



# Growth Built On Values



▲ **King Salman bin Abdulaziz Al-Saud**  
The Custodian of the Two Holy Mosques



▲ **His Royal Highness Prince Mohammed bin Salman bin Abdulaziz Al-Saud**  
Crown Prince and Prime Minister of the Kingdom of Saudi Arabia

# Contents

		<b>02</b>		
		<b>Our People and Our Systems</b>	<b>30-39</b>	
		Team Ma'aden: Investing in Our Employees	32	
		Our People in Numbers	32	
		Total Rewards	33	
		Staff Engagement	33	
		Technology R&D and Innovation (TRI)	35	
		Digitalization	35	
		Operational Excellence	36	
		Cybersecurity	37	
		Our Stakeholders	38	
		Governance, Risk, and Compliance	38	
		Our Governance Framework	38	
				<b>03</b>
		<b>Keeping People and Places Safe</b>	<b>40-43</b>	
		Our Responsibility	42	
		Towards Achieving Higher Standards for EHSS	42	
		2021 Performance	43	
				<b>01</b>
		<b>Focusing on the Future</b>	<b>22-29</b>	
		Exploration	26	
		Strategy	26	
		Health and Safety	26	
		Operations and achievements	26	
		Drilling by Commodity in 2021 (in metres)	27	
		Expenditure	28	
		Exploration Expenditure by Commodity in 2021 (in SAR million)	28	
		Licences	28	
		Area of Licences and Applications on 31 December 2021	29	
		Umm Wu'al Phosphate Target	29	
				<b>04</b>
		<b>Protecting People, Places, and Planet</b>	<b>44-61</b>	
		Our Sustainability Framework	47	
		Ma'aden: Delivering Social Responsibility	48	
		Ma'aden: Supporting Future Generations	48	
		Ma'aden: Energy Usage and Biodiversity	49	
		Ma'aden: Environmental Protection	50	
		Ma'aden: Water Stewardship	51	
		Ma'aden: Local Content	52	
				<b>05</b>
		<b>Delivery: Focus on Phosphate</b>	<b>62-67</b>	
		Background	64	
		The Global Market	66	
		Key Activities	66	
		Delivering for Customers	67	
		Moving Forward	67	
				<b>06</b>
		<b>Delivery: Focus on Aluminum</b>	<b>68-75</b>	
		Background	70	
		Market Overview	71	
		Business Update	71	
		Key Achievements	74	
		Moving Forward	75	
				<b>07</b>
		<b>Delivery: Focus on Gold and Base Metals</b>	<b>76-81</b>	
		Background	78	
		Mine Performance: 2021	79	
		Projects in Development	79	
		Focus on Copper	80	
		Facing the Future	81	
				<b>08</b>
		<b>Conclusion</b>	<b>82-83</b>	
				<b>09</b>
		<b>Mineral Resources and Ore Reserves</b>	<b>84-107</b>	
				<b>10</b>
		<b>Consolidated Financial Statements</b>	<b>108-305</b>	
		Administration and contact details	110	
		Statement of Directors' responsibilities	111	
		Independent auditor's report	112-117	
		Consolidated statement of profit or loss and other comprehensive income	118-119	
		Consolidated statement of financial position	120-121	
		Consolidated statement of changes in equity	122-125	
		Consolidated statement of cash flows	126-128	
		Notes to the consolidated financial statements	129-306	

# Chairman's Statement

▲  
**H.E. Yasir O. Al Rumayyan**  
Chairman of the Board

## A sustainable mining champion with a global presence

Saudi Arabia's Vision 2030 is an ambitious yet achievable blueprint for the future, which will develop and strengthen the national economy and make Saudi Arabia a global hub and an investment powerhouse.

One of the critical sectors for development is mining. The Kingdom's rich mineral endowment, its young and vibrant population and the country's strategic geographic location create the perfect conditions for transforming Saudi Arabia into a globally leading mining market.

Under the wise leadership of the Custodian of the Two Holy Mosques and His Royal Highness the Crown Prince of Saudi Arabia, Ma'aden faces a future lined with opportunity. On behalf of the Board of Directors, I would like to express our gratitude to the Kingdom's leadership for the continued empowerment of the mining sector as part of Vision 2030, for the benefit of the nation.

Ma'aden entered 2021 in a strong position, knowing that our model is resilient, and our business fundamentals are strong. Our team delivered results demonstrating that we are truly a force in the global mining industry.

But Ma'aden's firm footing going into 2021 was just the beginning, as favorable business conditions allowed us to accelerate. Global markets reopened post-pandemic, and our company stood ready

to support increasing international demand for fertilizers and essential metals and minerals. We continued to leverage the Kingdom's mineral wealth for our stakeholders, shareholders, communities, and the Saudi economy.

The strong rebound in commodities prices allowed us to capitalize on the favorable environment and achieve record profits, setting the tone for what the growing Saudi mining industry can deliver.

We strengthened our global reach through strategic investments and partnerships in key markets and developed our core business. Over the course of the year, we made steady progress expanding our phosphate business and our most ambitious gold project to date, Mansourah & Massarah.

While delivering positive impact for all stakeholders, we mapped out an ambitious growth strategy for the coming decades.

Moving forward, Ma'aden will continue to invest in exploration to strategically grow our commodity portfolio and increase the inclusion of metals critical for a renewable energy economy.

## Maintaining the highest health and safety standards

Keeping our team safe and healthy remained our highest priority in 2021. Ma'aden fundamentally believes that long-term success is directly linked to how well it looks after its people. Such a robust program can be delivered only with an uncompromising internal culture, committed leadership, and unrelenting focus on health and safety across the entire organization.

The mining business carries some inherent risks; however, we strongly believe that incidents can be avoided if risks are proactively assessed and managed. Our investments in training, innovation, technology, and predictive measures improve mine safety and protect our employees.

In 2021, Ma'aden's improved All-Injury Frequency Rate (AIFR) record proved that our efforts to revamp and strengthen our Environment, Health Safety and Security (EHSS) framework and implement new standardized practices across all Ma'aden affiliates and contractors are having a positive impact.

**We will continue to build on these efforts with the goal of maintaining a safe, healthy, and positive working environment that supports the wellbeing of all team members across all existing and new projects in years to come.**

## Creating a sustainable future

**As Saudi Arabia's national mining champion, Ma'aden plays a vital role in delivering the Kingdom's ambitious vision for a greener future with a high quality of life for all citizens and residents.**

We are committed to our role as a welcome neighbor in every community. Every aspect of our business is developed with the objective



of becoming an Environmental, Social and Governance (ESG) role model in the Kingdom.

This year we finalized the sustainability strategy that will help us achieve this ESG goal and developed roadmaps for carbon neutrality. Strategic collaboration with local authorities enabled us to scale up nature-based solutions implemented around our sites and increase our use of recycled water.

## Leading with strong governance

These and many other strides in 2021 were made possible by the wisdom and insights of our multidisciplinary Board of Directors.

One of our greatest strengths is the fact that Ma'aden's board combines decades of experience and expertise from across the globe, enabling us to make well-informed decisions and leverage lessons from other industries and markets, as well as the minerals and metal sector.

*Ma'aden Phosphate Complex - Wa'ad Al Shamal Minerals Industrial City*

**The Board's transparent decision-making structure allows us to remain agile and work smarter, so that we can deliver on our ambitions as Saudi Arabia's mining champion.**

## Looking ahead to a groundbreaking 2022

**I am pleased to say that 2021 was a remarkable year for Ma'aden.**

Over the coming year, we will continue to reinforce our sustainability commitments by implementing ambitious ESG targets aligned with Saudi Arabia's Net-zero ambitions and the goals of the Saudi Green Initiative.

Production will ramp up at new ammonia facilities in Ras Al Khair, another step toward becoming a top-three global phosphate fertilizer producer, thus amplifying our contribution to international food security.

Our Mansourah-Massarrah gold project will be nearing completion and become the largest gold mine in Ma'aden's portfolio.

These projects, along with our low-cost operations, are expected to generate strong cash flows, especially in the favorable market conditions being experienced, which should support our ambitious exploration and growth strategy.

On behalf of the board of directors, I would like to thank our shareholders, investors, team members and local communities for a safer, more productive, and greener 2021. We are primed for continued success, and we are grateful for your continued trust and confidence in Ma'aden.

**THE BEST IS YET AHEAD.**

# Chief Executive Officer's Message

▲  
**Abdulaziz Al Harbi**  
Acting CEO



## Laying the Foundation for Growth

I am incredibly proud to have led Ma'aden through 2021, a pivotal year for the company as we gear towards a period of accelerated growth.

