

(All amounts in Saudi Riyals unless otherwise stated)

38. Financial risk management (continued)

38.2 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 Company is exposed to credit risk on the following financial instruments, while it uses two types of ECL approaches for its financial instruments;

	Notes	Category	Impairment model approach	31 December 2023	31 December 2022
Financial assets class					
Due from shareholders	18.1	Amortised cost	General	**43,997,269**	282,876,178
Due from fellow subsidiaries	19.1	Amortised cost	General	**54,734,006**	147,547,781
Trade receivables from shareholders	22	FVTPL	Not applicable	**1,442,849,554**	1,407,472,855
Trade receivable from a fellow subsidiary	22	Amortised cost	Simplified	**234,303,690**	-
Other receivables	22	Amortised cost	Simplified	**109,849,209**	337,400,453
Time deposits	23	Amortised cost	General	**633,913,777**	2,550,479,170
Cash and cash equivalents	24	Amortised cost	General	**1,199,729,436**	1,273,976,488
Total				**3,719,376,941**	5,999,752,925

38. Financial risk management (continued)

38.2 Credit risk (continued)

ECL approaches

The Company uses staging criteria to determine the ECL on its financial instruments. Following are the stages which are being used by the Company to determine ECL:

Stage	Description	Loss Recognition
1	Performing	12 months ECL
2	Significant increase in credit risk	Lifetime ECL
3	Credit impaired	Lifetime ECL

Stage-1 - Performing or low credit risk

Sr. no	Indicators	Cash and Cash equivalents	Time deposits
1	Days past Due	0	0
2	External rating (where applicable) *	Investment Grade	Investment Grade

*External ratings present classification of the rating grades, issued by the External Credit Assessment Institutions (ECAI), into those considered as "investment grades", "non-investment grades" and "in default". If Counterparty does not have external rating, the Company uses Sovereign Rating. Where Sovereign Rating is Investment Grade, Counterparty's rating should be one notch downgraded (vis a vis Sovereign rating). While, where Sovereign Rating is Non-Investment Grade, Counterparty's rating should be two notches downgraded (vis a vis Sovereign Rating).

The Company uses "low credit risk" practical expedient for the following financial instruments categories:

- Cash & Cash equivalents;
- Time deposits; and
- Other investments.

The Company assumes that the credit risk on a financial instrument has not increased significantly since initial recognition, and therefore the ECL is estimated at an amount equal to the expected credit losses for a period of 12 months, as these financial instruments are determined to have low credit risk at the reporting date.

Stage-2 - Significant increase in credit risk ("SICR")

The Company considers the following indicators to be determinants of the SICR:

Sr. no	Indicators	Cash and Cash equivalents	Time deposits
1	Days past Due	1-6	1-6
2	External rating	External rating for the counterparty downgraded to "Non-Investment Grade" (NIG) relative to "Investment Grade" (IG) as of initial recognition date.	External rating for the counterparty downgraded to "Non-Investment Grade" (NIG) relative to "Investment Grade" (IG) as of initial recognition date.

To identify SICR, where applicable, the Company undertakes a holistic analysis of various factors, including those which are specific to a particular financial instrument or to a Counterparty.

Stage-3 - Credit impaired or definition of default

The Company considers the following indicators to be determinants of a credit impaired financial asset:

Sr. no	Indicators	Cash and Cash equivalents	Time deposits	Other investments	Trade and other receivables*
1	Days past due (DPD)	7+	7+	30+	90+
2	External rating (where applicable)	In default	In default	In default	In default

38. Financial risk management (continued)

38.2 Credit risk (continued)

ECL approaches

Stage-3 - Credit impaired or definition of default (continued)

* If the Company has reasonable and supporting information to demonstrate that the counterparty is not impaired, but has crossed DPD of 90+, then it would be classed as Stage 2 exposure and the Company applies stage-2 for ECL estimation.

Similarly, where the counterparty balance does not go beyond DPD of 90+, but the Company has reasonable and supporting information to demonstrate that counterparty will face significant financial difficulty:

- the lender(s) of the borrower, for economic or contractual reasons relating to the borrower's financial difficulty, having granted to the borrower a concession(s) that the lender(s) would not otherwise consider;
- it is becoming probable that the borrower will enter bankruptcy or other financial reorganization;
- other information.

In this case, ECL would be applied as follows:

a) The Company estimates definition of default at the counterparty's level and includes all financial instruments to Stage 2, if the balance amount of the exposure in default is not more than 5% from the total receivables amount from the counterparty; and
b) The Company evaluates definition of default at the counterparty's level and includes all financial instruments for Stage 3, if the balance amount of exposure in default exceeds 5% of the total receivable amount from the counterparty.

General approach for estimating ECL:

The Company uses the following staging criteria when using the general approach for estimating ECL:

a) At initial recognition, Stage 1 is assigned to the financial asset;

b) At subsequent measurement date, a financial asset would be classed in:

- **Stage 1**, if at the reporting date it is not credit-impaired and credit risk has not increased significantly since initial recognition or it belongs to a low credit risk portfolio;
- **Stage 2**, if at the reporting date it is not credit-impaired and credit risk has increased significantly since initial recognition; or
- **Stage 3**, if at the reporting date it is credit-impaired.

Simplified approach for estimating ECL:

The Company uses a simplified approach for estimating ECL of trade and other receivables at amortised cost using the credit ratings for the counterparties.

The Company has limited number of customers and have no history of defaults. The Company does not use any groupings for the counterparties for the assessment of credit risk. The Company 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.

Where the receivable is credit impaired, the indicators for which include the receivable being 90 days overdue or the credit rating for the counterparty being downgraded to NIG relative to IG as of initial recognition date, the probability of default for ECL determination is considered as 100%. The Company does not hold collateral as security. The letters of credit and other forms of credit insurance are considered integral part of trade receivables and considered in the calculation of impairment, based on which, the Company does not have any history of write-offs. At 31 December 2023, 100% (2022: 100%) of the Company's trade receivables are covered by letters of credit and other forms of credit insurance. 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. For concentration of credit risk – see Note 22 and 36.

(All amounts in Saudi Riyals unless otherwise stated)

38. Financial risk management (continued)

38.2 Credit risk (continued)

Credit risk exposure

The Company 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 Company has limited number of customers and have no history of defaults. The Company 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. For banks and time deposits, only independently rated parties with a minimum credit of Baa3 are accepted. 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.

For concentration of credit risk – see Note 22 and 36.

The Company assess 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 Company 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. In addition to the use of credit ratings, 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 Company and changes in the operating results of the borrower.

As of 31 December 2023, the Company has not recognized any ECL allowance as the ECL on trade and other receivables and other financial assets is not material to the financial statements.

Trade and other receivables

The analysis of trade receivable that were neither past due nor impaired are as follows (Note 22):

	Note	31 December 2023	31 December 2022
Neither past due nor impaired		**1,168,160,342**	1,261,311,817
Past due but not impaired			
< 30 days		**279,145,599**	146,161,038
31 – 60 days		**175,533,569**	-
61 – 90 days		**30,772,939**	-
> 90 days		**23,540,795**	-
Total	22	**1,677,153,244**	1,407,472,855

As of 31 December 2023 and 31 December 2022, other receivables are neither past due and nor impaired.

(All amounts in Saudi Riyals unless otherwise stated)

38. Financial risk management (continued)

38.2 Credit risk (continued)

Trade and other receivables

As at the balance sheet date, the analysis of non-trade receivable that were past due but not impaired are as follows (Note 22):

	Note	31 December 2023	31 December 2022
Neither past due nor impaired		**235,774,108**	384,696,087
Past due but not impaired			
< 30 days		**14,553,586**	18,284,685
31 – 60 days		**18,330,115**	28,620,300
61 – 90 days		**36,330,100**	2,419,090
> 90 days		**9,541,698**	18,002,252
Total	22	**314,529,607**	452,022,414

Geographical distribution of revenue generation

The Company has, through the marketing agreement with its three shareholders (Note 21), indirect exposure to the following major customers, in the following countries:

Geographical distribution of revenue generation by destination is as follows:

	Notes	31 December 2023	31 December 2022
Ammonia sales			
International			
India		**245,803,841**	817,202,122
Korea		**242,824,114**	774,363,404
Morocco		**194,695,857**	132,023,662
China		**36,105,544**	78,570,149
Thailand		**16,424,994**	-
Taiwan		**45,076,207**	271,900,538
Jordan		**30,969,402**	69,506,218
Belgium		**-**	88,744,545
Sub-total	5	**811,899,959**	2,232,310,638
Di-ammonium phosphate (DAP) fertilizer sales			
International			
India		**3,869,630,435**	5,889,050,125
United States of America		**1,385,685,473**	1,292,482,521
Kenya		**421,269,220**	106,981,832
Tanzania		**169,358,803**	94,855,462
Brazil		**94,641,721**	37,592,494
Thailand		**52,690,827**	72,249,188
Mozambique		**55,591,537**	126,786,568
Bulgaria		**28,048,115**	-
Turkey		**66,003,899**	-
Iraq		**36,972,388**	-
Australia		**22,420,839**	-
Vietnam		**24,537,910**	-
Uruguay		**-**	209,628,456
Ukraine		**-**	47,458,106
South Africa		**-**	25,269,515
Bangladesh		**-**	163,339,490
Sub-total	5	**6,226,851,167**	8,065,693,757
Domestic		**100,339,131**	15,099,872
Sub-total		**6,327,190,298**	8,080,793,629
Phosphoric acid sales			
Domestic		**174,503,229**	-
Total	5, 36.1	**7,313,593,486**	10,313,104,267

(All amounts in Saudi Riyals unless otherwise stated)

38. Financial risk management (continued)

38.3 Liquidity risk

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

As at 31 December 2023, the Company's current assets exceeded the current liabilities by Saudi Riyals 2,140 million (31 December 2022: SAR 4,086 million).

Further, 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. Further, the Company's treasury maintains flexibility in funding by maintaining availability under committed credit lines.

	Notes	31 December 2023	31 December 2022
Time deposits	23	**633,913,777**	2,550,479,170
Cash and cash equivalents	24	**1,199,729,436**	1,273,976,488
Total		**1,833,643,213**	3,824,455,658

Maturities of financial liabilities

The tables below analyze the Company'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.

(All amounts in Saudi Riyals unless otherwise stated)

38. Financial risk management (continued)

38.3 Liquidity risk (continued)

Maturities of financial liabilities

Contractual maturities of financial liabilities	Notes	Payable: Within 12 months	Payable: Between 1 - 2 years	Payable: Between 3 – 5 years	Payable: Over 5 years	Total contractual cash flows	Carrying amount liabilities
Non-derivatives as at							
31 December 2023							
Due to shareholders	18.2	86,659,952	-	-	-	86,659,952	86,659,952
Due to fellow subsidiaries	19.2	43,770,095	-	-	-	43,770,095	43,770,095
Long-term borrowings	27.4	1,384,812,522	3,308,869,790	5,953,825,018	8,901,356,950	19,548,864,280	13,793,113,963
Lease liabilities	29	16,233,984	12,961,054	3,286,710	-	32,481,748	30,989,624
Other non-current liabilities	30	418,480,631	180,079,316	-	-	598,559,947	598,559,947
Projects, trade and other payable	32	1,038,307,039	-	-	-	1,038,307,039	1,038,307,039
Accrued expenses	33	1,063,448,403	-	-	-	1,063,448,403	1,063,448,403
Total		**4,051,712,626**	**3,501,910,160**	**5,957,111,728**	**8,901,356,950**	**22,412,091,464**	**16,654,849,023**
31 December 2022							
Due to shareholders	18.2	146,520,297	-	-	-	146,520,297	146,520,297
Due to fellow subsidiaries	19.2	154,663,648	-	-	-	154,663,648	154,663,648
Long-term borrowings	27.4	1,355,758,559	2,851,711,495	8,208,406,896	10,570,709,620	22,986,586,570	17,383,110,142
Lease liabilities	29	17,835,725	8,119,252	9,836,977	-	35,791,954	34,237,562
Other non-current liabilities	30	485,111,366	143,456,386	-	-	628,567,752	628,567,752
Projects, trade and other payable	32	861,821,702	-	-	-	861,821,702	861,821,702
Accrued expenses	33	727,662,940	-	-	-	727,662,940	727,662,940
Total		3,749,374,237	3,003,287,133	8,218,243,873	10,570,709,620	25,541,614,863	19,936,584,043

(All amounts in Saudi Riyals unless otherwise stated)

39. Capital management

39.1 Risk management

The Company'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 Company may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

The net debt of the Company is as follows:

	Notes	31 December 2023	31 December 2022
Time deposits	23	**633,913,776**	2,550,479,170
Cash and cash equivalents	24	**1,199,729,436**	1,273,976,488
Long-term borrowings – payable within one year	27.2	**(602,949,253)**	(658,846,020)
Long-term borrowings – payables after one year	27.2	**(13,190,164,710)**	(16,724,264,122)
Lease liability – payable within one year	29.1	**(14,975,149)**	(17,835,725)
Lease liability – payable after one year	29.1	**(16,014,476)**	(16,401,837)
Net debt		**(11,990,460,376)**	(13,592,892,046)

(All amounts in Saudi Riyals unless otherwise stated)

39. Capital management (continued)

39.1 Risk management (continued)

Net debt reconciliation

The movement in net debt is as follows:

		Other assets		Liabilities from financing activities				
	Notes	Time deposits	Cash and cash equivalents	Long-term borrowings – payable within one year	Long-term borrowings – payable after one year	Lease liability – payable within one year	Lease liability – payable after one year	Total
1 January 2022		-	1,299,586,856	(608,021,150)	(17,849,114,887)	(17,389,526)	(12,025,883)	(17,186,964,590)
Cash flows		2,550,479,170	(25,610,368)	608,021,150	505,721,328	17,389,526	3,721,034	3,659,721,840
Transfer		-	-	(618,453,019)	618,453,019	(17,835,725)	17,835,725	-
Adjustments		-	-	-	676,418	-	-	676,418
New leases		-	-	-	-	-	(25,932,713)	(25,932,713)
Other charges								
Interest expense	10	-	-	(595,808,357)	-	(676,418)	-	(596,484,775)
Interest payments (presented as operating cash flows)	10	-	-	555,415,356	-	676,418	-	556,091,774
31 December 2022		2,550,479,170	1,273,976,488	(658,846,020)	(16,724,264,122)	(17,835,725)	(16,401,837)	(13,592,892,046)
Cash flows		(1,916,565,394)	(74,247,052)	658,846,020	2,970,160,974	17,835,725	2,931,946	1,658,962,219
Transfer		-	-	(562,987,016)	563,938,438	(14,975,149)	14,975,149	951,422
New leases		-	-	-	-	-	(17,519,734)	(17,519,734)
Other charges								
Interest expense	10	-	-	(1,001,652,062)	-	(951,422)	-	(1,002,603,484)
Interest payments (presented as operating cash flows)	10	-	-	961,689,825	-	951,422	-	962,641,247
31 December 2023		**633,913,776**	**1,199,729,436**	**(602,949,253)**	**(13,190,164,710)**	**(14,975,149)**	**(16,014,476)**	**(11,990,460,376)**

(All amounts in Saudi Riyals unless otherwise stated)

39. Capital management (continued)

39.1 Risk management (continued)

Consistent with others in the industry, the Company 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 statement of financial position)."

The gearing ratio in accordance with the financial covenants pertaining to the long-term borrowings (Note 27.2) at the end of the year were as follows:

	Note	31 December 2023	31 December 2022
Long term debt	27	**13,793,113,963**	17,383,110,142
Total equity		**11,319,337,009**	10,694,914,555
Capital and debt		**25,112,450,972**	28,078,024,697
Gearing ratio		**0.55**	0.62

39.2 Loan covenants

As per the terms of the agreement with Saudi Industrial Development Fund ("SIDF"), the Company is required at all times after the commencement of the commercial operations of the project to maintain total liabilities to tangible net worth ratio of not more than 3:1 and current ratio not less than 1:1. As at 31 December 2023, the Company's is compliant with loan covenants and the ratio of total liabilities to tangible net worth was 1.60:1 and current ratio was 1.62:1.

For Islamic and commercial banks loan facilities and PPA loan agreement, the Company is also required to maintain total net debt to tangible net worth ratio of not less than 4:1, the Company is in compliance with these loan covenants during the year.

40. Dividend approved

The Board of Managers recommended the payment of SAR 225,000,000 as final dividends out of the retained earnings as of 31 December 2023 to the shareholders and also approved at the Annual General Meeting of the shareholders on 21 February 2024. The final dividends for the year ended 31 December 2023 are to be paid into 2 tranches during the 1st quarter of FY 2024.

	31 December 2023	31 December 2022
A final dividend for the year ended 31 December 2022 of SAR 0.44 per ordinary share is approved and paid on 21 February 2023.	**-**	375,000,000

41. Financial assets and financial liabilities

The Company holds the following classes of financial instruments:

	Notes	31 December 2023	31 December 2022
Financial assets measured at amortised cost			
Due from shareholder	18.1	**43,997,269**	282,876,178
Due from fellow subsidiaries	19.1	**54,734,006**	147,547,781
Trade receivable at amortised cost	22	**234,303,690**	-
Other receivable	22	**196,520,015**	358,883,835
Time deposits	23	**633,913,777**	2,550,479,170
Cash and cash equivalents	24	**1,199,729,436**	1,273,976,488
Sub-total		**2,363,198,193**	4,613,763,452
Financial assets measured at FVTPL			
Trade receivables	22	**1,442,849,554**	1,407,472,855
Total		**3,806,047,747**	6,021,236,307

(All amounts in Saudi Riyals unless otherwise stated)

41. Financial assets and financial liabilities (continued)

	Notes	31 December 2023	31 December 2022
Financial liabilities measured at amortised cost			
Due to shareholder	18.2	**86,659,952**	146,520,297
Due to fellow subsidiaries	19.2	**43,770,095**	154,663,648
Long-term borrowings	27.2	**13,793,113,963**	17,383,110,142
Lease liabilities	29	**30,989,624**	34,237,562
Other non-current liabilities	30	**598,559,947**	628,567,752
Projects, trade and other payables	32	**1,038,307,039**	861,821,702
Accrued expenses	33	**1,063,448,403**	727,662,940
Total		**16,654,849,023**	19,936,584,043

In accordance with IFRS 7 paragraph 29 (a), disclosure of fair values is not required when the carrying amount is a reasonable approximation of its fair value for financial instruments such as short-term trade receivables, projects, trade and other payables and accrued expenses.

Long-term borrowings are initially recognized at their fair value (being proceeds received, net of eligible transaction cost incurred). Subsequent to the initial recognition long-term borrowings are measured at amortized cost using the effective interest rate method.

42. 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 Company'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 Company 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 Company recognizes transfers between levels of the fair value hierarchy at the end of the reporting year 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 31 December 2023, the mark-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 at their fair values based on the fair value hierarchy:

	31 December 2023	31 December 2022
Trade receivables		
Level - 2	**1,442,849,554**	1,407,472,855

43. Events after the reporting date

See Note 40 for dividends approved subsequent to the reporting date.

No other events have arisen subsequent to 31 December 2023 and up to the date of authorization for issue and before the date of signing the independents auditor's report that could have a significant effect on the financial statements as at 31 December 2023.

Appendix (2)

Ma'aden's unaudited pro forma consolidated financial information for the year ended 31 December 2023G

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

Unaudited pro forma consolidated financial information
and the independent practitioner's assurance report on the compilation of unaudited pro forma consolidated financial information included in shareholders' circular
for the year ended 31 December 2023

Contents

SAUDI ARABIAN MINING COMPANY (MA'ADEN)
(A Saudi Arabian joint stock company)
Administration and contact details as at 31 December 2023

Commercial registration number	1010164391
Directors	H.E. Yasir bin Othman Al-Rumayyan – Chairman H.E. Eng. Khalid bin Saleh Al-Mudaifer – Deputy Chairman Mr. Richard O'Brien Ms. Sofia Bianchi Dr. Ganesh Kishore Dr. Mohammed bin Yahya Al-Qahtani Mr. Robert Wilt H.E. Ahmed Abdulaziz Alhakbani Mr. Abdullah bin Saleh bin Jum'ah Eng. Nabila bint Mohammed Al-Tunisi Dr. Manar Moneef AlMoneef
Registered address	Building number 395 Abi Bakr Asseddiq Road, South Exit 6, North Ring Road Riyadh 11537 Kingdom of Saudi Arabia
Postal address	P.O. Box 68861 Riyadh 11537 Kingdom of Saudi Arabia
Auditors	PricewaterhouseCoopers Kingdom Centre Tower- 21st Floor King Fahad Road Riyadh 11414 Kingdom of Saudi Arabia

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Independent practitioner's assurance report on the compilation of unaudited pro forma consolidated financial information included in shareholders' circular

To the board of directors of Saudi Arabian Mining Company (Ma'aden)

Report on the compilation of unaudited pro forma consolidated financial information

We have completed our assurance engagement to report on the compilation of unaudited pro forma consolidated financial information of Saudi Arabian Mining Company (Ma'aden) ("Ma'aden" or the "Company") and its subsidiaries (together the "Group") by management of the Group. The unaudited pro forma consolidated financial information consists of the unaudited pro forma consolidated statement of profit or loss and the unaudited pro forma consolidated statement of comprehensive income for the year ended 31 December 2023 and the unaudited pro forma consolidated statement of financial position as at 31 December 2023, and the related notes ("unaudited pro forma consolidated financial information"). The applicable criteria on the basis of which the management has compiled the unaudited pro forma consolidated financial information are specified in Annex 18 and Annex 19 of the Rules on the Offer of Securities and Continuing Obligations issued by the Board of the Capital Market Authority of the Kingdom of Saudi Arabia and described in Note 1 to the accompanying unaudited pro forma consolidated financial information (the "applicable criteria").

The unaudited pro forma consolidated financial information has been compiled by management to illustrate the impact of the acquisition by Ma'aden of twenty-five percent equity interest in Ma'aden Wa'ad Al-Shamal Phosphate Company ("MWSPC"), a subsidiary of the Company, from a minority shareholder in MWSPC holding twenty-five percent equity interest ("Seller") through issuance of new ordinary shares of the Company to the Seller (the "Transaction"), as set out in Note 1 to the unaudited pro forma consolidated financial information, on the Group's consolidated statement of financial position as at 31 December 2023 as if the Transaction had taken place at 31 December 2023 and on the Group's consolidated statement of profit or loss and consolidated statement of comprehensive income for the year ended 31 December 2023 as if the Transaction had taken place at 1 January 2023. As part of this process, the information about the Group's financial position and financial performance has been extracted by management from the audited consolidated financial statements of the Group as at and for the year ended 31 December 2023, on which an unqualified audit report dated 29 February 2024 was issued.

Management's responsibility for the unaudited pro forma consolidated financial information

Management is responsible for compiling the unaudited pro forma consolidated financial information on the basis of the applicable criteria described in Note 1 to the unaudited pro forma consolidated financial information and in accordance with the requirements of Annex 18 and Annex 19 of the Rules on the Offer of Securities and Continuing Obligations issued by the Board of the Capital Market Authority of the Kingdom of Saudi Arabia.

Our independence and quality management

We have complied with the independence and other ethical requirements of the International Code of Ethics for Professional Accountants (including International Independence Standards), endorsed in the Kingdom of Saudi Arabia (the "Code"), that is relevant to our reasonable assurance engagement and we have fulfilled our other ethical responsibilities in accordance with the Code's requirements.

Our firm applies the International Standard on Quality Management (ISQM) 1, as endorsed in the Kingdom of Saudi Arabia, which requires the firm to design, implement and operate a system of quality management including policies or procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

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Independent practitioner's assurance report on the compilation of unaudited pro forma consolidated financial information included in shareholders' circular (continued)

Practitioner's responsibilities

Our responsibility is to express an opinion, as required by Annex 18 and Annex 19 of the Rules on the Offer of Securities and Continuing Obligations issued by the Board of the Capital Market Authority of the Kingdom of Saudi Arabia, about whether the unaudited pro forma consolidated financial information has been compiled, in all material respects, by management on the basis of the applicable criteria described in Note 1 to the unaudited pro forma consolidated financial information.

We conducted our engagement in accordance with International Standard on Assurance Engagements (ISAE) 3420, "Assurance Engagements to Report on the Compilation of Pro Forma Financial Information included in a Prospectus", as endorsed in the Kingdom of Saudi Arabia. This standard requires that the practitioner plan and perform procedures to obtain reasonable assurance about whether management has compiled, in all material respects, the unaudited pro forma consolidated financial information on the basis of the applicable criteria described in Note 1 to the unaudited pro forma consolidated financial information.

For purposes of this engagement, we are not responsible for updating or reissuing any reports or opinions on any historical financial information used in compiling the unaudited pro forma consolidated financial information, nor have we, in the course of this engagement, performed an audit or review of the financial information used in compiling the unaudited pro forma consolidated financial information.

The purpose of unaudited pro forma consolidated financial information included in the shareholders' circular is solely to illustrate the impact of a significant event or transaction on unadjusted financial information of the Group as if the event had occurred or the transaction had been undertaken at an earlier date selected for purposes of the illustration. Accordingly, we do not provide any assurance that the actual outcome of the Transaction as at and for the year ended 31 December 2023 would have been as presented.

A reasonable assurance engagement to report on whether the unaudited pro forma consolidated financial information has been compiled, in all material respects, on the basis of the applicable criteria involves performing procedures to assess whether the applicable criteria used by management in the compilation of the unaudited pro forma consolidated financial information provide a reasonable basis for presenting the significant effects directly attributable to the event or transaction, and obtain sufficient appropriate evidence about whether:

- the related pro forma adjustments give appropriate effect to those criteria; and
- the unaudited pro forma consolidated financial information reflects the proper application of those adjustments to the unadjusted financial information.

The procedures selected depend on the practitioner's judgment, having regard to the practitioner's understanding of the nature of the Group, the event or transaction in respect of which the unaudited pro forma consolidated financial information has been compiled, and other relevant engagement circumstances.

The engagement also involves evaluating the overall presentation of the unaudited pro forma consolidated financial information.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independent practitioner's assurance report on the compilation of unaudited pro forma consolidated financial information included in shareholders' circular (continued)

Opinion

In our opinion, the unaudited pro forma consolidated financial information has been compiled, in all material respects, on the basis of the applicable criteria set out in Note 1 to the unaudited pro forma consolidated financial information.

Intended users and purpose

This unaudited pro forma consolidated financial information has been prepared solely for inclusion in the shareholders' circular of the Company to be filed with the Capital Market Authority of the Kingdom of Saudi Arabia in connection with the Transaction and may therefore not be appropriate for another purpose.

Bader I. Benmohareb
License Number 471
25 June 2024

PRICEWATERHOUSECOOPERS
CERTIFIED PUBLIC ACCOUNTS
LICENSE NO 25
C.R 1010371622

SAUDI ARABIAN MINING COMPANY (MA'ADEN)
(A Saudi Arabian joint stock company)
Unaudited pro forma consolidated statement of profit or loss
for the year ended 31 December 2023
(All amounts in Saudi Riyals unless otherwise stated)

MA'ADEN

	Notes	Year ended 31 December 2023 (Audited)	Pro forma adjustments	Year ended 31 December 2023 (Unaudited pro forma)
Sales		29,271,927,826	-	29,271,927,826
Cost of sales		(22,357,515,845)	-	(22,357,515,845)
Gross profit		6,914,411,981	-	6,914,411,981
Operating expenses				
Selling, marketing and logistic expenses	1	(630,276,560)	65,361,479	(564,915,081)
General and administrative expenses		(1,967,153,310)	-	(1,967,153,310)
Exploration and technical services expenses		(484,643,659)	-	(484,643,659)
Expected credit loss allowance		(16,175,246)	-	(16,175,246)
Operating profit		3,816,163,206	65,361,479	3,881,524,685
Other income / (expenses)				
Income from time deposits		848,251,746	-	848,251,746
Finance cost		(2,347,449,504)	-	(2,347,449,504)
Other expenses, net		(44,336,688)	-	(44,336,688)
Share in net profit of joint ventures that have been equity accounted		319,358,683	-	319,358,683
Profit before zakat, income tax and severance fees		2,591,987,443	65,361,479	2,657,348,922
Income tax		(32,054,458)	-	(32,054,458)
Zakat expense		(491,652,190)	-	(491,652,190)
Severance fees		(370,547,802)	-	(370,547,802)
Profit for the year		1,697,732,993	65,361,479	1,763,094,472
Profit for the year is attributable to:				
Ordinary shareholders of the parent company		1,577,326,494	315,055,618	1,892,382,112
Non-controlling interest	5	120,406,499	(249,694,139)	(129,287,640)
		1,697,732,993	65,361,479	1,763,094,472
Earnings per ordinary share (Saudi Riyals)				
Basic and diluted earnings per share from continuing operations attributable to ordinary shareholders of the parent company	2	0.43	0.07	0.50

Mr. Robert Wilt
Chief Executive Officer and
Authorized by the Board

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

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SAUDI ARABIAN MINING COMPANY (MA'ADEN)
(A Saudi Arabian joint stock company)
Unaudited pro forma consolidated statement of comprehensive income
for the year ended 31 December 2023
(All amounts in Saudi Riyals unless otherwise stated)

	Notes	Year ended 31 December 2023 (Audited)	Pro forma adjustments	Year ended 31 December 2023 (Unaudited pro forma)
Profit for the year	1	1,697,732,993	65,361,479	1,763,094,472
Other comprehensive income				
Items that may be reclassified to profit or loss				
Gain on exchange differences on translation		98,098	-	98,098
Cash flow hedge - changes in fair value and transfer to profit or loss, net		(78,961,732)	-	(78,961,732)
Items that will not be reclassified to profit or loss				
Share in other comprehensive loss of joint ventures that have been equity accounted		(1,950,966)	-	(1,950,966)
Change in fair value of equity investment classified as fair value through other comprehensive income		(107,987,896)	-	(107,987,896)
Loss attributable to the re-measurement of employees' end of service termination benefits obligation		(14,384,636)	-	(14,384,636)
Other comprehensive loss for the year		(203,187,132)	-	(203,187,132)
Total comprehensive income for the year		1,494,545,861	65,361,479	1,559,907,340
Total comprehensive income for the year is attributable to:				
Ordinary shareholders of the parent company		1,396,920,634	316,137,535	1,713,058,169
Non-controlling interest	5	97,625,227	(250,776,056)	(153,150,829)
		1,494,545,861	65,361,479	1,559,907,340