We have set out an ambitious growth strategy that aims to invest in exploration, people, and operations to leverage KSA mineral endowment and lay the foundation for growth in the coming decades. This strategy is underpinned with ESG being a cornerstone to reflect our ambition of being a **"Sustainable mining champion with global presence"** and actively play our part towards the socio-economic development for KSA.

2021 was a strong year for Ma'aden. We reported record net profits of SAR 5.2 billion on the back of strong sales fueled by increasing commodity prices and demand for our products.

We reduced our net debt to EBITDA ratio and delivered value to our shareholders. In recognition of our rapid growth, Ma'aden has been named as one of the **"Top 5 Global Mining company"** in a report prepared by industry experts.

## Investing in Our Operations

Gold, as a counter cyclical commodity, has continued to perform strongly in the current economic landscape. It has been part of our core business from the beginning and will remain central to our operations in the future.

In 2021, we signed an \$880 million contract for the operational mining services at our Mansourah-Massarrah mine, Ma'aden's largest and most ambitious gold project to date. Upon reaching commercial production, it will be the largest gold mine in the Kingdom of Saudi Arabia.

Aside from Gold and Base Metals, our Phosphate business also continues to be a key priority for Ma'aden. In 2021, we completed construction on our third ammonia plant in Ras Al Khair, which will help boost our total phosphate fertilizer production capacity by 30% over the coming years. The expansions to our Phosphate operations will make us amongst the top three global producers, significantly increasing our contribution to global food security.

# 2021

## Investing in Our Operations (Continued)

In line with supporting our broader ammonia goals, we signed an agreement to hire four vessels to transport ammonia, increasing our fleet to seven. The expanded fleet will strengthen Ma'aden's global logistics network.

Later in the year, we expanded our presence in Africa, and together with our subsidiary Meridian Group opened a state-of-the-art fertilizer terminal in Malawi. The terminal provides access to a steady supply of high-quality fertilizer to over 5 million small scale farmers in the Republics of Malawi and Zambia.

## Moving forward on ESG

**Building a sustainable future has always been a key priority for Ma'aden as an operator in the mining industry.**

In 2021, we evaluated our sustainability efforts and spent time defining our corporate ESG strategy. As we did that, we continued our ongoing efforts to preserve and contribute to the communities we operate in, specifically in Saudi Arabia.

We signed an agreement with the National Centre for Vegetation Development and Desertification Control to preserve the natural greenery in the Northern Borders province, contributing to the Saudi Green Initiative.

We also continued our schools of excellence program, which seeks to provide education in rural areas of Saudi Arabia. Ma'aden operates two schools in Arar and Turaif and has invested a total of SAR 23 million into the schools of excellence

Ma'aden has invested a total of

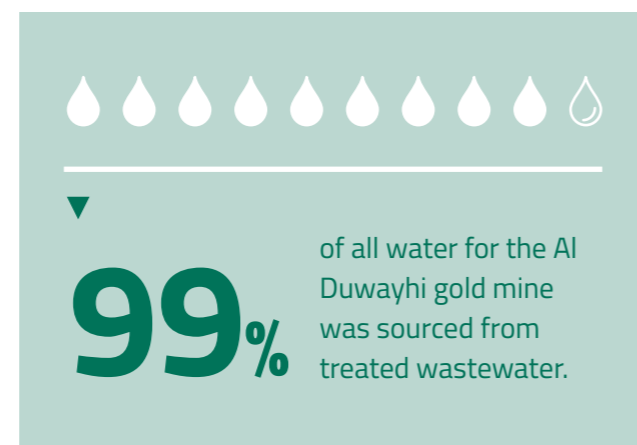
**SAR 23 mn**

into the schools of excellence program in 2021

program in 2021, bringing the total investment to SAR 135 million from the inception of the program in 2016.

We continued our water conservation efforts by implementing methodologies to use recycled water in our plants. By the end of 2021, 99% of all water for the Al Duwayhi gold mine was sourced from treated wastewater. Mansourah-Massarrah will be the latest mine for Ma'aden, which will completely rely on wastewater for its operations and with the aim of servicing 20% of its energy needs through renewable energy by 2025.

We also signed a landmark agreement with Saudi Calcined Petroleum Coke Company (SCPC) for the supply of calcined petroleum coke (CPC) for use in Ma'aden's Aluminum smelter facility in Ras Al Khair. The agreement is part of a wider local content push to include more Saudi suppliers in Ma'aden's value chain, in line with Vision 2030.



## Prioritizing Safety

**As a mining company, the safety of our people is central to our operations. We strongly believe that safety goes beyond the mines, and is important not only at an operational level, but at a strategic level as well.**

We train our employees to ensure they are ready for the inherent risks of working in a mine, preventing workplace incidents. At the same time, we invest in their development and ensure that they have a comfortable and healthy workplace. In 2021, we implemented MSHEM – an integrated safety framework aligned with international standards that covers all Ma'aden employees and contractors.

We conducted workshops with all our affiliates to ensure consistency in safety management

across our operations and standardize safety requirements. These standards have led to a lower rate of incidents, reducing our All-Injury Frequency Rate (AIFR) from 0.22 in 2020 to 0.2 in 2021.

There is always more work to done to get closer to an AIFR of zero. In 2022 and beyond, we will continue to update our programs and evolve our practices to align with the latest international standards.

## Strong Outlook for 2022

2021 was a pivotal year for Ma'aden, and I am privileged to have been able to lead the company through this period. Looking ahead, we will leverage our strong fundamentals to build Ma'aden into a global mining powerhouse.

I would like to thank the entire Ma'aden team, the board, and our partners for a successful 2021. I remain confident that we will continue our growth in the years ahead.



# Our Board



**H.E. Yasir Bin Othman Al Rumayyan**  
Chairman - Non-Executive



**Mr. Richard O'Brien**  
Non-Executive



**Dr. Samuel Walsh**  
Non-Executive



**Dr. Abdulaziz bin Saleh Al Jarbou**  
Deputy Chairman - Independent



**H.E. Sulaiman Bin Abdulrahman Al Gwaiz**  
Independent



**Dr. Ganesh Kishore**  
Non-Executive



**Mr. Abdallah Bin Saleh Bin Jum'ah**  
Independent



**H.E. Engr. Khalid Bin Saleh Al Mudaifer**  
Non-Executive



**Dr. Mohammed Bin Yahya Al Qahtani**  
Non-Executive



**Engr. Nabila Bint Mohammed Al Tunisi**  
Independent



# Executive Management



**Abdulaziz Al Harbi**  
Acting Chief Executive Officer



**Hassan Al Ali**  
Senior Vice President, Phosphate & Industrial Minerals SBU and Acting Senior Vice President, Gold and Base Metals SBU



**Riyadh Al Nassar**  
Senior Vice President, Aluminum SBU and Acting Executive Vice President Shared Services and Security



**Yaser A. Barri**  
Acting Chief Financial Officer and Senior Vice President of Finance



**Ayed Al Mutairi**  
Vice President, Corporate Strategy and Development



**Ibrahim Al Amer**  
Senior Vice President, Human Capital



**Khaled Al Ohali**  
Senior Vice President, Corporate Strategic Affairs and Communication



**Raminder Singh**  
Chief Legal Counsel

# Our Governance

The robustness, transparency, and quality of Ma'aden's decision-making structures provide the foundations for our success.

Our Board of Directors brings together an array of experience and expertise from diverse backgrounds. This provides the company with access to a world-class combination of skills and experience.

This combination of cross-sector expertise creates a unique learning environment and enables us to work smarter and think bigger.

The Board plays an active role in guiding Ma'aden's Strategy and works closely with our Executive Management in working toward achieving Ma'aden's goals.

We believe governance is a fundamental driver of any business. As we progress on our path of growth and international expansion, **our strong corporate governance will continue to guide our journey.**



Ma'aden Phosphate Plant - Al Jalameed

# Ma'aden Our Year in Numbers



SAR **27** bn  
sales



**18%**  
of the global phosphate trade

**40**  
new licenses



**72%**  
of total procurement was placed with  
local companies

**25,000** jobs  
creation in mining industry supply chains



staff **5,906**  
with 74% local employees



**340**<sub>k</sub>  
ounces of gold extracted

SAR **237** mn  
in greenfield and brownfield exploration  
programmes for seven commodities

# Focusing on the Future

01



# Ma'aden is a company focused on the future.



In recent years, Ma'aden has completed a big wave of growth, establishing a strong and modern asset base across all three businesses, and building a global market position with strong capabilities.