Mr. Robert Wilt
Chief Executive Officer and
Authorized by the Board

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

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MA'ADEN

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

	Notes	31 December 2023 (Audited)	Pro forma adjustments	31 December 2023 (Unaudited pro forma)
Assets				
Non-current assets				
Mine properties		12,917,246,822	-	12,917,246,822
Property, plant and equipment		59,810,324,257	-	59,810,324,257
Right-of-use assets		1,807,472,967	-	1,807,472,967
Capital work-in-progress		3,426,693,995	-	3,426,693,995
Intangible assets and goodwill		353,066,526	-	353,066,526
Investment in joint ventures		1,601,244,055	-	1,601,244,055
Deferred tax assets		1,346,378,216	-	1,346,378,216
Investment in securities		481,673,001	-	481,673,001
Other non-current assets		919,128,468	-	919,128,468
Total non-current assets		82,663,228,307	-	82,663,228,307
Current assets				
Advances and prepayments		341,423,806	-	341,423,806
Inventories		7,200,233,920	-	7,200,233,920
Trade and other receivables		6,045,678,972	-	6,045,678,972
Derivative financial instruments		51,840,094	-	51,840,094
Time deposits		5,034,358,969	-	5,034,358,969
Cash and cash equivalents		10,536,860,355	-	10,536,860,355
Total current assets		29,210,396,116	-	29,210,396,116
Total assets		111,873,624,423	-	111,873,624,423
Equity and liabilities				
Equity				
Share capital	3	36,917,734,380	1,110,124,330	38,027,858,710
Share premium	4	-	3,722,246,878	3,722,246,878
Statutory reserve		157,732,649	-	157,732,649
Treasury shares held under employees' share-based payment plan		(74,071,947)	-	(74,071,947)
Other reserves		(245,296,521)	-	(245,296,521)
Retained earnings		9,667,197,455	(2,136,091,331)	7,531,106,124
Equity attributable to ordinary shareholders of the parent company		46,423,296,016	2,696,279,877	49,119,575,893
Non-controlling interest	5	10,391,969,118	(2,696,279,877)	7,695,689,241
Total equity		56,815,265,134	-	56,815,265,134
Non-current liabilities				
Long-term borrowings		33,178,992,761	-	33,178,992,761
Provision for decommissioning, site rehabilitation and dismantling obligations		2,428,291,992	-	2,428,291,992
Non-current portion of lease liabilities		1,434,887,945	-	1,434,887,945
Deferred tax liabilities		1,588,637,319	-	1,588,637,319
Employees' benefits		1,246,815,834	-	1,246,815,834
Trade, projects, and other payables		458,013,677	-	458,013,677
Total non-current liabilities		40,335,639,528	-	40,335,639,528
Current liabilities				
Trade, projects, and other payables		4,549,783,714	-	4,549,783,714
Accrued expenses		5,070,199,674	-	5,070,199,674
Zakat and income tax payable		608,706,231	-	608,706,231
Severance fees payable		65,615,814	-	65,615,814
Current portion of long-term borrowings		4,128,897,922	-	4,128,897,922
Current portion of lease liabilities		299,516,406	-	299,516,406
Total current liabilities		14,722,719,761	-	14,722,719,761
Total liabilities		55,058,359,289	-	55,058,359,289
Total equity and liabilities		111,873,624,423	-	111,873,624,423

Mr. Robert Wilt
Chief Executive Officer and
Authorized by the Board

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

1 Company overview and basis of preparation

Company overview

Saudi Arabian Mining Company ("Ma'aden") (the "Company") was formed as a Saudi Arabian joint stock company, following the Council of Ministers Resolution No. 179 dated 8 Dhu Al. Qa'dah 1417H (corresponding to 17 March 1997) and incorporated in the Kingdom of Saudi Arabia pursuant to the Royal Decree No. M/17 dated 14 Zul Qaida 1417H (corresponding to 23 March 1997) with Commercial Registration No. 1010164391, dated 10 Zul Qaida 1421H (corresponding to 4 February 2001). The Company has an authorized and issued share capital of Saudi Riyals ("SAR") 36,917,734,380 divided into 3,691,773,438 with a nominal value of SAR 10 per share.

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

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

The Group's principal mining activities are at the Mansourah-Massarah, 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.

Basis of preparation

This unaudited pro forma consolidated financial information has been prepared by management to illustrate the financial impact of the below mentioned transaction, on the historical consolidated financial statements of the Group as of and for the year ended 31 December 2023 as if the transaction had taken place at 31 December 2023 for the purposes of the Group's consolidated statement of financial position and as if the transaction had taken place at 1 January 2023 for the purposes of consolidated statement of profit or loss and consolidated statement of comprehensive income for the year ended 31 December 2023, and comprise of the unaudited pro forma consolidated statements of profit or loss, comprehensive income, financial position and the consequential adjustments arising during the financial year ended 31 December 2023. The unaudited pro forma consolidated financial information is included for illustrative purposes only and the pro forma adjustments are based upon assumptions which are described below. Because of its nature, the unaudited pro forma consolidated financial information illustrates what the impact would have been if the transaction had consummated at an earlier point in time and does not represent the Group's actual financial results or position, and does not give any indication of the results and future financial situation of the activities of the Group upon completion of the below mentioned transaction.

The unaudited pro forma consolidated financial information comprise:

- the unaudited pro forma consolidated statement of profit or loss for the year ended 31 December 2023,
- the unaudited pro forma consolidated statement of comprehensive income for the year ended 31 December 2023,
- the unaudited pro forma consolidated statement of financial position as at 31 December 2023, and
- the notes to the unaudited pro forma consolidated financial information.

For the preparation of the accompanying unaudited pro forma consolidated financial information, management has used the audited consolidated financial statements of the Group for the year ended 31 December 2023, which are prepared in accordance with International Financial Reporting Standards, that are endorsed in the Kingdom of Saudi Arabia, and other standards and pronouncements issued by the Saudi Organization for Chartered and Professional Accountants (SOCPA).

The unaudited pro forma consolidated financial information illustrates the financial impact of the following transaction:

Transaction

The further acquisition by the Company of twenty-five percent equity interest in Ma'aden Wa'ad Al-Shamal Phosphate Company ("MWSPC"), a subsidiary of the Company, from Mosaic Phosphate B.V. ("Mosaic" or the "Seller"), a minority shareholder in MWSPC holding twenty-five percent equity interest in MWSPC, through issuance of 111,012,433 new ordinary shares of the Company, based on the Share Purchase and Subscription Agreement ("SPSA") signed between the Company, The Mosaic Company (as the "Guarantor") and Mosaic on 29 April 2024, (the "Transaction"). Saudi Basic Industries Corporation ("SABIC") will remain the remaining minority shareholder in MWSPC, holding fifteen percent equity interest in the MWSPC. The Transaction was approved by the Board of Directors of the Company on 25 September 2023. The Transaction is expected to be concluded in the third quarter of the financial year 2024.

1 Company overview and basis of preparation (continued)

Financial impact

On the date of the actual Transaction, this will result in an increase in the issued share capital and share premium of the Company due to issuance of 111,012,433 new ordinary shares to the Seller, and corresponding decrease in the non-controlling interests representing Mosaic's share of twenty-five percent equity interest in MWSPC and the remaining impact on the retained earnings of the Group.

For the purpose of the illustration of the Transaction in this unaudited pro forma consolidated financial information, the share price of the new shares to be issued to the Seller has been determined based on the volume-weighted average market price of the Company's shares during the five trading days immediately prior to 31 December 2023. See Notes 3, 4 and 5.

Pro forma assumptions

The unaudited pro forma consolidated financial information is impacted by the following assumptions:

- The share issue price used for the purpose of determining the total value of 111,012,433 new ordinary shares, to be issued to the Seller, in the unaudited pro forma consolidated financial information is assumed based on the volume-weighted average market price of the Company's shares during the five trading days immediately prior to 31 December 2023.

- In accordance with the MCP/DCP Product Marketing Agreement and the Fertilizer Product Marketing Agreement signed between the Guarantor and MWSPC dated 24 April 2014 (the "Marketing Agreements"), MWSPC granted the rights to market and sell its products to the Guarantor against a fixed marketing percentage charged by the Guarantor. During the year ended 31 December 2023, the Guarantor charged the marketing fee amounting to Saudi Riyals 65.4 million to MWSPC under such Marketing Agreements.

  In accordance with schedule 1 clause 13 of the SPSA, the Company and the Seller are required to enter into a Marketing Assignment Agreement, whereby, the Guarantor will assign all its rights under or in connection with the Marketing Agreements to the Company or any of its affiliates. Accordingly, the Company will invoice MWSPC an amount equal to 4.5% of the invoice value of MWSPC's products to be marketed through the Company, in respect of the provision of marketing services as set out in the terms of the Marketing Agreements.

  As a result, the unaudited pro forma consolidated statement of profit or loss for the year ended 31 December 2023 reflects an adjustment at the Ma'aden consolidated level to eliminate the marketing fee expense of Saudi Riyals 65.4 million (4.5% of the invoice value of MWSPC's products marketed by the Guarantor during the year ended 31 December 2023) so to offset the marketing fee income generated by Ma'aden at the standalone or parent company level had this agreement been in place as at 1 January 2023. This pro forma adjustment is resulting in a net increase of Saudi Riyals 65.4 million in the consolidated profits attributable to ordinary shareholders of the parent company. However, it is to be noted that the incremental costs associated with the provision of the marketing services under the proposed Marketing Assignment Agreement, had the agreement been in place as at 1 January 2023, have not been adjusted in this unaudited pro forma consolidated statement of profit or loss as these cannot be factually determined at the date of this unaudited pro forma consolidated financial information.

- No adjustment has been incorporated in the unaudited pro forma statement of financial position as at 31 December 2023 in respect of the dividend payment of Saudi Riyals 93.7 million by MWSPC to the Seller during 2023 as the payment was made prior to 31 December 2023 and the unaudited pro forma statement of financial position assumes as if the Transaction had taken place at 31 December 2023.

- No impact on the zakat, income tax and deferred liability of the Group has been considered as a result of the Transaction. Also, no adjustments have been made to the zakat and income tax provisions and deferred tax liability balance as at and for the year ended 31 December 2023 as a result of the Transaction.

No further assumptions have been made with respect to the preparation of the unaudited pro forma consolidated financial information.

SAUDI ARABIAN MINING COMPANY (MA'ADEN)
(A Saudi Arabian joint stock company)
Notes to the unaudited pro forma consolidated financial information for the year ended 31 December 2023
(All amounts in Saudi Riyals unless otherwise stated)

2 Earnings per ordinary share

	Year ended 31 December 2023 (Audited)	Pro forma adjustments	Year ended 31 December 2023 (Unaudited pro forma)
Earnings attributable to ordinary shareholders of the parent company	**1,577,326,494**	315,055,618	**1,892,382,112**
Weighted average number of ordinary shares used as the denominator in calculating basic earnings per share	**3,691,576,456**	111,012,433	**3,802,588,889**
Basic and diluted earnings per ordinary share from continuing operations	**0.43**	0.07	**0.50**

Basic and diluted earnings per ordinary share is calculated by dividing the adjusted profit attributable to the ordinary shareholders of the parent company by the adjusted weighted average number of ordinary shares in issue during the year.

3 Share capital

		31 December 2023 Before the Transaction	31 December 2023 After the Transaction
	Authorized, issued and fully paid-up		
	Balance as reported		
3,691,773,438	Ordinary shares with a nominal value of SAR 10 per share	**36,917,734,380**	**36,917,734,380**
	Pro forma adjustment		
111,012,433	Ordinary shares with a nominal value of SAR 10 per share, following the Transaction	**-**	**1,110,124,330**
3,802,785,871		**36,917,734,380**	**38,027,858,710**

The actual issue price of 111,012,433 new shares to be issued to the Seller at the date of the Transaction will be determined based on the actual market share price of the Company on the date of the Transaction.

For the purposes of preparing the unaudited pro forma consolidated statement of financial position as at 31 December 2023, management has calculated the trading price of the shares as the volume-weighted average market price of the Company's shares during the five trading days immediately prior to 31 December 2023 and it was SAR 43.53 (SAR forty-three and fifty-three halalas) per share to determine the total value of 111,012,433 new ordinary shares to be issued to the Seller. Such a hypothetical issue price of SAR 43.53 per share (SAR 10 nominal value plus premium of SAR 33.53 per share) would result in the increase of the share capital by SAR 1,110,124,330 and the share premium by SAR 3,722,246,878.

Note that the actual issue price may significantly differ from the hypothetical issue price used for the purposes of preparing the unaudited pro forma consolidated financial information for the year ended 31 December 2023.

	SAR
Equity attributable to ordinary shareholders of the parent company	
Increase in issued share capital by issuance of 111,012,433 new ordinary shares at a nominal value of SAR 10 per share	**1,110,124,330**
Increase in share premium by issuance of 111,012,433 new ordinary shares at a premium of SAR 33.53 per share	**3,722,246,878**
Total value of the Transaction based on the hypothetical issue price	**4,832,371,208**

Structure of the ordinary shares ownership before and after the issuance of new shares to the Seller is as follows:

	Before the Transaction			After the Transaction		
Shareholders	**Number of shares**	**SAR**	**% shares**	**Number of shares**	**SAR**	**% shares**
Public Investment Fund (PIF)	2,480,263,014	24,802,630,140	67.18	2,480,263,014	24,802,630,140	65.22
Mosaic	-	-	-	111,012,433	1,110,124,330	2.92
Free float-general public	1,211,510,424	12,115,104,240	32.82	1,211,510,424	12,115,104,240	31.86
Total	**3,691,773,438**	**36,917,734,380**	**100**	**3,802,785,871**	**38,027,858,710**	**100**

(All amounts in Saudi Riyals unless otherwise stated)

4 Share premium

		31 December 2023 Before the Transaction	31 December 2023 After the Transaction
	Pro forma adjustment		
111,012,433	Ordinary shares with a nominal value of SAR 10 per share, issued at a premium of SAR 33.53 per share	**-**	**3,722,246,878**
111,012,433		**-**	**3,722,246,878**

5 Non-controlling interest

	Note	Year ended 31 December 2023 (Audited)	Pro forma adjustments	Year ended 31 December 2023 (Unaudited pro forma)
31 December 2023 (Before pro forma adjustment)		**10,391,969,118**	-	**10,391,969,118**
Pro forma adjustment				
Derecognition of non-controlling interest in the unaudited pro forma consolidated financial information representing the twenty-five percent equity interest of the Seller in MWSPC at 31 December 2023.	1	**-**	(2,696,279,877)	**(2,696,279,877)**
31 December 2023		**10,391,969,118**	(2,696,279,877)	**7,695,689,241**

6 Approval and authorisation for issue of the unaudited pro forma consolidated financial information

The unaudited pro forma consolidated financial information for the year ended 31 December 2023 were approved and authorized for issue by the Board of Directors on 25 June 2024.