Now is the right time for Ma'aden to make the next big leap forward, given supportive market outlook, industry and market shifts and KSA continuous mining Jurisdiction improvements, which creates new opportunities.

To leverage these opportunities, we have defined a new longer-term aspiration to become a **“Sustainable mining champion with global presence”**.

This follows our historic growth pattern with significant investments directed towards local exploration and upstream activities. Our aspiration is in line with being the KSA Mining Champion and ESG being a cornerstone of our strategy that contributes towards the Vision 2030 objectives for the KSA mining industry.

Our ambitious vision is supported by **four strategic pillars:**



### Leverage KSA resources:

Increase capacities in current and new minerals through new mines or expansions of our current mines and processing lines



### Value focus:

Redirection towards a more profitable and advanced product portfolio



### Productivity drive:

Significant uplift of throughput and cost optimizations across value chains



### ESG stewardship:

Intensified efforts to make a significant leap towards sustainable operations

### This ambitious strategy will:

Significantly expand our assets, portfolio, and value chain presence within the businesses, and feed 10% of the world population. We are also aspiring to expand green production and recycling capacities and exploring for other minerals such as, cobalt, nickel, and lithium.

The fulfillment of our strategy will not only contribute significantly towards Saudi Arabia's

GDP but also contribute to KSA socio-economic development scene with job creations in remote areas and support Vision 2030 strategic mining targets.

This strategy will ensure continuation of our growth trajectory at Ma'aden with increased resilience and advanced technology utilization within its core.

## Exploration

Since the formation of Ma'aden, Exploration has delivered the Mineral Resources in gold, phosphate and bauxite which are the foundation of the company's continued growth and which have supported Ma'aden's vision for mining to become the third pillar of the Saudi economy.

Exploration's continuing role is to explore for, discover and evaluate new mineral resources to continue to drive company growth and to replenish Ore Reserves depleted by mining.

## Strategy

With this vision to be the third pillar of the Saudi Arabian economy and the Saudi mining champion, Ma'aden's strategy is to assess, explore and develop the abundant natural endowment of Saudi Arabia in gold and base metals and other strategic metals throughout the Kingdom. This focused effort will complement the established resources in Phosphate and Bauxite already in development, will drive Ma'aden growth and extend the life of existing mines.

Based on the 8-10x Growth Strategy endorsed by the Board in September 2021, Ma'aden has set the ambition to evaluate and explore the whole of Saudi Arabia, including the Arabian Shield and the Arabian Platform. This will require transforming the Exploration business to significantly scale up its capacity and build new capabilities, a process that commenced in 2021 and will continue into 2022. The use of advanced exploration technologies and the use of artificial intelligence and machine learning approach to targeting, developed over the last two years, has provided us with the targeting ability to drive this ambitious program. Building on this capability and developing the vendor and partner ecosystem is core to the successful delivery of the strategy. Engaging proactively with our wide

range of stakeholders is essential to secure the exploration licences, which we need to deliver this programme's objectives.

## Health and Safety

The safety of our staff and contractors at work and home is one of Ma'aden's principal drivers and increasing safety awareness across our workforce one of our goals. In 2021, we maintained our excellent safety performance while continuing our focus on our high impact risk areas such as vehicle related incidents. This was achieved through advanced driver training, vehicle monitoring and journey management. Initiatives in other areas such as remote work hazards and heat stress were trialed, and mitigation measures were implemented.

The new Ma'aden-wide safety health and environment management system (MSHEM) was implemented in Exploration. Areas for improvement were identified areas for improved procedures and practices were identified and are being addressed. COVID-19 on our operations continued to affect our operation during this second year of the pandemic but minimal impact was achieved from rigorous adherence to guidelines and procedures.

## Operations and achievements

During 2021, the Exploration Division maintained a high level of operations across our portfolio of exploration licences. We completed geophysical exploration and evaluation programmes in several gold, base metals, and industrial targets. These were at all stages of our project pipeline.

Ma'aden's greenfield and brownfield exploration drilling associated with licences for all commodities totalled 311,162 metres in 2021.

## Drilling by Commodity in 2021 (in metres)

Commodity	EL	PFS + FS	ML
Gold	124,906	38,744	94,699
Base metals	6,107	0	16,986
Phosphate	24,197	0	0
Bauxite - kaolin	5,523	0	0
<b>Total</b>	<b>160,733</b>	<b>38,744</b>	<b>111,685</b>

EL – exploration licence; PFS – prefeasibility; FS – feasibility; ML – mining licence

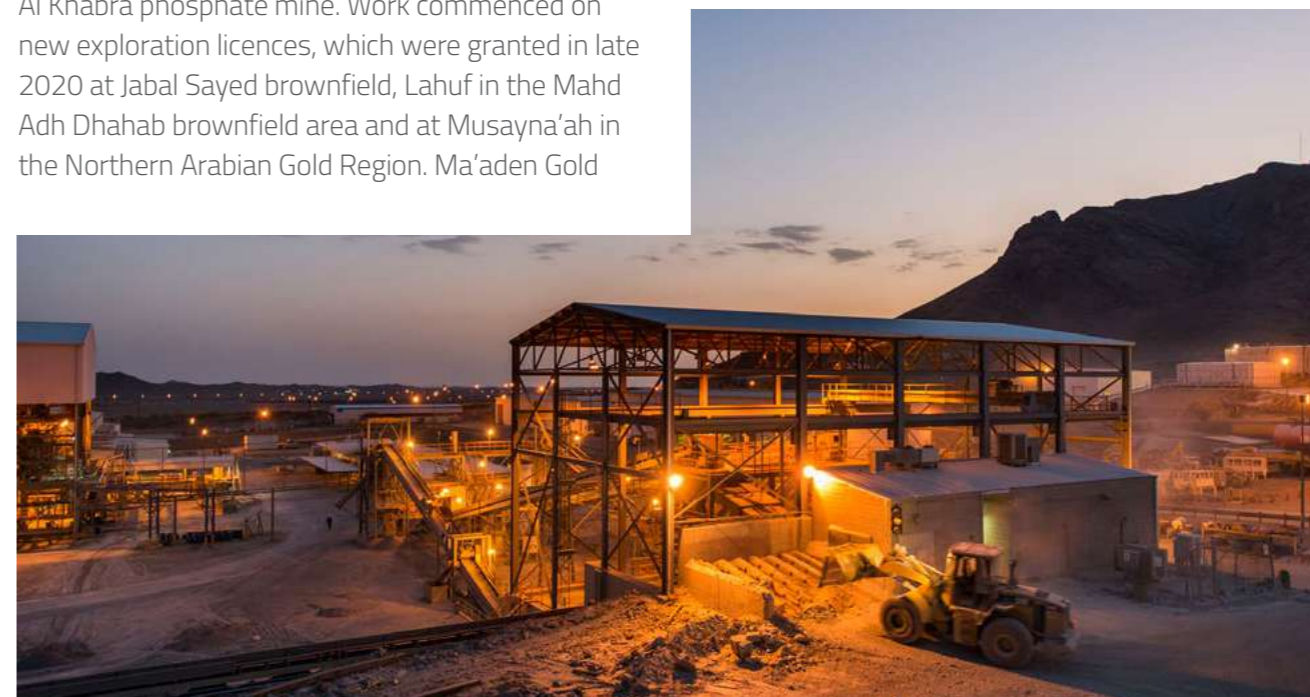
The Exploration Division explores Ma'aden's exploration licences. Exploration on mining licences for mine development projects is conducted by the Ma'aden Business Units and on our operating mines by the Ma'aden Affiliates.

In 2021, Ma'aden Exploration Division focused on developing early stage exploration targets on newly granted licences as well as testing and delineating advanced stage targets, moving these through the pipeline to subsequent evaluation stages. The Exploration Division conducted resource delineation drilling on the Zalim and Maham gold targets and on Umm Wu'al exploration licences adjacent to the Al Khabra phosphate mine. Work commenced on new exploration licences, which were granted in late 2020 at Jabal Sayed brownfield, Lahuf in the Mahd Adh Dhahab brownfield area and at Musayna'ah in the Northern Arabian Gold Region. Ma'aden Gold

and Base Metals Company (MGBM) conducted resource delineation drilling and evaluation on mining licences at Mahd Adh Dhahab gold mine and the Ar Rjum prefeasibility project.

Exploration also focused on brownfield targets in the Central Arabian Gold region along strike from the Ar Rjum Prefeasibility Project and the Mansourah-Massarrah project which is under construction.

Ma'aden-Barrick Copper Company (MBCC) completed surface and underground exploration drilling on Lodes 1 and 4 at the Jabal Sayid mining licence.



## Expenditure

The addition of new gold and phosphate mineral resources was the main focus during 2021. In 2021, Ma'aden spent SAR 237 million in greenfield and brownfield exploration programmes for seven commodities, a 6% increase over 2020. Of this expenditure, 86% was spent on gold exploration and approximately 5% each on base metals and phosphate. SAR 126 million (53%) was spent of greenfield programmes and SAR 111 million was spent on brownfield programmes on exploration and mining licences.

**SAR 126 mn**  
was spent on greenfield programmes

**SAR 111 mn**  
was spent on brownfield programmes on exploration and mining licences

## Exploration Expenditure by Commodity in 2021 (in SAR mn)

Commodity	EL	PFS + FS	ML
Gold	113.0	35.6	54.8
Base metals	2.9	0	7.6
Phosphate	12.8	0	0
Bauxite - kaolin	7.9	0	0
Potash	2.2	0	N/A
<b>Total</b>	<b>138.8</b>	<b>35.6</b>	<b>62.4</b>

EL - exploration licence; PFS – prefeasibility; FS – feasibility; ML - mining licence

## Licenses

Ma'aden held an area of 16,868 km<sup>2</sup> of granted exploration licences and 32,612 km<sup>2</sup> under application for all commodities on 1 January 2021 when the new Mining Investment Law and Regulations came into effect. During 2021, about 50% of the applications were determined by the Ministry of Industry and Mineral Resources with 3,052 km<sup>2</sup> in 40 licences being granted, primarily

in gold and base metals, and 12,349 km<sup>2</sup> in 153 licences being rejected. The reasons for rejections were due to overlap with prior applications, wildlife protected areas or with mega development projects. Discussion with the concerned authorities to review these rejection decisions is ongoing. The Ma'aden licence portfolio on 31 December 2021 is shown in the table below.

## Area of Licences and Applications on 31 December 2021

Commodity	EL	ELA	ML	MLA
Gold	15,728	8,851	398	9
Base metals	1,581	7,091	16	0
Phosphate	1,660	1,108	0	0
Potash	228*	0	0	0
Bauxite - kaolin	589	0	175	81
Magnesite	38	67	3	0
<b>Total</b>	<b>19,824</b>	<b>17,117</b>	<b>592</b>	<b>90</b>

EL - exploration licence; ELA - EL application; ML - mining licence; MLA - ML application

\* Under renewal

Several gold and phosphate exploration licences expire in early 2022 and mining licence applications over Mineral Resources delineated on these licences are prepared for lodgment.

## Exploration Targets

The brownfield resource delineation programmes in 2021 evaluated significant Exploration Targets in multiple commodities.

### Umm Wu'al Phosphate Target

The Umm Wu'al target is located on several contiguous licences (Blocks 13,14, 15, 22, 23) adjacent to the Al Khabra mine operated by Ma'aden Waad Al Shamal Phosphate Company (MWSPC). The target was explored as either potential new standalone projects or an expansion of the Al Khabra Mine.

The results of the 2021 programme delineated an additional inferred resource of 499 million tonnes of phosphate mineralisation at a grade of 15.2% P<sub>2</sub>O<sub>5</sub> on these blocks bringing the total inferred resource on the Umm Wu'al blocks to 3,773 million tonnes at a grade of 15.2% P<sub>2</sub>O<sub>5</sub>. The exploration licences expire in 2022 and mining licences applications are prepared for lodgment.



Ma'aden Phosphate Complex - Wa'ad Al Shamal Minerals Industrial City

# Our People and Our Systems

# 02



Ma'aden  
Annual Report  
2021



### Team Ma'aden: Investing in Our Employees

One of our focuses this year has been around unlocking the power of our people – with initiatives to standardize our reward structure, support staff with new digital systems, and improve mechanisms for staff engagement.

This commitment to improving our practice has helped us to advance several companywide initiatives both to attract new talent and to reward existing staff. This has led to a decrease in staff turnover, and the retention of staff who are core to the business.

Being able to attract, retain, and support world-class staff, - from the boardroom to frontline operations, is critical for our long-term success.

### Our People in Numbers

#### Employee Distribution



**3,012**

Mine Workers



**657**

Mine Supervisors / Superintendents



**525**

Engineers & Geologist



**208**

Subsidiary Management



**127**

Corporate Management



**926**

Administrative Staff



**365**

Security Officer



**86**

Trainees

we have **5,906 direct employees**

**74%**

of whom are Saudi Nationals

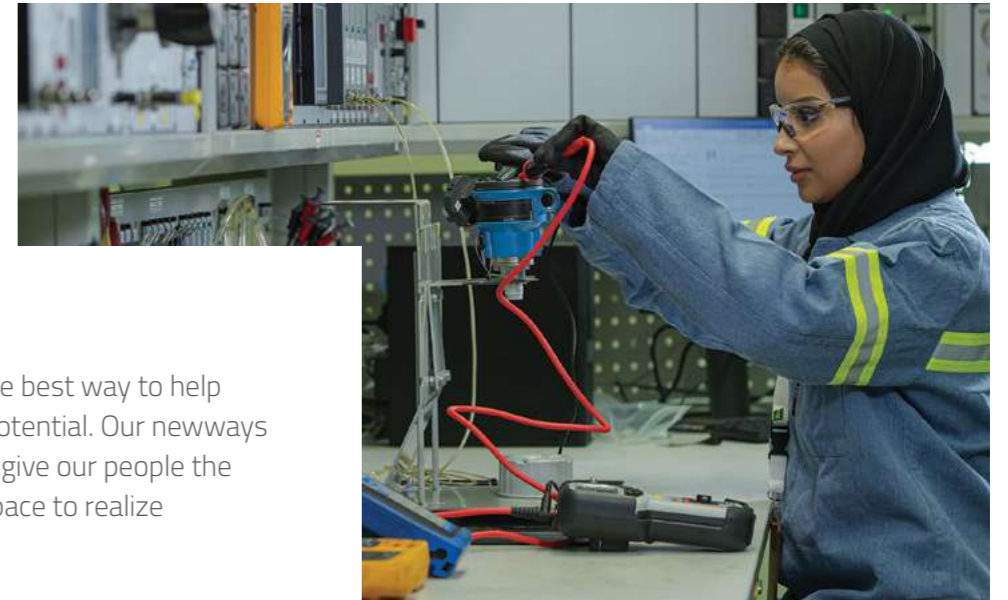
Ma'aden's Human Resources Committee provides oversight, support, and guidance to ensure that Ma'aden has HR systems and practices in place which enable us to deliver on our wider vision and strategy.

We now have 5,906 direct employees, with 113 female employees.

It is a young workforce, with an average age of 35 years. 74% of the workforce are Saudi nationals and 89% work in remote areas.

#### Gender Distribution

# of female employees	113
# of male employees	5,793



#### Total Rewards

Supporting our people is the best way to help them to achieve their full potential. Our newways of working are designed to give our people the confidence, security, and space to realize their aspirations.

2021 has seen further steps to improve our approach to talent attraction, retention, and development. This has included an enhanced Employee Value Proposition (EVP) with a new broad-banding structure, a refreshed salary structure, the introduction of our Dual Career Path, new job titles, and revised HR policies.

#### Staff Engagement

We are proud of our staff, and we know they understand aspects of our business better than anyone else. Providing opportunities to make suggestions and comments is essential to our business so that we can improve working practices and address current and future challenges.

As a company, we are always keen to hear from staff. This year, we strengthened our engagement tools to create more opportunities for our people to share their ideas to improve the way we work.

In 2021 we ran the biennial Ma'aden Employee Engagement Survey, with 85% of employees participating. This generated valuable information which we measure against 15 benchmarked dimensions.

Furthermore, this year we also launched the Ma'aden Organizational Health Index Survey giving a precision platform to deep dive into specific issues identified by our staff.

As a result, we are now experiencing greater levels of communication between employees and departments on issues such as health and safety, improving processes, and driving forward the quality of our operations.

We will continue to strengthen the ability of employees to contribute and the ability of managers to evaluate their suggestions and respond to them.