Appendix (3)

Copy of MWSPC's Articles of Association and any amendments thereto

Articles of Association

Ma'aden Wa'ad Al Shamal Phosphate Company
(Limited Liability Company)

With the help of God Almighty, it was agreed on the [●] day of the month of [●] of the year 1435H. (corresponding to the [●] day of the month of [●], 2013G.) by and between:

1. **Saudi Arabian Mining Company (Ma'aden),** a Saudi joint stock company established pursuant to Royal Decree No. M/17 dated 14/11/1417H. and duly incorporated under the laws and regulations of the Kingdom of Saudi Arabia with commercial registration no. 1010164391 having its head office and address at P.O. Box 68861, Riyadh 11537, Kingdom Saudi Arabia ("**Ma'aden**");
2. **Mosaic Phosphates B.V.**, a private company with limited liability duly organized and existing under the laws of the Netherlands, having its corporate seat in Amsterdam, the Netherlands, with address at Holbeinstraat 17, 1077 VB Amsterdam, the Netherlands, registered with the Commercial Register of the Netherlands Chamber of Commerce under number 57972443 ("**Mosaic**"); and
3. **Saudi Basic Industries Corporation**, a Saudi joint stock company duly incorporated under the laws and regulations of the Kingdom of Saudi Arabia, with commercial registration no. 1010010813, having its head office and address at P.O. Box 5101, Riyadh 11422, Kingdom of Saudi Arabia ("**SABIC**").

The above-mentioned parties (collectively the "**Shareholders**" and individually a "**Shareholder**") have agreed to establish a limited liability company in accordance with Industrial Investment License No.

عقد تأسيس

شركة معادن وعد الشمال للفوسفات

(شركة ذات مسئولية محدودة)

بعون الله تعالى، وفي يوم .... من شهر ... سنة ١٤٣٥هـ، الموافق ليوم ... من شهر .... لسنة ٢٠١٣م، جرى الاتفاق بين كل من:

١- شركة التعدين العربية السعودية، وهي شركة مساهمة سعودية أسست بموجب المرسوم الملكي رقم م/١٧ الصادر في ١٤١٧/١١/١٤هـ، ووفقا للأنظمة واللوائح المعمول بها في المملكة العربية السعودية، وهي مقيدة بالسجل التجاري رقم (١٠١٠١٦٤٣٩١)، و مركزها الرئيسي في مدينة الرياض ص.ب. ٦٨٨٦١ الرياض ١١٥٣٧، المملكة العربية السعودية. ويشار إليها فيما يلي بـ "معادن".

٢- شركة موزاييك للفوسفات بي. في.، وهي شركة ذات مسؤولية محدودة مؤسسة وقائمة حسب الأصول وفقا للقوانين المعمول بها في هولندا، وتتخذ مركزها الرئيسي في ١٧ شارع هولباين، ١٠٧٧ في.بي. أمستردام، وهولندا. ومقيدة لدى إدارة السجل التجاري بغرفة هولندا للتجارة بالرقم (٥٧٩٧٢٤٤٣)، ويشار إليها فيما يلي بـ "موزاييك".

٣- الشركة السعودية للصناعات الأساسية، وهي شركة مساهمة تم تأسيسها حسب الأصول وفقا للأنظمة واللوائح المعمول بها في المملكة العربية السعودية. ومقيدة بالسجل التجاري رقم (١٠١٠٠١٠٨١٣). وتتخذ مركزها الرئيسي في ص.ب. ٥١٠١ الرياض ١١٤٢٢ المملكة العربية السعودية. ويشار إليها فيما يلي بـ "سابك".

وقد اتفق الأطراف المذكورة أعلاه (ويشار إليهم مجتمعين بـ "الشركاء"، ومنفردين بـ "الشريك") على تأسيس شركة ذات مسؤولية محدودة بموجب ترخيص الاستثمار الصناعي

1019350234788 , dated 14/02/1435H (corresponding to 17/12/2013)., issued by the Saudi Arabian General Investment Authority, the Regulations for Companies promulgated by Royal Decree No. M/6, dated 22/03/1385H., as amended, and the Foreign Investment Regulation, enacted pursuant to Royal Decree No. M/1, dated 05/01/1421H., as amended, and pursuant to the following conditions:

رقم١٠١٩٣٥٠٢٣٤٧٨٨ والصادر في تاريخ١٤٣٥/٠٢/١٤هـ (الموافق ٢٠١٣/١٢/١٧) من الهيئة العامة للاستثمار في المملكة العربية السعودية، ووفقا لنظام الشركات الصادر بالمرسوم الملكي رقم م/٦ في ١٣٨٥/٣/٢٢هـ وتعديلاته، ونظام الاستثمار الأجنبي الصادر بالمرسوم الملكي رقم م/١ في ١٤٢١/١/٥هـ وتعديلاته، ووفقا للشروط والأحكام المنصوص عليها أدناه:

Article (1)

Company Name

The name of the Company shall be "Ma'aden Wa'ad Al Shamal Phosphate Company", a limited liability company.

المادة رقم (١)

اسم الشركة

يطلق على الشركة اسم " شركة معادن وعد الشمال للفوسفات" شركة ذات مسؤولية محدودة.

Article (2)

Company Objects

The objectives for which the Company is formed are productions of the Purified Phosphoric Acid, Phosphoric Acid, Sodium Tripolyphosphate, Di-calcium phosphate, Mono-calcium phosphate, Di-ammonium phosphate, Mono-ammonium phosphate, Ammonia, Nitro Phosphate, Nitro Phosphate Potash, Sulphuric Acid, Products used in manufacturing of Lime and purified Rock phosphate in accordance with Industrial Investment License No. 1019350234788, dated 14/02/1435H (corresponding to 17/12/2013 Gregorian) ., issued by the Saudi Arabian General Investment Authority.

المادة رقم (٢)

أغراض الشركة

إن الأغراض التي كونت الشركة لأجلها هي: انتاج حمض الفسفوريك النقي، حمض الفسفوريك، ثالث بولي الفوسفات الصوديوم، فوسفات ثنائي الكالسيوم، فوسفات أحادي الكالسيوم، فوسفات ثنائي الامونيا، فوسفات أحادي الأمونيا، الأمونيا، بوتاسيوم فوسفور النتروجين، فوسفور النيتروجين، الكلس، حمض السلفوريك، صخر الفوسفات المنقى. وفقا لترخيص الاستثمار الصناعي رقم ١٠١٩٣٥٠٢٣٤٧٨٨ الصادر في تاريخ ١٤٣٥/٠٢/١٤هـ (الموافق ٢٠١٣/١٢/١٧) من الهيئة العامة للاستثمار في المملكة العربية السعودية.

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Article (3)

Combination with other Companies

The Company may own shares in other existing companies, or merge with other existing entities, and shall have the right to establish companies that it owns or in whose capital it participates in the mining and phosphate industry and related industries, or participate with others to form joint stock or limited liability companies to perform similar or complementary activities, after satisfying the regulatory requirements. The Company may further dispose of such shares, provided that it shall not include the brokerage of the sale of such shares.

المادة رقم (٣)

المشاركة مع شركات أخرى

يجوز للشركة أن تمتلك الحصص أو الأسهم في شركات أخرى قائمة أو تندمج مع كيانات قائمة أخرى، ولها حق في إنشاء شركات تملكها أو تساهم في رأس مالها في صناعة التعدين والفوسفات والصناعة ذات العلاقة والاشتراك مع الغير في تأسيس الشركات المساهمة أو ذات المسؤولية المحدودة لمزاولة نشاط مماثل أو متمم لها، وذلك بعد استيفاء المتطلبات التنظيمية. كما يجوز للشركة أن تتصرف في هذه الحصص أو الأسهم على الايشمل ذلك الوساطة في تداولها.

Article (4)

Company Head Office

The Company's head office shall be in the city of Turaif in the Kingdom of Saudi Arabia. However, the Company may, by resolution of the Shareholders, move its head office or establish branches within or outside the Kingdom of Saudi Arabia after obtaining the necessary consents of the concerned authorities.

المادة رقم (٤)

المركز الرئيسي:

يكون المركز الرئيسي للشركة في محافظة طريف بالمملكة العربية السعودية. ويجوز للشركة بقرار صادر من الشركاء أن تنقل مقر مركزها الرئيسي، وافتتاح فروع داخل وخارج المملكة العربية بعد الحصول على الموافقة اللازمة لذلك من الجهات المختصة.

Article (5)

Company Term

The Company has been established for a term of fifty (50) Gregorian years commencing on the date of the commercial registration of the Company in the Commercial Register. The Company's term shall automatically be extended for similar periods unless a Shareholder notifies the other Shareholders of its desire not to continue the Company at least two (2) years prior to the expiration of the initial or renewed period.

المادة رقم (٥)

مدة الشركة

تأسست الشركة لمدة خمسين (٥٠) عاماً ميلادية تبدأ من تاريخ قيدها بالسجل التجاري، وتجدد لمدد مماثلة ما لم يخطر أحد الشركاء الآخرين برغبته في عدم التجديد، وعلى أن يكون ذلك قبل نهاية المدة الأصلية أو المجددة بسنتين على الأقل.

Article (6)

المادة رقم (٦)

Capital

رأس المال

The Company's capital is fixed at 8,437,500,000 Saudi Riyals (SR 8,437,500,000), divided into 843,750,000 shares, each having equal value and each valued at ten Saudi Riyals (SR 10). The paid up capital of the Company at formation is 1,501,875 Saudi Riyals (one million five hundred and one thousand and eight hundred seventy five only. The shares of the Company are divided between the Shareholders as follows:

حدد رأس مال الشركة بمبلغ ٨.٤٣٧.٥٠٠.٠٠٠ (ثمانية مليارات وأربعمائة وسبعة وثلاثين مليوناً وخمسمائة ألف) ريال سعودي مقسمة إلى ٨٤٣.٧٥٠.٠٠٠ حصة متساوية القيمة، قيمة كل حصة عشرة (١٠) ريالات. ورأس مال الشركة المدفوع عند التأسيس هو ١.٥٠١.٨٧٥ (مليون وخمسمائة وألف وثمانمائة وخمسة و سبعون ريال سعودي. وقد وُزعت الحصص على النحو التالي:

الشريك	عدد الحصص الإجمالي	قيمة الحصة (ر.س.)	إجمالي قيمة الحصص (ر.س.)	قيمة الحصص المدفوعة (ر.س.)	إجمالي قيمة الحصص المدفوعة (ر.س.)	نسبة الحصص
معادن	٥٠٦.٢٥٠.٠٠٠	١٠	٥.٠٦٢.٥٠٠.٠٠٠	٠,٠٠٠١٧٨	٩٠١,١٢٥	%٦٠
موزاييك	٢١٠.٩٣٧.٥٠٠	١٠	٢.١٠٩.٣٧٥.٠٠٠	٠,٠٠٠١٧٨	٣٧٥,٤٦٨,٧٥	%٢٥
سابك	١٢٦.٥٦٢.٥٠٠	١٠	١.٢٦٥.٦٢٥.٠٠٠	٠,٠٠٠١٧٨	٢٢٥,٢٨١,٢٥	%١٥
الإجمالي	٨٤٣.٧٥٠.٠٠٠	٨.٤٣٧.٥٠٠.٠٠٠	٨.٤٣٧.٥٠٠.٠٠٠	٠,٠٠٠١٧٨	١,٥٠١,٨٧٥	%١٠٠

يقر الشركاء بأنه تم الوفاء برأس مال الشركة المدفوع عند التأسيس وأودع لدى أحد البنوك المعتمدة في المملكة العربية السعودية بموجب الشهادة الصادرة من البنك بهذا الخصوص.

Shareholder	**Total no. of shares**	**Share value (SR)**	**Total value of shares (SR)**	**Value of paid-up shares (SR)**	**Total value of paid-up shares (SR)**	**Share %**
Ma'aden	506,250,000	10	5,062,500,000	0.000178	901,125	60%
Mosaic	210,937,500	10	2,109,375,000	0.000178	375,468.75	25%
SABIC	126,562,500	10	1,265,625,000	0.000178	225,281.25	15%
Total	**843,750,000**	**8,437,500,000**	**8,437,500,000**	**0.000178**	**1,501,875**	**100%**

The Shareholders declare that the value of the Company's paid-up capital has been fully paid-up in cash and deposited with an approved bank in the Kingdom of Saudi Arabia in accordance with the certificate issued by such bank to this effect.

Article (7)

Increase or Reduction of Capital

The Company's capital may be increased with the agreement of all Shareholders by increasing the nominal value for each of the existing shares or by issuing new shares and requiring each Shareholder to subscribe to such new shares in proportion to its respective shareholding in the Company's capital. In all other cases, unless the Shareholders agree otherwise, the capital of the Company may be increased with the resolution of the Shareholders in accordance with Article (13.2) hereof.

The capital may also be decreased by a resolution adopted by the General Assembly provided that it is not reduced to less than the minimum stipulated by the Regulations for Companies and the amendments thereto and in accordance with the following conditions:

a- If the decrease is because the capital is in excess of the Company's needs, then the Company's creditors shall be invited to express their objections thereto within sixty (60) days from the date of publishing the decision to decrease the capital in a daily newspaper circulating at the Company's head office. If a creditor objects and presents documents supporting his claims within the said time limit, the Company shall pay his debt if it is immediately payable or shall provide adequate guarantee for payment if it is a deferred debt.

b- No further decrease in the Company's capital shall be made if there has been a decrease in capital due to losses incurred by the Company, and such losses equal or exceed one-half (1/2) of the Company's capital.

المادة رقم (٧)

زيادة أو تخفيض رأس المال

يجوز بموافقة جميع الشركاء زيادة رأس مال الشركة، سواء كان ذلك بزيادة رأس مال القيمة الاسمية لكل حصة من حصص الشركاء القائمة أو عن طريق إصدار حصص جديدة مع إلزام جميع الشركاء بدفع قيمتها بنسبة مشاركة كل منهم في رأس مال الشركة. وباستثناء الحالتين المشار إليهما يجوز زيادة رأس مال الشركة بقرار من الشركاء وفقا للبند رقم "١٣- ٢" أدناه من هذا العقد، ما لم يتفق الشركاء على غير ذلك. كما يجوز تخفيض رأس مال الشركة بقرار صادر من الجمعية العامة للشركاء، على أن لا يخفض إلى أقل من الحد الأدنى المنصوص عليه في نظام الشركات وتعديلات، وأن يكون وفقا للشروط الواردة أدناه:

أ- إذا كان تخفيض رأس مال الشركة نتيجة زيادة رأس المال عن حاجة الشركة فيجب دعوة الدائنين لإبداء اعتراضاتهم عليه خلال ستين (٦٠) يوما من تاريخ نشر قرار التخفيض في جريدة يومية توزع في المركز الرئيسي للشركة. وفي حال اعتراض أحد الدائنين وتقديمه للشركة المستندات المؤيدة لمطالبته خلال الفترة المحددة أعلاه؛ فيجب على الشركة أن تؤدي إليه دينه إذا كان حالا أو تقدم له ضمانا كافيا للوفاء إذا كان آجلا.