## October 2021

Employee Engagement Survey

Overall response rate 85% of all staff:

"Ma'aden's mission inspires me"

79%

"I am able to make full use of my skills"

82%

"I believe Ma'aden has a bright future"

90%

"I am satisfied with Ma'aden as a place to work"

78%

"I am proud to work for Ma'aden"

88%

"I am prepared to take on extra responsibility to help Ma'aden"

83%

"My work gives me a feeling of accomplishment"

77%

### Technology R&D and Innovation (TRI):

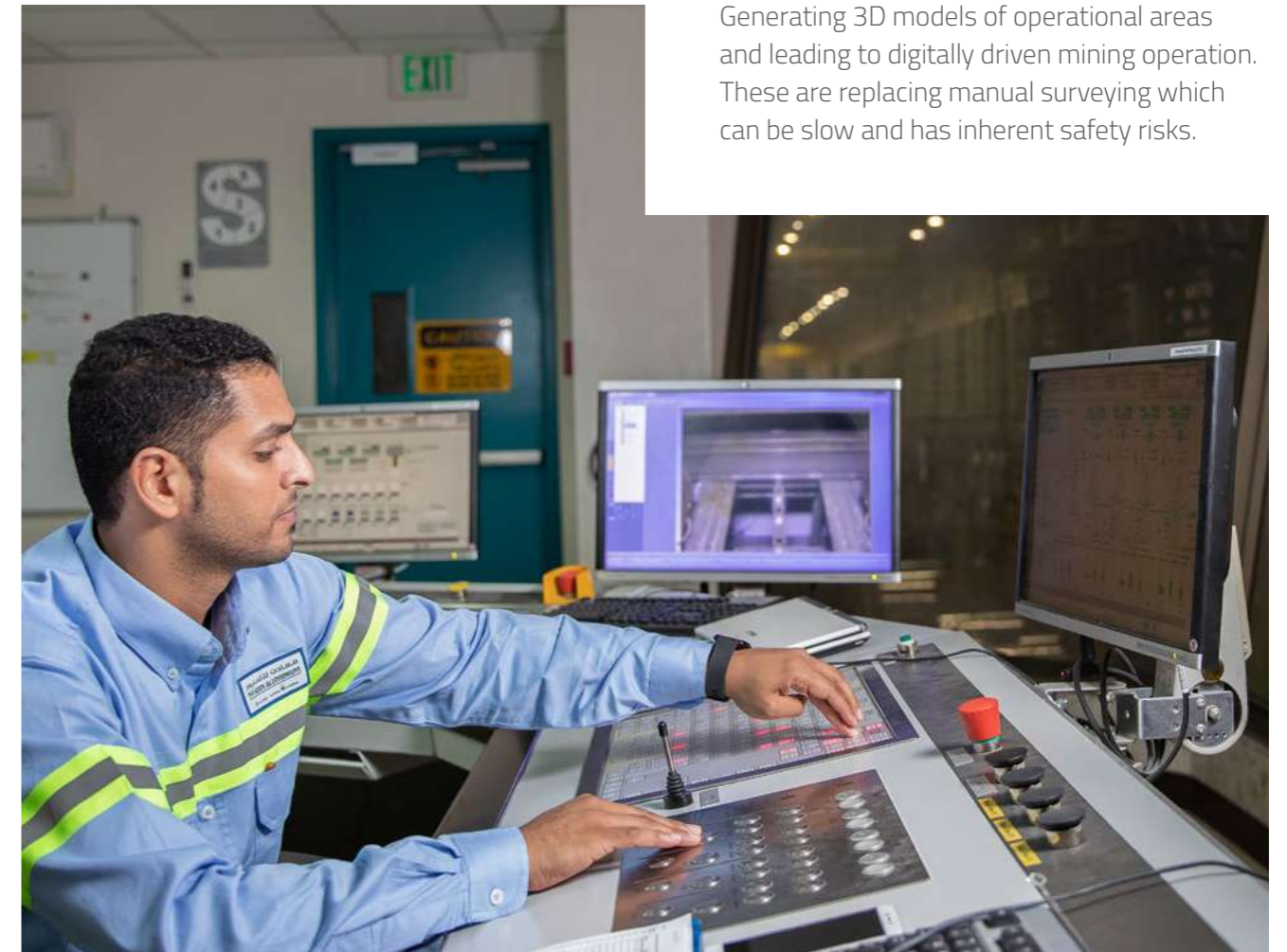
To achieve its ambitions for growth, Ma'aden has recognized Technology R&D and Innovation (TRI) as foundational element of its 2040 strategy. Ma'aden Technology R&D and Innovation (TRI) will go beyond digitalization to leverage all technological innovation, including process technologies, across its value chain.

This will support Ma'aden's growth ambition and maximize value through innovation in safety, ESG, resources and products. Ma'aden TRI mission is to enable the 2040 strategy through balanced portfolio between emerging and mature technologies.

### Digitalization

In 2021, as we transitioned into the post-COVID era, digital has been further embedded into new ways of working across all activities. This year saw the piloting of:

- "Smart Wearable Technology"**  
 for heat stress prevention for Exploration and Smelter operations. This allows real-time monitoring of field workers' biometrics and alerting of any health warning signs.
- "AI/ML deep analytics"**  
 of Ad Duwaihy gold mine providing operational data for anomaly detection and prediction of asset failures.
- "Drones for mine surveying"**  
 Generating 3D models of operational areas and leading to digitally driven mining operation. These are replacing manual surveying which can be slow and has inherent safety risks.



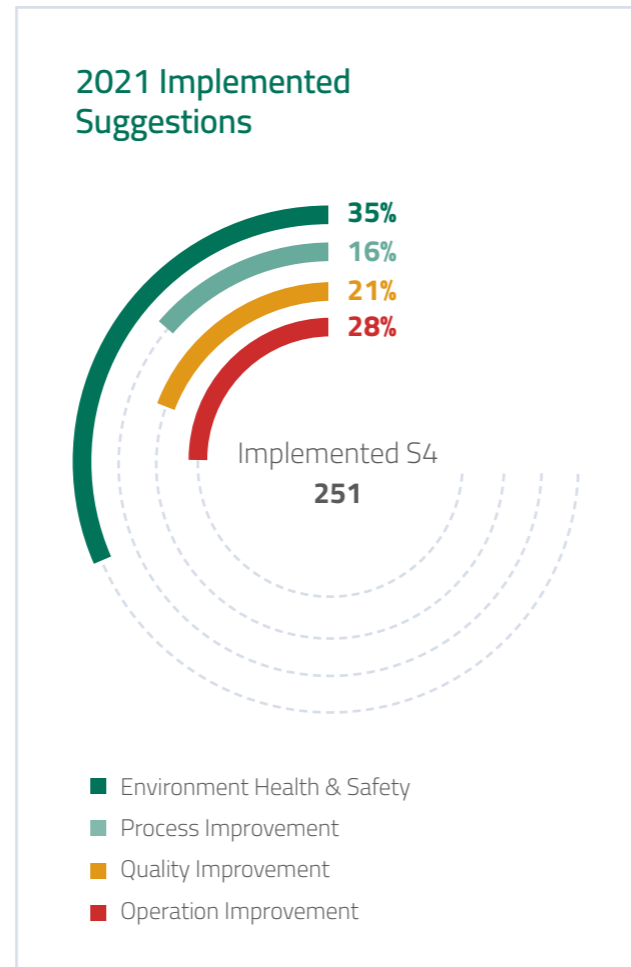
### Operational Excellence:

2021 saw the successful completion of the corporate operational excellence standardization and rollout program across Ma'aden.

We are adopting and implementing industry best practice methodologies including a roll out of "Lean Management" and "Six Sigma" principles to drive business efficiency.

In addition, our employee driven "Cost Optimization Program" aimed at increasing revenues and efficient working capital management through sharing and implementing innovative business practices, has significantly reduced both capital and operational expenditure.

In 2021, Ma'aden employees contributed 2,026 suggestions through our suggestion system. Of these, 251 were implemented, with the largest proportion relating to new ways to improve the Environment Health & Safety.



We renewed our **ISO 27001 certification** for the second year running and achieved



of compliance with the National Cybersecurity Authority mandates.

### Cybersecurity

New technology can drive business efficiency, but it also presents new challenges. As the world becomes more digitally connected, cyber threats are constantly increasing.

As cyber threats have grown, they have also increased in sophistication. Managing cybersecurity and technology risks is a major challenge for any organization. This is particularly true in the mining sector which is particularly vulnerable to attack due to the levels of automation involved.

Ma'aden is not immune from these risks. However, we have strategies and approaches to mitigate and minimize them.

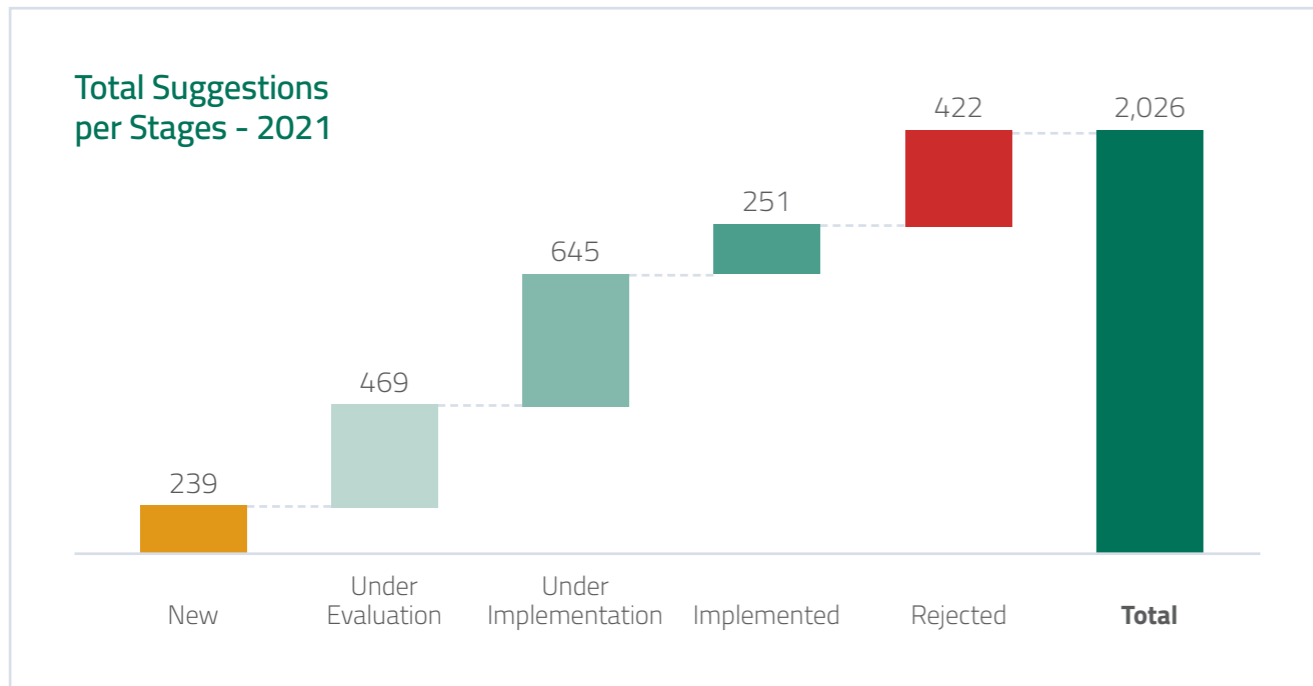
Ma'aden continues to regard addressing cybersecurity as a major priority that drives business sustainability and safety. In 2021, we invested in strengthening our cybersecurity resilience to deal with potential new threats.

▲ This exceeded the 2020 compliance level by



Alongside this, in 2021 we invested in a range of technologies utilizing Artificial Intelligence to improve our resilience, upgraded our Information Technology infrastructure, and continued to enhance our awareness and training programs to build the Cyber-capabilities across Ma'aden.

We also achieved **100% Saudization in Cybersecurity** in line with national mandates.



### Our Stakeholders

Ma'aden is a large company, with a varied portfolio, delivering value for shareholders, Saudi Arabia, the region, and our customers.

However, we know that we can only achieve our full leadership ambition as the National Mining Champion in Saudi Arabia, by working closely with others and providing wider sector leadership for the mining industry.

To deliver on our vision, Ma'aden maintains strong, mutual, strategic relationships with government agencies and key public stakeholders.

These relationships play a critical role in ensuring Ma'aden's continued growth. We are a key and trusted advisor to government agencies, actively involved in ongoing discussions and debates which shape the laws and regulations related to the mining sector in general, and Ma'aden's business interests.

### Governance, Risk, and Compliance

All Ma'aden's activities are underpinned by strong governance principles, robust risk management, and a commitment to comply with all relevant local and international standards.

Our Governance, Risk, and Compliance (GRC) framework sets out our company-wide approach to responding to these issues with consistency and transparency. Our GRC Committee provides oversight across Ma'aden and its affiliates to oversee performance, develop and maintain our regulatory framework, and identify, prioritize, and manage all compliance issues.

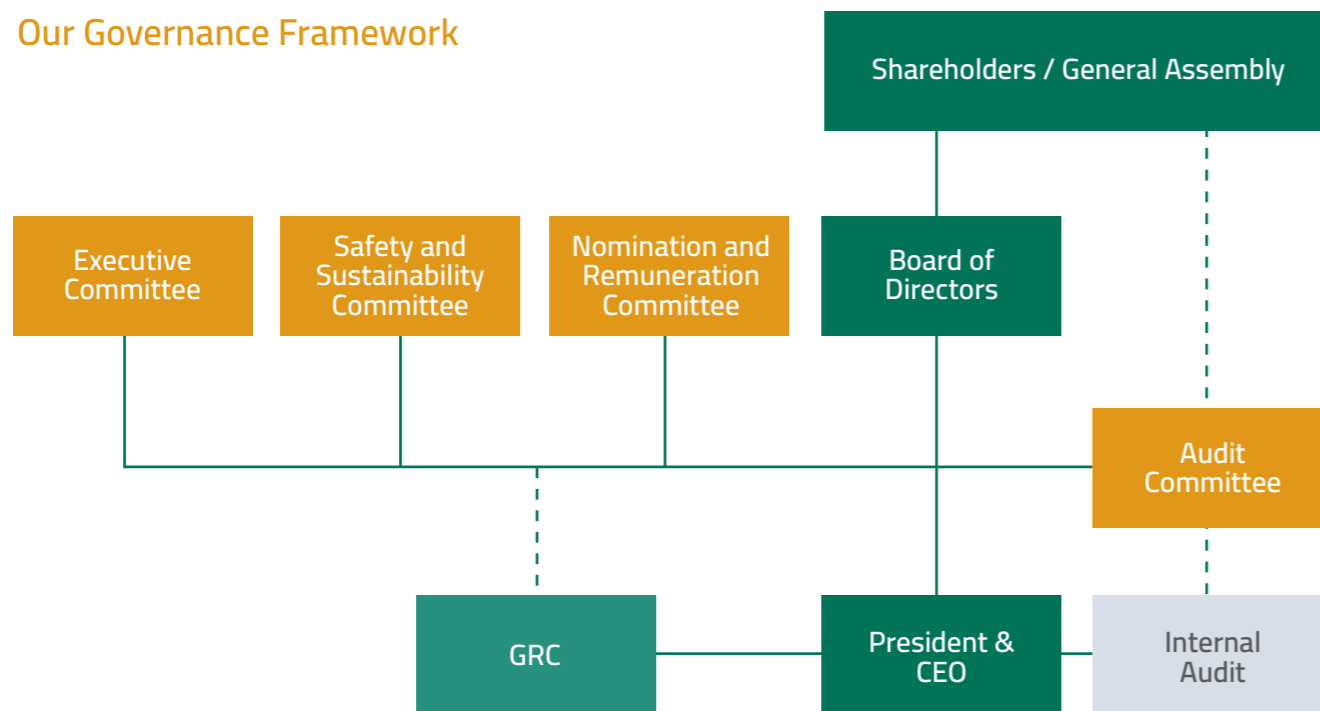
**Ma'aden's future growth** is underpinned by strong, transparent, and accountable structures and processes.

Supporting this ambition is Ma'aden's Governance, Risk, and Compliance (GRC) Department. Under the direction of the Board and its key committees, **this department is responsible for:**

<b>Governance</b>	Governance is a framework by which a company is directed, to achieve its overall objectives. It is concerned with relationships, structures, processes, information flows, controls, decision-making, and accountability to the highest level in a company.
<b>Risk</b>	Risk management involves knowing the location of critical data, operations, and processes, as well as an understanding of the business's capability to bear critical risks; quality assurance, benchmarking and other continuous improvement tools are used as part of the monitoring process during normal operations.
<b>Compliance</b>	Compliance assists senior management in identifying, evaluating, controlling, and monitoring the compliance risks affecting the company on an ongoing basis. The Compliance Function of the GRC department recommends appropriate controls and remedial actions.

Detailed information about our Governance processes and structures is available in a separate Board of Director's report.

### Our Governance Framework



Keeping  
People and  
Places Safe

03



Ma'aden  
Annual Report  
2021

## Our Responsibility



**At Ma'aden, we believe that one of the most important responsibilities we have is to develop and maintain a safe working environment for our employees and the local host communities. Exploration and manufacturing in the mining industry can never be entirely risk-free but those risks must be minimized at every stage.**

### Towards Achieving Higher Standards for EHSS

The development of an Integrated EHSS Management system (MSHEM) was completed in 2020. This was a significant milestone in the Ma'aden EHSS journey.