ب- لا يجوز أي تخفيض إضافي في رأس مال الشركة في حالة كان تخفيض رأس المال نتيجة لخسارات تكبدتها الشركة، وبلغت تلك الخسارات ما يعادل أو يتجاوز نصف رأس مالها.

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Article (8)

Shares

Unless the Shareholders agree otherwise, no Shareholder may transfer any of its or his shares of the Company's capital to any third party, whether for or without consideration, without first giving written notice to all other Shareholders of its or his intention to transfer such shares and complying with the procedures that shall be agreed between the Shareholders; provided that such procedures do not conflict with the terms of Article (165) of the Regulations for Companies. Notwithstanding anything herein to the contrary, a Shareholder shall have the right to transfer all or part of its or his shares if such transfer is: (a) by an individual Shareholder, upon his death and to his heirs; or (b) to an entity which is legally and beneficially directly or indirectly wholly owned by the ultimate parent company of that Shareholder.

المادة رقم (٨)

الحصص

مالم يتفق الشركاء على خلاف ذلك، لا يجوز لأي من الشركاء نقل أي حصة من حصصه في رأس مال الشركة للغير، سواء كان ذلك بمقابل أو بدون مقابل، دون أن يبلغ بقية الشركاء مسبقاً بنيته في ذلك، ومتبعا الإجراءات اللازمة لذلك التي يتفق عليها الشركاء، وعلى ألأتتعارض تلك الإجراءات مع ما هو منصوص عليه في المادة رقم "١٦٥" من نظام الشركات. على الرغم ما هو منصوص عليه هنا بالمخالفة لذلك. ، فيجوز لأي من الشركاء التصرف في كل أو أي جزء من الحصص في أي من الحالات التالية: (أ) لورثة الشريك الفريد في حالة وفاته، (ب) لأي جهة تعود ملكيتها القانونية والنفعية الكاملة للشركة الأم للشريك المعني، سواء كانت ملكية مباشرة أو غير مباشرة.

Article (9)

Share Register

The Company shall establish and maintain a special share register (the "**Register**") where there shall be recorded the names of the Shareholders, the number of shares held by each and all transactions affecting such shares. No transfer of shares shall be valid against the Company or any third party unless such transfer is recorded in the Register. The Register shall contain the following data:

a- each Shareholders' name, profession, nationality, address and identity card or passport number and date of issue;
b- the number and value of the shares owned by each Shareholder;
c- the number and value of shares which have been transferred, along with a description of the manner in which the shares were transferred, whether by

المادة رقم (٩)

سجل الحصص

تعد الشركة سجلا خاصا بالحصص "السجل" ويقيد به أسماء الشركاء، وعدد الحصص التي يمتلكها كل منهم، وكافة التصرفات التي ترد على هذه الحصص. ولا ينفذ انتقال ملكية تلك الحصص في مواجهة الشركة أو مواجهة الغير ما لم يكن ذلك التصرف مقيدا في السجل. ويجب أن يشتمل السجل على كافة البيانات التالية:

أ- اسم كل شريك، ومهنته، وجنسيته، وعنوانه، ورقم وتاريخ إصدار حفيظة النفوس أو جواز السفر الخاص به.
ب- عدد وقيمة الحصص التي يمتلكها كل شريك.
ت- عدد وقيمة الحصص المتصرف فيها مع بيان كيفية التصرف فيها ما إذا كان بيعا أو شراء أو ميراثا أو هبة أو

sale, purchase, inheritance, gift or any other manner of transfer;

d- the name and signature of the transferor and the transferee;

e- the date of the transfer of shares; and

f- the total number and value of shares owned by each shareholder after any such transfer.

The pages of the Register shall be numbered serially, and no page thereof may be removed nor may any erasure or alteration be made to the data recorded therein. The Shareholders shall have the right to examine the Register during the normal working hours of the Company.

غير ذلك من التصرفات.

ث- اسم وتوقيع المتصرف والمتصرف له.

ج- تاريخ التصرف في الحصص.

ح- مجموع ما يملكه الشريك من حصص بعد إجراء التصرف، وقيمة تلك الحصص.

وترقم صفحات السجل ترقيما مسلسلا، ولا يجوز نزع أي صفحة من صفحاته ولا إجراء أي كشط أو تغيير في البيانات المدونة فيه. ويجوز لكل شريك الاطلاع على سجل الحصص أثناء ساعات دوام الشركة المعتادة.

Article (10)

Management of the Company:

10-1 The Board of Managers:

a- Except as otherwise required by applicable law or as may be agreed by the Shareholders, the overall management and control of the business and affairs of the Company shall be managed by a Board of Managers (the "**Board**").

b- The Board shall consist of seven (7) managers (each a "**Manager**"), four (4) of whom shall be appointed by Ma'aden, two (2) of whom shall be appointed by Mosaic and one (1) of whom shall be appointed by SABIC, in each case pursuant to a separate resolution of the Shareholders. Each Shareholder shall vote for the appointment of the Managers nominated by the Shareholders

c- Managers may be removed by the Shareholder that nominated them, at any time (with or without cause), upon written notice to each other Shareholder and the Company, without prejudice to such Manager's right to compensation in case of unjustified removal or if such removal occurred at an improper time. Additionally, any Manager may resign at any time upon written notice to the Shareholder represented by such Manager and the Company. If a Manager is removed or resigns or

المادة رقم (١٠)

إدارة الشركة:

١٠- ١ مجلس إدارة الشركة:

أ- ما لم يقضي القانون المعمول به غير ذلك أو ما لم يتفق الشركاء على غير ذلك، يتولى مجلس المديرين **"المجلس"** الإدارة الكلية لأعمال الشركة وشؤونها والسيطرة عليها.

ب- يتألف المجلس من سبعة مديرين **"مدير"** وتعين شركة معادن أربعة منهم، واثنين تعينهم شركة موزاييك، بينما تعين شركة سابك واحداً منهم، على أن يكون ذلك - في كل حالة- بقرار منفصل صادر من كل شريك. ويجب على كل شريك التصويت لصالح تعيين المديرين المرشحين من قبل الشركاء.

ت- يجوز للشريك، - في أي وقت يشاء وبإشعار خطي للشركة ولبقية الشركاء- أن يعزل المديرين المعينين من قبله، وسواء كان ذلك لسبب أو بدون سبب، ودون إخلال بحق ذلك المدير في التعويض في حالة كان العزل دون مبرر أو في وقت غير مناسب. كما يجوز لكل مدير أن يتقدم باستقالته من منصبه في أي وقت يشاء بإشعار خطي يقدمه للشريك الذي يمثله ذلك المدير وكذلك للشركة. وفي حالة عزل مدير أو في حالة تقدمه باستقالته عن

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becomes incapacitated or otherwise unable to serve for any reason, the Shareholder that nominated such Manager shall promptly appoint a replacement Manager, and shall indemnify the other Shareholders and the Company against any claim by such resigned or removed Manager. Each Shareholder shall vote in favour of the appointment of such replacement.

منصبه أو في حالة عجزه أو إذا أصبح غير قادر على الخدمة لأي سبب من الأسباب أو غير ذلك ، فيجب على الشريك الذي يكون قد رشح ذلك المدير أن يعين فورا مديراً بديلاً له، كما يجب عليه أن يؤمن الحماية والتعويض لبقية الشركاء والشركة عن اي مطالبة يتقدم بها المدير المعزول أو المستقيل. ويجب على كل شريك أن يصوت لصالح تعيين البديل المشار إليه.

10-2 Chairman, President and Secretary:

١٠- ٢ رئيس المجلس ورئيس الشركة والسكرتير:

a- Meetings of the Board shall be presided over by a chairman (the "**Chairman**"). The Chairman shall be appointed by Ma'aden, and each Shareholder shall vote in favour of the appointment of such nominee to this position. The Chairman shall have the authority to represent the Company in its relations with third parties and before judicial tribunals and government agencies and officials including, without limitation, the Saudi Arabian General Investment Authority, the Ministry of Commerce and Industry, the Ministry of Health, the Ministry of Interior, the Ministry of Municipal and Rural Affairs, the Ministry of Justice courts and committees, the Saudi Arabian Food and Drug Authority, the Chamber of Commerce and Industry, public notaries, the Department of Zakat and Income Tax, the Ministry of Labour, and to delegate any such authority to others.

أ- يترأس اجتماعات المجلس رئيس المجلس. وتعين شركة معادن رئيس المجلس، ويجب على كل شريك أن يصوت لصالح تعيين المرشح لذلك المنصب. ويتمتع رئيس المجلس بالصلاحية لتمثيل الشركة في علاقاتها مع الغير وأمام الهيئات القضائية والدوائر الحكومية وموظفيها بما في ذلك ودون حصر الهيئة العامة للاستثمار في المملكة العربية السعودية، ووزارة التجارة والصناعة، ووزارة الصحة، ووزارة الداخلية، ووزارة الشئون البلدية والقروية، ووزارة العدل والمحاكم واللجان، وهيئة الغذاء والدواء السعودية، والغرفة التجارية الصناعية، وكتابات العدل، ومصلحة الزكاة والدخل، ووزارة العمل. ويجوز له أن يفوض أي من تلك الصلاحيات لأي أطراف أخرى.

b- A president of the Company (the "**President**") shall be nominated by Ma'aden and appointed by the Board pursuant to a separate resolution. The President shall manage the day-to-day business and affairs of the Company and shall have all power and authority necessary for such day-to-day management and as may be delegated to him by the Board from time to time.

ب- ترشح شركة معادن رئيسا للشركة "رئيس الشركة"، ويصدر قرار مستقل بتعيينه من المجلس. ويتولى رئيس الشركة الإدارة اليومية لأعمال وشئون الشركة، ويكون له ما يلزم من صلاحيات لذلك حسبما ما هو مكلف به من المجلس من حين لآخر.

c- A secretary of the Board (the "**Secretary**") shall be appointed by the Board for such period of time as the Board shall determine. The Secretary shall be responsible for procuring the writing of the proceedings and resolutions of the Board in minutes, as well as maintaining and keeping such minutes. The Secretary shall also perform all other

ت- يعين المجلس سكرتيراً للمجلس "السكرتير" للفترة التي يحددها المجلس. ويتولى السكرتير تدوين وحفظ محاضر إجراءات وقرارات المجلس. كما يتولى مسؤولية أداء كافة المهام والواجبات التي يحددها له المجلس. ويجوز أن يكون السكرتير من المديرين أو من خارجهم.

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duties that the Board may determine. The Secretary may or may not be a Manager.

10-3 Meetings; Notice; Proxy:

a- The Board shall meet at least four (4) times a year and a majority of meetings shall be held in the Kingdom of Saudi Arabia, unless otherwise agreed by a resolution of the Board. Any Manager may convene additional Board meetings by delivering a notice in writing to the Company for good cause or a substantial reason related to the Company, the resolution of which cannot be reasonably deferred to a scheduled meeting of the Board.

b- Unless the Shareholders agree otherwise, the Secretary shall, at the request of any Manager or the President (if not a Manager), convene any meeting of the Board (excluding adjourned meetings) by delivering to each Manager a notice of the meeting (which shall include the agenda for such meeting) not later than ten (10) Business Days' written notice prior to the proposed date thereof. In case of an adjourned meeting, the Secretary shall deliver to each Manager a notice of the adjourned meeting as soon reasonably practicable after a proposed date thereof has been determined by the Managers and with not later than five (5) Business Days' written notice[1] prior to the proposed date thereof. The agenda of each meeting, which shall be proposed by the requesting Manager or President (as the case may be), shall include any matter submitted to the Secretary by any Manager at least five (5) Business Days prior to the delivering of the notice for such meeting. A Manager may waive (with respect to that Manager), in writing, any requirement for advance written notice of any meeting. A written retrospective waiver of notice, signed by a Manager, shall be deemed equivalent to proper delivery of a notice to that Manager. A Manager's attendance at a Board meeting shall constitute a waiver of notice (with respect to that

١٠- ٣ الاجتماعات والإعلان والوكالة:

أ- يعقد المجلس على الأقل أربعة اجتماعات في السنة. وتعقد أغلبية الاجتماعات في المملكة العربية السعودية، ما لم يتم الاتفاق على أي مكان آخر بقرار صادر من المجلس. ويجوز لأي مدير أن يطلب عقد اجتماع إضافي بتسليم إشعار بذلك إلى الشركة مبينا فيه السبب الكافي أو المبرر الجوهري ذو العلاقة بالشركة، والذي يتعذر إرجاء البت فيه إلى اجتماع مجدول للمجلس.

ب- ما لم يتفق الشركاء على غير ذلك، يقوم السكرتير بطلب من أحد المديرين أو من رئيس الشركة (إذا لم يكن أحد المديرين) بعقد اجتماع المجلس (فيما عدا الاجتماعات المؤجلة) عن طريق تسليم كل مدير إشعاراً خطياً متضمناً جدول أعمال الاجتماع وعلى الأقل قبل عشرة أيام عمل من التاريخ المقترح لعقد ذلك الاجتماع. وفي حالة الاجتماع المؤجل يسلم السكرتير لكل مدير إشعاراً خطيا بعقد الاجتماع المؤجل خلال أسرع وقت ممكن بعد تحديد المديرين للتاريخ المقترح لذلك الاجتماع، وعلى ألا يقل ذلك عن خمسة (٥) أيام عمل قبل التاريخ المقترح له. ويجب أن يتضمن جدول أعمال كل اجتماع والتي يقترحه المدير الطالب للاجتماع أو رئيس الشركة، - حسب مقتضى الحال- ، كل الأمور التي سلمها المدير للسكرتير قبل خمسة (٥) أيام عمل من تسليم الإعلان قبل الاجتماع. ويجوز لأي مدير (بخصوص ذلك المدير) أن يتنازل عن طريق الكتابة، عن أي متطلب لإشعار خطي مسبق بعقد الاجتماع. ويعتبر التنازل الخطي عن الإشعار بعقد الاجتماع والموقع من مدير بمثابة تسليم ذلك المدير على النحو السليم إشعارا بعقد الاجتماع. وحضور المدير في الاجتماع يعتبر تنازلا منه عن الإشعار بعقد ذلك الاجتماع، ما لم يكن ذلك الحضور فقط لغرض الاحتجاج بعدم كفاية الإشعار الخطي.

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Manager) of that meeting, unless such attendance was solely for the purpose of protesting the inadequacy of the written notice

c- A Manager may be represented at any Board meeting by another person, provided that the latter has been duly appointed as a proxy (**"Proxy"**) by the former in writing and notice of such appointment is delivered to the Secretary prior to such Board meeting.

ت- يجوز أن يُمثل المدير في أي اجتماع للمجلس بأي شخص آخر شريطة توكيل ذلك الشخص "الوكيل" حسب الأصول من قبل المدير وذلك خطياً ومع تسليم السكرتير إشعاراً بذلك التوكيل قبل عقد ذلك الاجتماع.

d- Minutes of the Board meetings shall be taken by the Secretary and circulated to the Managers within seven (7) days after the meeting, in any event, prior to the next Board meeting. The documents evidencing the adopting of resolutions shall be filed by the Secretary in the minute book to be kept at the head office of the Company.