MSHEM now covers 100% of employees and contractors. It comprises a set of risk-based, integrated, and interlinked policy and EHSS framework documents that define the requirements to effectively manage EHSS risks at our facilities.

These 85 MSHEM standards meet the international and national best EHSS standards and practices. In 2021, the system was formally launched by our CEO for full implementation across Ma'aden. The implementation of the MSHEM standards will lead to fully integrated standards across Ma'aden Affiliates. **This will help to achieve:**

- Consistency in EHSS compliance & methodology.
- Consistency in EHSS language – Standardization of definition, scope, requirements, and verification process.
- Sustainable EHSS performance.

Furthermore, a Ma'aden Assurance Program for the MSHEM standards was implemented to ensure risks are appropriately identified and mitigation

measures to continue operations with identified risks are implemented and approved. The first cycle of the MSHEM audit has now taken place across all Affiliates and core functions.

These specific initiatives are part of a wider culture transformation program (SafeSTEPS) across the organization. SafeSTEPS positions safety as everyone's responsibility, not something that is solely down to a specific department.



## 2021 Performance

SafeSTEPS and the implementation of MSHEM standards are already having a measurable impact on achieving our KPIs in this area.

In 2021, we established SHER (EHSS Rate) & PSER (Process Safety Event Rate) as new KPIs to focus on all EHSS incidents and Process Safety incidents. Visibility within the organization was enhanced around Regulatory Compliance issues such as notices of violations, penalties,

Environmental Permit to Operate (EPO) validity, underground water results and remediation, and other sustainability KPIs.

Furthermore, KPIs for asset integrity have now been established by the Safety and Sustainability Board.

A suite of leading EHSS KPIs was established and made visible to the management to enhance focus on continuous improvements.

### Year-over-Year Performance

	2019	2020	2021
<b>SHER</b>	1.43	1.41	1.04
<b>AIFR</b>	0.37	0.22	0.20

**SHER (EHSS Rate):** The number of all EHSS Incidents, as a function of severity, per every 200,000 hours worked: (50XClass A + 5XClass B + Class C) X 200000 Hours worked (Direct Hire + Contractor employees)

**AIFR:** Total Recordable Incident Rate. Formula established by OSHA – Number of Recordable injuries X 200000 Manhours worked.

### 2021 Recordable Injuries

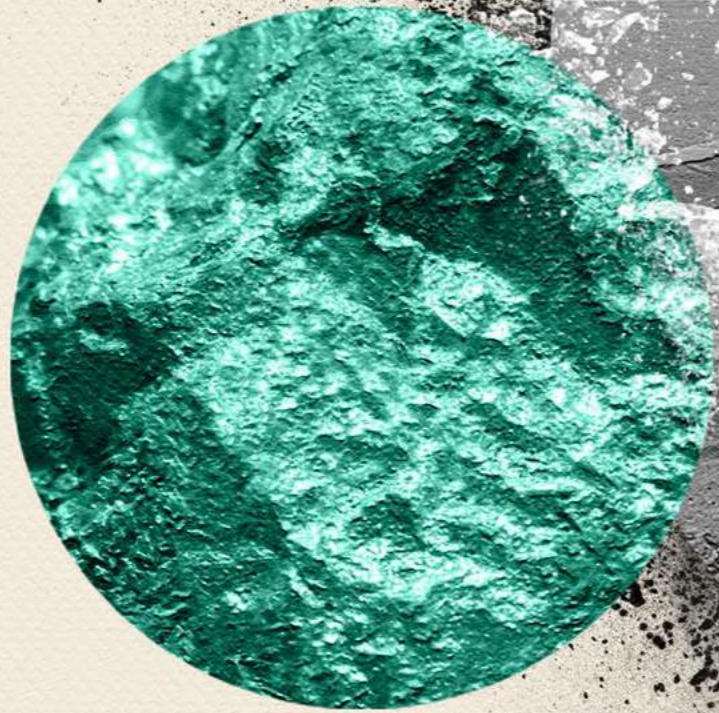
	Ma'aden Employees	Contractors	Total
Fatalities (FAT)	0	1	1
Lost Time Injury (LTI)	6	12	18
Medical Treatment Injury (MTI)	2	6	8
Medical Treatment Injury (MTI)	4	18	22
<b>TOTAL HSE Incidents (Reportable)</b>	<b>12</b>	<b>37</b>	<b>49</b>

### Environmental Performance

	2019	2020	2021
<b>Notice of Environmental Violations &amp; Penalties</b>	14	27	2
<b>Environmental Penalties</b>	2	0	1

# Protecting People, Places, and Planet

# 04





This year more than ever, as COP26 convened in the UK, governments, businesses, and communities have become increasingly conscious that business growth needs to be sustainable – environmentally, socially, and economically.

Ma'aden is committed to demonstrating to the world that the natural resources we rely upon can be extracted, produced, refined, and distributed without compromising the wellbeing of people or the planet. It is growth built on values.

In undertaking this commitment, Ma'aden's work in 2021 contributed to delivering the wider vision and goals of Saudi Arabia and the international community. Our activity is aligned with the United Nations Sustainable Development Goals (SDGs), the International Council on Mining and Metals (ICMM) performance expectations, the Global Reporting Initiative (GRI) Standards, and other leading sustainability and responsible mining frameworks.

Furthermore, the company is guided by the Kingdom of Saudi Arabia's Vision 2030.

**As Saudi Arabia pursues economic diversification, growth, and stability under its Vision 2030 initiative, Ma'aden remains committed to supporting Saudi Arabia's economic, social, and environmental objectives.**

Ma'aden has taken the lead in advancing the mining and metals industry. We will continue to play this role in Saudi Arabia, and to build social, economic, and environmental resilience in our home communities and further afield, as we grow and expand into new markets worldwide.

*Ma'aden Phosphate Complex - Wa'ad Al Shamal Minerals Industrial City*

**Our Sustainability Framework**

Ma'aden has been strengthening its sustainability strategy since 2015. Last year we launched a new companywide Sustainability Framework. This Framework, which adopts leading global standards and practices, has been increasingly integrated across all business units in 2021.

The Framework sets out a roadmap to address eight major sustainability goals including health safety and security, water stewardship, climate change, biodiversity, and materials management.

In pursuing these goals, Ma'aden has adopted a leadership model that inspires a culture of sustainability internally and creates informed leaders who can actively represent the company as a sustainability champion.

We also are open and transparent in reporting on the progress we are making – issuing an independently assured annual sustainability report in line with Global Reporting Initiative standards.

Environmental protection is a key consideration in every decision Ma'aden takes. We take our responsibilities seriously when it comes to the environment, delivering our operations in a way that minimizes and mitigates any negative environmental impact.

We are committed to sustainable environmental management of our operations and projects. We have also set specific strategic goals to reduce CO2 emissions, reduce water and energy consumption, and increase recycling.



**Ma'aden:**  
**Delivering Social Responsibility**

Being a responsible partner and operating in a truly sustainable way is about social responsibility and leadership, not just environmental actions.

We are committed to being a good neighbor, and to bringing the benefits of our operations to the places and communities where we work.

One of the key mechanisms for doing this is engagement with local communities.

Our community development and engagement activities are designed to empower locals through local hiring, local buying, and local skill development, and to drive strategic social investment by addressing impact and understanding local needs.

In 2021, we have continued to develop, embed, and expand our community engagement approach and integrate community management systems into our core business. This has resulted in substantial improvements at all mine sites.



**Ma'aden:**  
**Supporting Future Generations**

Many of our activities and initiatives are focused on educational initiatives, particularly in remote regions where there were previously limited opportunities for younger generations.

Ma'aden, along with other partners, has been developing the Wa'ad Al Shamal Minerals Industrial City in the Northern Borders Region, where MWSPC operates the phosphate industrial complex at the heart of the development. This will deliver a range of benefits to the people living in this remote area creating new jobs and delivering new economic opportunities.

When completed in 2042, it is estimated that the Industrial City will generate SAR 24 billion from non-oil sectors, contribute 3% to the Kingdom's GDP and create 30,000 high-quality jobs for qualified Saudi youth, especially those local to the region.

To support this future skills pipeline, Ma'aden developed the Schools of Excellence program. This program consists of two high schools, one in Ar'ar (the Region's capital) and another in Turaif, operated by the Dhahran Techno Valley Company. Since its inception, the program has established itself as the premier provider of the highest-quality high school education in the Northern Borders Region. **One school has been ranked the 7th best high school in the entire Kingdom.**

Ma'aden has invested

**SAR 135mn**

into both schools over the past six years,

**SAR 23mn**

of which was invested in 2021,

out of a planned total of SAR 150 mn by the end of 2022. This represents a tremendous commitment to driving positive impact in Northern Borders communities.