ث- يدون السكرتير محاضر اجتماعات المجلس ويوزعها على المديرين خلال سبعة (٧) أيام بعد الاجتماع، وعلى أن يكون ذلك بأي حال من الأحوال قبل عقد الاجتماع التالي للمجلس. ويحفظ السكرتير المستندات التي تثبت اتخاذ القرارات في سجل المحاضر المحفوظ في المركز الرئيسي للشركة.

10-4 Quorum; Telephonic Meetings:

١٠- ٤ النصاب والاجتماع بالهاتف:

a- The quorum for any duly convened Board meeting shall be one (1) Manager appointed by each Shareholder, attending in person or by Proxy. If a quorum is not present within two (2) hours from the time when a Board meeting should have begun or if during a meeting there is no longer a quorum, the subject meeting shall be postponed for seven (7) days, unless otherwise agreed by the relevant Managers, provided that the subject meeting is postponed for not more than one (1) month. Unless otherwise approved by the Board of Managers, if a quorum is not present within two (2) hours from the time when the adjourned meeting should have begun or if during such adjourned meeting there is no longer a quorum, those Managers present shall constitute a quorum; provided that at least one (1) Manager appointed by Ma'aden is present in person or by Proxy.

أ- يكتمل النصاب القانوني لكل اجتماع للمجلس يدعى لعقده حسب الأصول بحضور مدير واحد معين من كل شريك، سواء كان حضور بالإصالة أو الوكالة. وفي حالة عدم اكتمال النصاب القانوني خلال ساعتين من الزمن المحدد لبداية عقد الاجتماع أو إذا زال اكتمال النصاب أثناء الاجتماع، يؤجل الاجتماع لفترة سبعة أيام ما لم يتفق المديرين المعنيين على غير ذلك، وعلى شرط ألا يؤجل الاجتماع المعني لأكثر من شهر واحد. مالم يوافق مجلس المديرين على غير ذلك، وفي حالة عدم اكتمال النصاب القانوني خلال ساعتين من الزمن المحدد لبداية عقد الاجتماع المؤجل أو في حالة زوال النصاب القانوني أثناء عقد الاجتماع المؤجل، يكتمل النصاب القانوني بالمديرين الحاضرين في الاجتماع طالما حضر على الأقل مدير واحد من المديرين المعينين من شركة معادن في الاجتماع سواء بالإصالة أو بالوكالة.

b- A Manager may participate in any Board meeting by telephone, by video conference, or by any other similar electronic means through which all Managers may communicate simultaneously. Such participation shall constitute presence at such meeting.

ب- يجوز لأي مدير المشاركة في أي اجتماع للمجلس بالهاتف أو الفيديو الجماعي، أو بأي وسيلة إلكترونية مماثلة يمكن لجميع المديرين التواصل عبرها في نفس الوقت. وتلك المشاركة تعتبر حضوراً في الاجتماع.

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10-5 Board Resolutions:

a- Board resolutions may be passed (i) at meetings or (ii) by circulation in writing, including but not limited to telex, telegram, facsimile or computer scan sent by e-mail, without convening and holding a meeting. Written consents of the Managers shall be forwarded to the Company for inclusion in the minute book of the Company. All written resolutions by circulation shall be included in the minutes of the next meeting of the Board.

b- Except as otherwise set forth in the shareholders' agreement dated [1434/9/28] H. (corresponding to [5/8/2013] G.) by and among, *inter alia*, Ma'aden, Mosaic and SABIC (the "**Shareholders' Agreement**"), Board resolutions shall be adopted, unless the Shareholders agree otherwise, (i) in case of meetings, by a majority of the Managers present in person or by Proxy at a duly convened meeting and who are eligible to vote on such matter; and (ii) in case of written resolutions by circulation, by all Managers entitled to receive notice of a meeting and vote thereon by unanimous approval.

c- All Managers shall have equal voting rights, with each Manager having one (1) vote. The Chairman shall not have a casting vote.

10-6 Authority of the Board:

Except for those matters expressly reserved for the Shareholders pursuant to the Shareholders' Agreement, the Board shall have the authority to manage the Company. The Board shall have all the powers and authorities necessary to manage the Company, including without limitation the authority to;

a- represent the Company and sign on its behalf before notaries public inside and outside the Kingdom of Saudi Arabia, all ministries, governmental and non-governmental bodies,

١٠- ٥ قرارات المجلس:

أ- يجوز إصدار قرارات المجلس إما (١) في الاجتماع، أو (٢) التمرير الكتابي والذي يتضمن و لكن ليس حصراً على التلكس والبرق والفاكس والفاكسميلي، والمستندات المرسلة عبر البريد الإلكتروني، وذلك دون الدعوة لعقد اجتماع أو عقده. وترسل الموافقات الخطية من المديرين إلى الشركة لكي تضمن في دفتر محضر الشركة. وتضمن جميع القرارات بالتمرير في المحضر في اجتماع المجلس التالي.

ب- فيما عدا ما هو منصوص عليه في اتفاقية الشركاء المبرمة في تاريخ ١٤٣٤/٩/٢٨ هـ الموافق لتاريخ ٢٠١٣/٨/٥م بين كل من شركة معادن وموزاييك وسابك من بين آخرين ("اتفاقية الشركاء")، تتخذ قرارات المجلس كما يلي، - إلا في حالة اتفاق الشركاء على غير ذلك- : (١) في حالة الاجتماعات، بأغلبية المديرين الحاضرين بالإصالة أو بالوكالة في اجتماع مدعو لعقده حسب الأصول والمتمتعين بحق التصويت على موضوع القرار، و(٢) في حالة القرارات الكتابية بالتمرير، بموافقة جميع المديرين المخول لهم استلام إعلان بعقد الاجتماع والمتمتعين بحق التصويت على موضوع الاجتماع بالموافقة الجماعية.

ت- يتمتع جميع المديرين بحقوق أصوات متساوية، حيث يكون لكل مدير صوت واحد، ولا يملك رئيس المجلس صوت الترجيح.

١٠- ٦ صلاحيات المجلس:

فيما عدا الصلاحيات المحفوظة صراحة للشركاء بموجب اتفاقية الشركاء، يتمتع المجلس بالصلاحية لإدارة الشركة. ويكون للمجلس كامل الصلاحيات اللازمة والضرورية لإدارة الشركة والتي تشمل و لكن ليست حصراً على الصلاحيات المنصوص عليها أدناه:

أ- تمثيل الشركة والتوقيع نيابة عنها وباسمها أمام كتابات العدل داخل وخارج المملكة العربية السعودية، وكذلك أمام كافة الوزارات والجهات والدوائر والإدارات

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entities, departments, persons and companies, public and private funds, banks and financial institutions;

b- sell, buy, transfer, accept, receive and handover real estates, lands, buildings, assets, vehicles and equipment of whatsoever type, location, condition or purposes;

c- sign all agreements, contracts, bids, tenders, decisions, minutes, records, bank-accounts and other documents;

d- approve and declare or borrow any amount, to open and close bank accounts, to withdraw, deposit and open credits, and perform all banking operations inside and outside the Kingdom of Saudi Arabia;

e- sign the articles of association of companies in which the Company is a shareholder including all amendments thereto before notaries public, whether for increase or decrease of capital, exit of a shareholder, transfer or sale of shares, and accept payment thereof, or any other amendment of their articles or liquidation of such companies and their deletion from the Companies Register, to open branches for such companies and appoint and remove managers for such branches before the Ministry of Commerce and Industry, the General Investment Authority, the notary public or other competent bodies;

f- dispute, litigate, plead, defend, apply for arbitration, accept arbitration, appoint arbitrators and experts and remove them, to represent the Company before them and in any lawsuits filed by or against the Company, to file lawsuits and hear them before all courts of all levels, and to deal with all governmental agencies and officials, including notaries public, the Board of Grievances, the Ministry of Commerce and Industry, Chambers of Commerce, the General Organisation for Social Insurance, official agencies and departments, judiciary and administrative commissions of all types and levels, labour offices and Labour Commissions, Banking Dispute Settlement Commissions,

الحكومية وغير الحكومية، والأفراد والشركات والصناديق العامة والخاصة والبنوك والمؤسسات المالية.

ب- بيع وشراء وتحويل وقبول واستلام وتسليم العقارات والأراضي والمباني والممتلكات والسيارات والمعدات بجميع أنواعها وفي أي مكان كانت وفي أي حالة ولأي أغراض.

ت- توقيع كافة الاتفاقيات والعقود والمناقصات والعطاءات والقرارات والمحاضر والسجلات والحسابات المصرفية وكافة الوثائق والمستندات الأخرى.

ث- إجازة وإقرار واقتراض أي مبلغ، وفتح وإغلاق الحسابات المصرفية والسحب منها والإيداع فيها، وفتح الاعتمادات وإجراء جميع العمليات المصرفية داخل وخارج المملكة العربية السعودية.

ج- توقيع عقود التأسيس للشركات التي تكون الشركة شريكاً فيها، بما في ذلك التعديلات التي تطرأ عليها، أمام كتاب العدل، سواء بزيادة أو تخفيض رأس المال أو خروج شريك أو تحويل أو بيع حصص، وقبول المبالغ المدفوعة عن ذلك أو أي تعديلات أخرى على النظام الأساسي المشار إليه أو تصفية تلك الشركات وشطبها من سجل الشركات أو لفتح فروع لها أو تعيين أو عزل مديرين لتلك الفروع أمام وزارة التجارة والصناعة والهيئة العامة للاستثمار في المملكة العربية السعودية أو كتابة العدل أو أي جهات أخرى مختصة.

ح- المطالبة والمقاضاة والمرافعة والمدافعة وطلب وقبول التحكيم وتعيين وعزل المحكمين والخبراء وتمثيل الشركة أمامهم وفي اي دعوى ترفعها الشركة أو ترفع ضدها، ورفع الدعاوى وسماعها أمام جميع المحاكم بمختلف أنواعها ودرجاتها والتعقيب والمتابعة لدى كافة الدوائر الحكومية والمسؤولين في الدولة، وبما في ذلك كتابات العدل، وديوان المظالم، ووزارة التجارة والصناعة والغرف التجارية، والمؤسسة العامة للتأمينات الاجتماعية والدوائر والإدارات الحكومية، واللجان القضائية والإدارية بكافة أنواعها ودرجاتها ومكاتب العمل ولجان العمل ولجان تسوية المنازعات المصرفية ولجان تسوية منازعات الأوراق المالية واللجان الابتدائية والعليا والهيئات

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Securities Dispute Settlement Commissions, preliminary and supreme commissions and other governmental commissions and committees, the Ministry of Foreign Affairs, the Passport Department, the Communications and Information Technology Commission, the Ministry of Water and Electricity, the Ministry of Petroleum and Mineral Resources, the Presidency of Meteorology and Environment, Saudi Industrial Development Fund, the General Investment Authority, the *Zakat* and Income Tax Department, police departments, the Department of Investigation and Prosecution, the Directorate of Civil Affairs, governorates and ministries and before all other agencies whether individuals or companies or commissions, inside or outside the Kingdom of Saudi Arabia and to submit, sign, deliver and receive applications on behalf of the Company from whatsoever entity;

g- appoint agents and attorneys and to determine their fees, to present memorandums and accept same, to litigate and challenge same, to ask for oath, to reconcile, release and discharge, to accept judgments, awards, decisions and to object against them, to appeal, to request enforcement of judgments, to deliver and receive all papers, transactions, decisions, and all similar documents and trade-registers certificates.

h- lease, rent, collect lease amounts on behalf of the Company, establish all types of telephone and internet lines and connections, register trademarks and protest against registration of trademarks.

i- hire and dismiss employees, apply for and obtain residency permits and work visas for employees and transfer and terminate their sponsorship.

j- collect the rights and entitlements of the Company, to issue final settlements thereof, to meet the Company's obligations and settle its debts, and generally to sign in the name and on behalf of the Company on all that should be signed; and

k- delegate some or all of these powers to any other person or persons in respect of what is mentioned

واللجان الحكومية الأخرى ووزارة الشئون الخارجية والمديرية العامة للجوازات وهيئة الاتصالات وتقنية المعلومات ووزارة المياه والكهرباء ووزارة البترول والثروة المعدنية والرئاسة العامة للأرصاد وحماية البيئة وصندوق التنمية الصناعية السعودي والهيئة العامة للاستثمار في المملكة العربية السعودية ومصلحة الزكاة والدخل وأقسام الشرطة وهيئة التحقيق والادعاء العام والمديرية العامة للشئون المدنية والإمارات والوزارات وأمام جميع الجهات الأخرى من أفراد وشركات وهيئات داخل وخارج المملكة العربية السعودية، وتسليم وتوقيع واستلام الطلبات باسم الشركة ونيابة عنها من أي جهة كانت.

خ- تعيين الوكلاء والمحامين وتحديد أتعابهم، وذلك لرفع وقبول المذكرات والاعتراض عليها والطعن فيها وطلب الحلف والصلح والمخالصة والإبراء وقبول الأحكام والقرارات والاعتراض عليه والاستئناف وطلب تنفيذ الأحكام وتسليم واستلام جميع الأوراق والمعاملات والقرارات وجميع الوثائق المستندات المماثلة وشهادات السجل التجاري.

د- الاستئجار والتأجير وتحصيل قيمة الإيجار نيابة عن الشركة وتأسيس كافة أنواع خطوط الهاتف والإنترنت والروابط وتسجيل العلامات التجارية والاعتراض على تسجيل العلامات التجارية.

ذ- تعيين وفصل الموظفين، تقديم طلب للحصول على رخص الإقامة وتأشيرات العمل للموظفين ونقل وإنهاء كفالاتهم.

ر- تحصيل حقوق ومستحقات الشركة وإصدار المخالصات النهائية بذلك والوفاء بالتزامات الشركة وتسديد ما عليها من ديون، وبصفة عامة التوقيع نيابة عن الشركة على كل ما يلزم التوقيع عليه.

ز- تفويض كل أو أي جزء من تلك الصلاحيات لأي أشخاص

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hereinabove, and to revoke such delegation or authorization in whole or in part.

آخرين بخصوص ما ذكر أعلاه، وإلغاء ذلك التفويض أو إلغاء أي جزء منه.

10-7 Remuneration of Managers:

١٠- ٧ مكافأة المديرين:

The Company shall be responsible for the payment of: (i) any remuneration of Managers (if any) approved by resolution of the Shareholders in accordance with Article (13.2) hereof; and (ii) the reimbursement of reasonable out-of-pocket and travel-related expenses payable to any Manager in connection with the duties performed by such Manager as a member of the Board.

تكون الشركة مسؤولة عن دفع ما يلي: (١) أي مكافأة للمديرين موافق عليها بقرار الشركاء بموجب البند رقم "١٣- ٢" من هذا العقد، و(٢) إعادة تسديد أي نثريات معقولة أو نفقات ومصروفات سفر لأي من المديرين عن أي واجبات يكون قد أنجزها ذلك المدير بصفته عضواً في المجلس.

10-8 Board Committees:

١٠- ٨ لجان المجلس:

Without prejudice to the authority of the General Assembly and matters that the Shareholders agree may not be delegated by the Board for determination by any of its committees, the Board may appoint individuals who are not Managers to serve on a Board committee. The individuals appointed to each Board committee shall serve at the direction of the Board and perform only such tasks and duties as the Board shall delegate to such Board committee from time to time. Each Board committee shall make recommendations to the Board on any matter delegated to such Board committee pursuant to an affirmative vote of the majority of the members of such Board Committee.

مع عدم الإخلال بصلاحيات الجمعية العامة للشركاء، وكذلك مع عدم الإخلال بالأشياء التي يوافق الشركاء على عدم جواز قيام المجلس بتفويض أي من لجانه للبت فيها، يجوز للمجلس تعيين افراد من غير المديرين ليكونوا أعضاء في أي لجنة من لجان المجلس. ويجب على كل فرد يعين في أي لجنة من لجان المجلس أن يعمل وفقا لتوجيهات المجلس وأن يؤدي فقط المهام والواجبات التي يفوضها المجلس لتلك اللجنة من حين لآخر. وترفع كل لجنة توصياتها للمجلس بأي أمر يوكل إليها بموجب التصويت الإيجابي من أغلبية أعضاء مثل تلك اللجنة.

<u>Article (11)</u>

<u>المادة رقم (١١)</u>

Auditors

مراجع الحسابات

The Company shall have an auditor (the "**Auditor**") to be appointed annually by a shareholders' resolution adopted at a meeting of the General Assembly. The Auditor must be licensed to practice in the Kingdom of Saudi Arabia in accordance with the Regulations for Companies. The Auditor shall observe the application of these Articles of Association and the Regulations for Companies and shall check the inventories and the annual final accounts, review the balance sheet and submit an annual report thereon to the annual meeting of the General Assembly. For these purposes, the Auditor shall have access to all the

يكون للشركة مراجع حسابات ("المراجع") يختاره الشركاء سنويا بقرار يصدر منهم في اجتماع للجمعية العامة للشركاء. ويجب أن يكون المراجع من المحاسبين المرخص لهم بالعمل في المملكة العربية السعودية وفقا لأحكام نظام الشركات. ويجب على المراجع التأكد من تطبيق عقد تأسيس الشركة ونظام الشركات، وعليه مراقبة قوائم الجرد والحسابات الختامية السنوية وفحص الميزانية وتقديم تقرير سنوي عن ذلك إلى الاجتماع السنوي للجمعية العامة

Company's books, documents and contracts made with others, and the Auditor shall have the right to ask for such clarifications and statements as the Auditor may deem necessary. The shareholders shall determine the Auditor's remuneration on an annual basis.

للشركاء وله في سبيل ذلك الاطلاع على جميع دفاتر الشركة ووثائقها والعقود التي تبرمها مع الغير، وله أن يطلب الإيضاحات والبيانات التي يرى ضرورة الحصول عليها. ويحدد الشركاء أتعابه على أساس سنوي.

Article (12)

Shareholder Assembly

a- Meetings of the General Assembly of Shareholders (the "**General Assembly**") shall be held annually within six (6) months following the end of the Company's fiscal year or more frequently as the Shareholders desire or upon the written request of the Board, the Auditor or a Shareholder or Shareholders holding in the aggregate more than fifty percent (50%) of the shares in the Company. General Assemblies shall be held at the head office of the Company or at such other places as may be unanimously agreed by the Shareholders. Notices for General Assemblies must be delivered at least thirty (30) days prior to the proposed date and shall include the agenda and all documents concerning the business to be transacted at the meeting. The Shareholders may waive these requirements for notice by unanimous vote of all Shareholders at the beginning of a meeting and before any other business is transacted.

b- The quorum for any meeting of the General Assembly shall consist of each Shareholder.

c- Each Shareholder shall have voting rights commensurate with its shares in the Company.

المادة رقم (١٢)

جمعية الشركاء

أ- تعقد اجتماعات الجمعية العامة للشركاء ("الجمعية العامة") سنويا خلال فترة الستة (٦) أشهر التالية لنهاية السنة المالية للشركة. كما تعقد الجمعية العامة للشركاء في فترات أقصر حسب رغبة الشركاء أو بطلب خطي من المجلس أو المراجع أو بطلب من أي من الشركاء الذين يملكون بالمجموع ٥٠ ٪ أو أكثر من حصص الشركة. ويعقد اجتماع الجمعية العامة للشركاء في المركز الرئيسي للشركة أو في أي مكان آخر يتفق عليه الشركاء بالإجماع. ويجب تسليم إعلانات عقد اجتماع الجمعية العامة على الأقل قبل ثلاثين (٣٠) يوم من التاريخ المقترح لعقد الاجتماع، ويجب أن يتضمن الأجندة وجميع المستندات حول الأعمال التي تطرح للتداول والنقاش في الاجتماع. ويجوز للشركاء التنازل عن متطلبات الإعلان هذه بالتصويت بالإجماع على ذلك من جميع الشركاء في بداية أي اجتماع وقبل مداولة أي أعمال.

ب- يكتمل النصاب القانوني لاجتماع الجمعية العامة للشركاء بحضور جميع الشركاء.

ت- تكون لكل شريك أصوات بنسبة ما له من حصص في الشركة.

Article (13)

Shareholder Resolutions

13-1 Regular Votes of Shareholders:

Except as provided in Article (13.2) hereof, no decision of the General Assembly shall be valid unless adopted at a

المادة رقم (١٣)

قرارات الشركاء

١٣- ١ الأصوات العادية للشركاء:

ما عدا ما منصوص عليه في البند رقم "١٣- ٢" أدناه من هذه المادة،

duly constituted meeting of the General Assembly by written resolution with the affirmative vote of the Shareholders whose aggregate ownership interest in the Company equals or exceeds fifty percent (50%) of the shares in the Company unless the Shareholders agree on a higher percentage.

13-2 Unanimous Votes of Shareholders:

No decision of the General Assembly in relation to the following matters shall be valid unless adopted at a duly constituted meeting of the General Assembly by written resolution with the affirmative vote of the Shareholders whose aggregate ownership interest in the Company equals one hundred percent (100%) of the shares of the Company;

a- any change in the Company's nationality;

b- any change in the shareholding structure of the Company, including any increase or reduction in its capital, the issuance of shares (other than any increase in its capital or issuance of shares previously authorised) or any change in the Company's corporate form;

c- any amendment to these Articles of Association or other constitutional documents of the Company, including, except as otherwise agreed by the Shareholders, the Shareholders' Agreement;

d- any dissolution, liquidation or winding up of the Company (including voluntary dissolution of the Company);

e- any approval of financial statements of the Company other than those required to be filed under applicable law or regulation;

f- any appointment, replacement or removal of the Auditors;

g- any decision regarding distribution of the Company's available profits (including any decision to establish reserves, other than any statutory reserve required by applicable law, or to carry forward the Company's profit balance into the next financial year);

h- any decision regarding the Managers'

لا يعتبر أي قرار صادر من الجمعية العامة صالحاً ما لم يتخذ في اجتماع الجمعية العامة منعقد حسب الأصول وذلك بقرار خطي بالأصوات الإيجابية للشركاء الذين يملكون ما يعادل أو يتجاوز نسبة ٥٠٪ في المجموع من حصص الملكية في الشركة، ما لم يتفق الشركاء على نسبة أعلى من ذلك.

١٣- ٢ التصويت بالإجماع من الشركاء:

لا يعتبر أي قرار بشأن أي من المسائل الواردة أدناه صالحاً ما لم يتخذ في اجتماع الجمعية العامة منعقد حسب الأصول وذلك بقرار خطي بالتصويت الإيجابي من الشركاء الذين يملكون ما نسبته ١٠٠٪ من حصص الملكية في الشركة:

أ- أي تغيير في جنسية الشركة

ب- أي تغيير في هيكل ملكية حصص الشركة وبما في ذلك زيادة أو تخفيض رأس مالها وإصدار حصص (ما عدا أي زيادة في رأس مال الشركة أو إصدار حصص مصرح بها مسبقا) أو أي تغيير في الشكل القانوني للشركة.

ت- أي تعديل في عقد التأسيس هذا أو غيرها من المستندات التأسيسية للشركة، وبما في ذلك اتفاقية الشركاء، ما لم يتفق الشركاء على غير ذلك.

ث- حل وتصفية الشركة، وبما في ذلك التصفية الاختيارية.

ج- الموافقة على القوائم المالية للشركة غير تلك التي يقضي تقديمها القانون أو النظام المعمول به.

ح- تعيين واستبدال وعزل المراجعين.

خ- أي قرار يتعلق بتقسيم ما يتوفر من أرباح الشركة، وبما في ذلك أي قرار بتجنيب احتياطي غير الاحتياطي النظامي الذي يقتضيه القانون المعمول به، أو ترحيل الأرباح إلى السنة المالية التالية.

د- أي قرار بشأن أتعاب المديرين.

remuneration;

i- any decision regarding the creation or dissolution of any subsidiary of the Company;

j- the entering into, amendment or other modification of any loan provided by the Shareholders to the Company;

k- the entering into, amendment or other modification of any product marketing agreement, other than as otherwise agreed by the Shareholders; and;

l- the approval of any financing plan with respect to the Company, other than as otherwise agreed by the Shareholders.

ذ- أي قرار بشأن تأسيس أو حل أي شركة تابعة للشركة.

ر- الدخول في أي قرض يقدمه الشركاء للشركة أو تعديله أو تغييره.

ز- إبرام أو تعديل أو تغيير أي اتفاقية تسويق منتج، ما لم يتفق الشركاء على غير ذلك.

س- الموافقة على أي خطة تمويل بالنسبة للشركة، ما لم يتفق الشركاء على غير ذلك.

<u>Article (14)</u>

Fiscal Year

a- The Company's first fiscal year shall commence as of the date of its registration in the Commercial Register and end on next [9/3/1436]H. (corresponding to December 31, [2014]G.). The duration of each subsequent fiscal year shall be twelve (12) Gregorian months.

b- Within four (4) months of the close of the Company's fiscal year, the Board shall prepare a balance sheet, a profit and loss statement and a report on the activities and financial position of the Company, as well as its proposal regarding the distribution of profits, and shall, within two (2) months from their preparation date, send to each Shareholder and to the General Companies Department of the Ministry of Commerce and Industry a copy of such documents, together with a copy of the Auditor's report.

<u>المادة رقم (١٤)</u>

السنة المالية

أ- تبدأ السنة المالية الأولى للشركة اعتبارا من تاريخ قيدها بالسجل التجاري وتنتهي في تاريخ ١٤٣٦/٢/١٠التالي لذلك هـ الموافق لتاريخ ٣١ ديسمبر ٢٠١٤م. وبعد ذلك تكون فترة كل سنة مالية تالية لذلك اثني عشر (١٢) شهرا ميلاديا.

ب- يعد المجلس خلال فترة أربعة أشهر من تاريخ انتهاء السنة المالية للشركة ميزانية عمومية وحساب الأرباح والخسائر وتقريرا عن نشاط الشركة ومركزها المالي واقتراحاته بشأن توزيع الأرباح. وعليه أن يرسل إلى كل شريك وإلى الإدارة العامة للشركات بوزارة التجارة والصناعة نسخة من تلك الوثائق مع صورة من تقرير المراجع، وذلك خلال فترة شهرين من تاريخ إعدادها.

<u>Article (15)</u>

Profits and Losses

The Company's annual net profits after the deduction of all general expenses and charges and the payment of all due and owing instalments of loans and other credit facilities shall be treated as follows:

<u>المادة رقم (١٥)</u>

الأرباح والخسائر

بعد خصم جميع المصروفات العامة وتسديد جميع أقساط القروض والتسهيلات الائتمانية الأخرى المستحقة الدفع، توزع الأرباح السنوية الصافية للشركة على النحو التالي:

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a- four percent (4%) thereof shall be set aside to constitute the statutory reserve required of the Company pursuant to the letter of exemption no. 1245 dated 05/08/1427 H. issued by Joint Ministerial Resolution signed by the Minister of Commerce and Minister of Petroleum in favour of the Company, provided however that the Company may cease such setting aside when the total amount of such reserve equals or exceeds a sum equal to one-five (1/5) of the Company's paid up capital;

b- the balance of the profits shall be distributed to the Shareholders in proportion to their respective shareholdings, unless the Shareholders decide to establish other reserves or to carry forward or retain all or a portion of the profits into the next fiscal year; and

c- losses incurred by the Company shall either be borne by the Shareholders in proportion to their respective shareholdings, or, if the Shareholders so agree, carried over to the next fiscal year. No profits shall be distributed until the losses are fully amortised. If the Company's losses equal or exceed one-half (1/2) of its capital, the Board must call the Shareholders to a meeting within a period not to exceed thirty (30) days from the date on which the losses reach such percentage in order to consider whether to continue the Company, in which case the Shareholders must undertake to either pay the debts of the Company or dissolve it. The resolution of the Shareholders in this respect shall not be valid unless it is issued in accordance with Article (173) of the Regulations for Companies, and the resolution must in all cases be published in the manner provided in Article (164) of the Regulations for Companies. If the Company continues its business without the issuance of a decision to continue the Company pursuant to the foregoing conditions, or dissolving it, the Shareholders shall become jointly and severally liable to pay all of the Company's debts and any interested party may request the dissolution of the Company.

أ- تجنب نسبة قدرها ٤٪ (أربعة في المئة) من الأرباح لتكوين الاحتياطي النظامي المطلوب من الشركة بموجب خطاب الاستثناء الصادر من بقرار وزاري صادر من وزير التجارة والصناعة ووزير البترول والثروة المعدنية بالرقم ١٢٤٥ الصادر في تاريخ ١٤٢٧/٠٨/٠٥هـ لصالح الشركة. ويجوز للشركة أن توقف تجنيب الاحتياطي النظامي المشار إليه متى ما بلغ أو تجاوز ما يعادل خمس (١/٥) رأس مال الشركة المدفوع.

ب- توزع باقي الأرباح على الشركاء بنسبة حصص كل منهم في رأس مال الشركة، وذلك ما لم يقرر الشركاء تكوين احتياطات أخرى أو ترحيل أو حجز كل الأرباح أو أي جزء منها للسنة المالية التالية.

ت- في حالة أن تتكبد الشركة أي خسائر فإنه إما أن يتحملها الشركاء بنسبة ما يملكه كل منهم في حصص رأس مال الشركة أو أن ترحل إلى السنة المالية التالية بموافقة الشركاء. ولا توزع أي أرباح إلا بعد استهلاك كامل تلك الخسائر. وفي حالة أن تبلغ خسائر الشركة أو تتجاوز ما يعادل نصف (١/٢) رأس مالها، يجب على مجلس إدارة الشركة أن يدعو الشركاء إلى عقد اجتماع خلال فترة لا تتجاوز ثلاثين يوم من تاريخ بلوغ تلك الخسارة لذلك الحد، وذلك لغرض النظر إما في استمرار الشركة مع التزام الشركاء بالتعهد بتسديد ما عليها من ديون أو حلها. ولا يكون قرار الشركاء في هذه الحالة صحيحا ما لم يصدر وفقا لما منصوص عليه في المادة رقم (١٧٣) من نظام الشركات. ويجب في جميع الأحوال شهر هذا القرار بالطرق المنصوص عليها في المادة رقم (١٦٤) من نظام الشركات. وفي حالة أن تستمر الشركة في ممارسة نشاطها دون أن يصدر قرار بذلك وفقا للشروط المنصوص عليها أعلاه أو قرار بحلها، يصبح الشركاء مسؤولين بالتضامن والانفراد عن تسديد كافة ما عليها من ديون، ويجوز لكل ذي مصلحة أن يطلب حلها.

Article (16)

Company's Termination and Liquidation

16-1 Liquidation and Dissolution:

The Company shall be dissolved forthwith in accordance with these Articles of Association upon any vote thereof of the Shareholders taken in accordance with Article 13.2 hereof or for any of the reasons for dissolution set forth in Article 15 of the Companies Regulations or upon the first to occur of any of the following events:

a- the sale by the Company of the mining and/or phosphate complexes or substantially all of the assets necessary for the operation of such complexes;
b- an order for relief is entered against the Company under the insolvency laws of the Kingdom of Saudi Arabia;
c- the end of the term of the shareholders' agreement entered into by the Shareholders; or
d- the failure of any Shareholder to comply with the requirement to acquire the shares of another Shareholder following an event of default in accordance with the Shareholders' Agreement.

Except as otherwise set forth in the Shareholders' Agreement, upon the Company's termination, it shall enter into liquidation pursuant to the terms of Chapter 11 of the Companies Regulations, provided that in the case of a voluntary dissolution;

a- the Shareholders shall appoint one or more liquidators for purposes of liquidating the Company and shall determine their authorities and fees;
b- a report certified by a chartered accountant licensed to practice in the Kingdom shall be prepared regarding the financial status of the Company as of the date of issuance of the Shareholders' resolution to dissolve and liquidate

المادة رقم (١٦)

انقضاء وتصفية الشركة

١٦- ١ التصفية والحل:

تحل الشركة فوراً وفقا لما هو منصوص في عقد التأسيس هذا عند تصويت الشركاء على ذلك، وفقا لما منصوص عليه في البند رقم "١٣- ٢" أعلاه من عقد التأسيس هذا، أو تحل لأي من الأسباب المنصوص عليها في المادة رقم (١٥) من نظام الشركات أو عند حدوث أي من الحالات التالية تقع أولاً:

أ- أن تبيع الشركة منشآت التعدين والفوسفات أو أن تبيع جوهرياً جميع أصولها اللازمة والضرورية لتشغيل تلك المنشآت.
ب- صدور أمر قضائي ضد الشركة بموجب نظام الإعسار المعمول به في المملكة العربية السعودية.
ت- انقضاء فترة سريان اتفاقية الشركاء المبرمة بين الشركاء؛ أو
ث- إخفاق أي من الشركاء في التقيد بمتطلب اقتناء حصص أي من الشركاء الآخرين بسبب إخفاق وفقا لاتفاقية الشركاء.

فيما عدا ما هو منصوص عليه في اتفاقية الشركاء، عندما تنقضي الشركة فإنها تدخل دور التصفية وفقا لما منصوص عليه في الباب الحادي عشر من نظام الشركات، مع مراعاة أنه في حالة التصفية الاختيارية يجب اتخاذ ما يلي:

أ- يعين الشركاء مصفياً واحداً أو أكثر لغرض تصفيه الشركة، ويحددون صلاحياته وأتعابه.
ب- إعداد تقرير عن المركز المالي للشركة كما في تاريخ صدور قرار الشركاء بحل وتصفية الشركة معتمد من محاسب قانوني مرخص له بالعمل في المملكة العربية السعودية، ويثبت قدرة الشركة على الوفاء بالتزاماتها

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the Company and which demonstrates the Company's ability to discharge its obligations and its debts vis-à-vis third parties; and

c- payment in full of all entitlements due to creditors or a settlement entered into with them; if that is not possible, the Company shall not be liquidated until after a decision is issued by the Board of Grievances announcing the bankruptcy of the Company pursuant to a request by the creditors or the Shareholders in accordance with the Commercial Court Regulations.

وديونها تجاه الغير.

ت- تسديد كافة حقوق الدائنين أو إبرام صلح معهم. وفي حالة تعذر ذلك لا تصفى الشركة ما لم يصدر قرار من ديوان المظالم بشهر إفلاسها بناء على طلب الدائنين أو الشركاء وفقا لنظام المحكمة التجارية.

16.2 Liquidation Procedures:

The Shareholders shall determine the mode of winding up and shall appoint a person as liquidator of the Company and determine the liquidator's powers and remuneration as well as the other terms and conditions of the liquidator's appointment. The Shareholders, acting through the General Assembly, shall retain all of their powers until the dissolution is complete and the liquidator is discharged from its or his responsibility by a resolution of the General Assembly. The provisions of the Companies Regulations shall apply to the winding up of the Company

١٦- ٢ إجراءات التصفية:

يحدد الشركاء طريقة تصفية الشركة، ويعينون مصفياً للشركة، ويحددون صلاحياته وأتعابه وغير ذلك من شروط تعيينه. ويحتفظ الشركاء من خلال الجمعية العامة للشركاء بكافة الصلاحيات المكفولة لهم إلى أن تكتمل عملية التصفية ويخلى طرف المصفي من مسؤوليته بقرار صادر من الجمعية العامة للشركاء. ويسري على تصفية الشركة بنود وأحكام نظام الشركات.

<u>Article (17)</u>

Notices

All notifications between the Shareholders or between them and the Company shall be sent by registered mail to their addresses indicated in the Register as mentioned in Article (9) of these Articles of Association.

<u>المادة رقم (١٧)</u>

الإخطارات

توجه جميع الإخطارات بين الشركاء أو بينهم وبين الشركة بخطابات مسجلة على عناوينهم المبينة في سجل الحصص لدى الشركة المنوه عنه بالمادة رقم (٩) من هذا العقد.

<u>Article (18)</u>

General Provisions

a- The Company shall be subject to all laws in force in the Kingdom of Saudi Arabia.

b- Any issue in respect of which no provision has been made shall be governed by the Regulation for Companies.

c- The Arabic language is the governing one for

<u>المادة رقم (١٨)</u>

أحكام عامة

أ- تخضع الشركة لكافة الأنظمة المعمول بها في المملكة العربية السعودية.

ب- كل ما لم يرد بشأنه نص في هذا العقد يطبق عليه نظام الشركات.

ت- اللغة العربية هي اللغة المعتمدة لعقد التأسيس هذا.

these Articles of Association

Article (19)

Copies of the Articles

These Articles of Association have been executed in [eight] ([8]) counterparts of which each shareholder has received a copy and agreed to act in accordance therewith. The remaining counterparts shall be submitted to the concerned authorities for purposes of registering the Company in the Commercial and Companies Registers.

The shareholders have authorized Ali Al-Ahmari, Dafer Alsubaie and Abdulmanam Alsuhibani jointly and severally to complete the necessary regulatory procedures for the establishment of the company and to sign on their behalf in connection therewith.

المادة رقم (١٩)

نسخ العقد

حرر هذا العقد من ثمانية نسخ، استلم كل شريك نسخة منها لعمل بموجبها. والنسخ الأخرى تقدم للجهات المختصة لغرض قيد الشركة بالسجل التجاري وسجل الشركات. وقد فوض الشركاء (شركة معادن) السيد/ علي سعيد الأحمري، (شركة موزاييك) السيد/ظافر سلطان السبيعي، (شركة سابك) السيد عبدالمنعم عبدالله السحيباني لإتمام الإجراءات التنظيمية اللازمة لتأسيس الشركة والتوقيع نيابة عنهم فيما يختص بهذا الشأن.

وعليه فقد وقع الممثل المفوض من كل شريك على عقد التأسيس في التاريخ الوارد في صدره.

شركة التعدين العربية السعودية

Saudi Arabian Mining Company (Ma'aden)

First Party /الطرف الأول

الاسم: علي بن سعيد الأحمري

الصفة: الوكيل الشرعي

التوقيع:

التاريخ: ٨/٣/١٤٣٥هـ

شركة موزاييك للفوسفات بي. في

Mosaic Phosphates B.V. (Mosaic)

Second Party /الطرف الثاني

الاسم: ظافر سلطان السبيعي

الصفة: محامي ووكيل الشركة

التوقيع:

التاريخ: ٨/٣/١٤٣٥هـ

الشركة السعودية للصناعات الأساسية

Saudi Basic Industries Corporation (SABIC)

Third Party/الطرف الثالث

الاسم: عبدالمنعم بن عبدالله السحيباني

الصفة: الوكيل الشرعي

التوقيع:

التاريخ:

٨/٣/١٤٣٥هـ.
٩/١/٢٠١٤م

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وزارة العدل / كاتب العدل بالهيئة العامة للإستثمار
الحمد الله وحده وبعد: لقد جرى ضبط ملخص هذا العقد لدينا
بحضور الأطراف المعنية وتوقيعهم على ذلك بالصحيفة عدد
٢٥٢١٦٥٢١ من المجلد لعام ١٤٢٥هـ، وعليه جرى التصديق،
حرر في ٨/ ٢/ ١٤٢٥هـ وصلى الله على نبينا محمد وآله وصحبه وسلم.
كاتب الضبط كاتب العدل

وزارة العدل
كاتب العدل الملحق في الهيئة العامة للإستثمار

وزارة التجارة والاستثمار
Ministry of Commerce and Investment

Amended Articles of Association Ma'aden Wa'ad Al Shammal Phosphate Company (Limited Liability Company)	عقد معدل لعقد تأسيس شركة معادن وعد الشمال للفوسفات (شركة ذات مسئولية محدودة)
The parities below were agreed	لقد سبق للأطراف الاتية أسماؤهم:
1. **Saudi Arabian Mining Company (Ma'aden)**, a Saudi joint stock company established pursuant to Royal Decree No. M/17 dated 14/11/1417H. and duly incorporated under the laws and regulations of the Kingdom of Saudi Arabia with commercial registration no. 1010164391 having its head office and address at P.O. Box 68861, Riyadh 11537, Kingdom Saudi Arabia ("**Ma'aden**");	1- **شركة التعدين العربية السعودية**، وهي شركة مساهمة سعودية أسست بموجب المرسوم الملكي رقم م/17 الصادر في 1417/11/14هـ، ووفقا للأنظمة واللوائح المعمول بها في المملكة العربية السعودية، وهي مقيدة بالسجل التجاري رقم (1010164391)، و مركزها الرئيس في مدينة الرياض ص.ب 68861 الرياض 11537، المملكة العربية السعودية. ويشار إليها فيما يلي بـ "الطرف الأول"، أو "**معادن**".
2. **Mosaic Phosphates B.V.**, a private company with limited liability duly organized and existing under the laws of the Netherlands, having its corporate seat in Amsterdam, the Netherlands, with address at Holbeinstraat 17, 1077 VB Amsterdam, the Netherlands, registered with the Commercial Register of the Netherlands Chamber of Commerce under number 57972443 ("**Mosaic**"); and	2- **شركة موزاييك للفوسفات**، وهي شركة ذات مسؤولية محدودة، وتمارس نشاطها وفقا للقوانين المعمول بها في هولندا، ومركزها الرئيس في 17 شارع هولبن، 1077 في بي، أمستردام، هولندا. ومقيدة لدى إدارة السجل التجاري بغرفة هولندا للتجارة بالرقم (57972443)، ويشار إليها فيما يلي بـ "الطرف الثاني"، أو "**موزاييك**".
3. **Saudi Basic Industries Corporation**, a Saudi joint stock company duly incorporated under the laws and regulations of the Kingdom of Saudi Arabia, with commercial registration no. 1010010813, having its head office and address at P.O. Box 5101, Riyadh 11422, Kingdom of Saudi Arabia ("**SABIC**").	3- **الشركة السعودية للصناعات الأساسية**، وهي شركة مساهمة تم تأسيسها وتمارس نشاطها وفقا للأنظمة واللوائح المعمول بها في المملكة العربية السعودية. ومقيدة بالسجل التجاري رقم (1010010813). ومركزها الرئيس في ص.ب 5101 الرياض 11422 المملكة العربية السعودية. ويشار إليها فيما يلي بـ "الطرف الثالث"، أو "**سابك**".
To establish the Ma'aden Wa'ad Al-Shamal Phosphate Company (Wa'ad Al-Shamal) Commercial Registration number (3451002631) date 26/03/1435H. The company article of association was approved by the notary public of the Saudi Arabia General Investment Authority number (35316521) dated 08/03/1435H. Whereas all parties agreed to amend all articles of the article of association according to companies law that was	تأسيس شركة "معادن وعد الشمال للفوسفات والمقيدة في السجل التجاري رقم (3451002631) وتاريخ 1435/03/26هـ، والمثبت عقد تأسيسها لدى كاتب عدل بالهيئة العامة للاستثمار في مدينة الرياض عدد (35316521) وتاريخ 1435/03/08هـ، وحيث اتفق الشركاء على تعديل مواد عقد تأسيس الشركة، وفقاً لنظام الشركات الصادر بالمرسوم الملكي رقم م/3 بتاريخ 1437/01/28هـ ولوائحه، ووفقاً للشروط والأحكام الآتية:

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وزارة التجـارة والاستثـمار
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issued vide the Royal Decree M/3 date 28/01/1437H and its regulations and according to the following terms and conditions:	
Article (1) Basic of the Contract	**المادة رقم (1) أساس العقد**
The previous preamble is an integral part of this contract.	يعتبر التمهيد السابق جزء لا يتجزأ من هذا العقد
Article (2) Company Name	**المادة رقم (2) اسم الشركة**
The name of the Company shall be "Ma'aden Wa'ad Al Shamal Phosphate Company", a limited liability company.	يطلق على الشركة اسم " شركة معادن وعد الشمال للفوسفات" شركة ذات مسؤولية محدودة.
Article (3) Company Objects	**المادة رقم (3) أغراض الشركة**
The objectives for which the Company is formed are productions of the Purified Phosphoric Acid, Phosphoric Acid, Di-calcium phosphate, Mono-calcium phosphate, Di-ammonium phosphate, Mono-ammonium phosphate, Ammonia, Nitro Phosphate, Nitro Phosphate Potash, Sulphuric Acid, Potassium Sulfate, Products used in manufacturing of purified Rock Phosphate in accordance with Industrial Investment License No. 1019350234788, dated 14/02/1435H (corresponding to 17/12/2013 Gregorian), issued by the Saudi Arabian General Investment Authority.	إن الأغراض التي كونت لأجلها هي: انتاج حمض الفسفوريك النقي، حمض الفسفوريك، فوسفات ثنائي الكالسيوم، فوسفات أحادي الكالسيوم، فوسفات ثنائي الأمونيا، فوسفات أحادي الأمونيا، الأمونيا، بوتاسيوم فوسفور النتروجين، فوسفور النتروجين، حمض السلفوريك، سلفات البوتاسيوم، صخر الفوسفات المنقى وفقا لترخيص الاستثمار الصناعي رقم 1019350234788 الصادر من الهيئة العامة للاستثمار في المملكة العربية السعودية، بتاريخ 1435/02/14هـ (الموافق 2013/12/17م)

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