The Schools of Excellence high schools are still in their early years, yet in 2021 the schools supported 691 students, an increase from 650 in 2020, and approximately 100 faculty and staff. Students admitted to the program are offered courses across key STEM subjects including math, sciences, and computer skills, as well as Arabic and English language, life skills, and safety courses.



Upon graduation, students meet and exceed the admission requirements of prestigious Saudi and international universities.

Ma'aden will continue to partner in this initiative, investing in growing the capabilities of local talent in the region and the general education system in the NBR. This will provide a springboard for success for future generations.

**Ma'aden:**  
**Energy Usage and Biodiversity**

As Ma'aden's operational footprint grows, we continue to find new ways to improve efficiencies, monitor environmental performance, and reduce energy and carbon emissions. This is minimizing the impact that we have on the environment.

Natural gas usage and fuel consumption increased in 2021 as Ma'aden completed a transition away from crude oil usage, which was successfully reduced to **zero**.



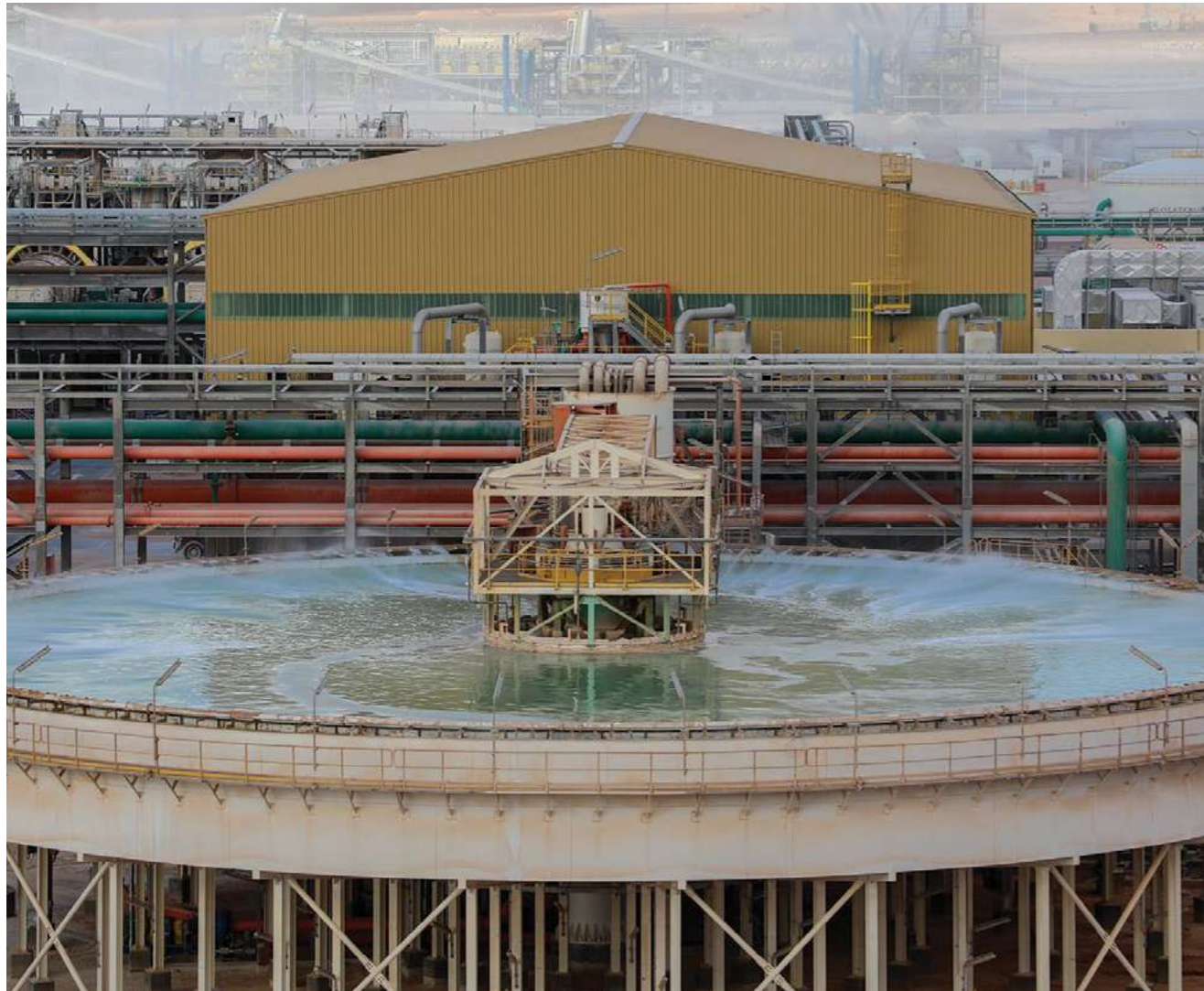
Overall electricity usage decreased by approximately

**2.4%**

from 2020

We are committed to further reducing our energy usage, and already have a range of early-stage initiatives to increase the amount of energy we use from renewable sources.

## Ma'aden: Environmental Protection



Ma'aden Phosphate Complex - Wa'ad Al Shamal Minerals Industrial City

Ma'aden has now implemented environmental monitoring and management programs at all of our operating sites including mines, plants, chemical complexes, and buildings. In 2021 we continued to comply with all relevant local, national, and international regulations to ensure that waste is managed. This has helped support local biodiversity and minimized our environmental footprint.

As part of our companywide approach, in 2021 we developed a single methodology for monitoring the progress we are making. This allows us to not only see where we are delivering on our aims, but also to identify new challenges and make the changes necessary to meet them. This approach, our Environmental Monitoring Program, also enables us to report consistently and transparently to national authorities, international forums, and the public.

## Ma'aden: Water Stewardship

In Saudi Arabia's desert climate groundwater is a valuable and limited resource. Using water sparingly and responsibly is a key business priority. In 2021 Ma'aden completed a water usage footprint, setting 2020 as the baseline year, with targets to reduce groundwater usage intensity across applicable affiliates.

Gold mining operations can be very water intensive. In 2021, a major water stewardship initiative was undertaken by Ma'aden's gold mining affiliate Ma'aden Gold and Base Metals (MGBM) to reduce the amount of fresh groundwater used in its gold mining operations by switching to alternatives. As a result, MGBM developed a groundwater reduction strategy, using National Water Company (NWC) treated sewage wastewater in all upcoming new gold mines. This has eliminated the use of fresh groundwater.

**By the end of 2021, 99% of all water needs of MGBM's Ad Duwayhi mine were sourced from treated wastewater.**

Overall, 36% of MGBM's overall water needs are met by using treated water. As Ma'aden's gold operations grow, the model of finding innovative ways to reduce water usage will be mainstreamed as business as usual.

**The soon-to-be-completed Mansourah Massarah mine, along with the expansion of Mahd, and the evaluation of Ar Rjum will all be 100% reliant on treated sewage water. These mines will be powered by 20% renewable solar energy by 2025. This approach is projected to reduce MGBM's groundwater intensity by over 50% by 2030.**



Ma'aden Gold Plant - Al Sukhaybarat

Each affiliate is empowered and encouraged to contribute to Ma'aden's Water Stewardship

goal in the way that is most effective for their operations. In 2021 Ma'aden's phosphate mining affiliates expanded upon the partnership

with NWC started in 2020 by signing a water usage Memorandum of Understanding for our Wa'ad Al Shamal operational site to provide phosphate operations with treated wastewater.

Ma'aden also plans to develop infrastructure for the transportation of wastewater from treatment facilities to operational sites in the area. This project is planned to be completed in 2023 and will meet most of the water requirements for existing facilities and the planned new Phosphate 3 facility. **This is projected to reduce Ma'aden's phosphate-related groundwater use by 50%.**

# Ma'aden: Local Content

Within Vision 2030, Ma'aden is identified as the national champion for the mining industry in Saudi Arabia.

Our vision is to maximize the contribution of the mining industry to the Kingdom of Saudi Arabia through spend on Saudi components within labor, goods, services, assets & technology. We are achieving this vision by focusing on five strategic objectives.



**Saudi Employment**  
Maximise employment opportunities for KSA nationals



**Industry Champion**  
Drive Local Content throughout the mining industry supply chain



**Remote Region**  
Maximise economic opportunities for communities in remote regions

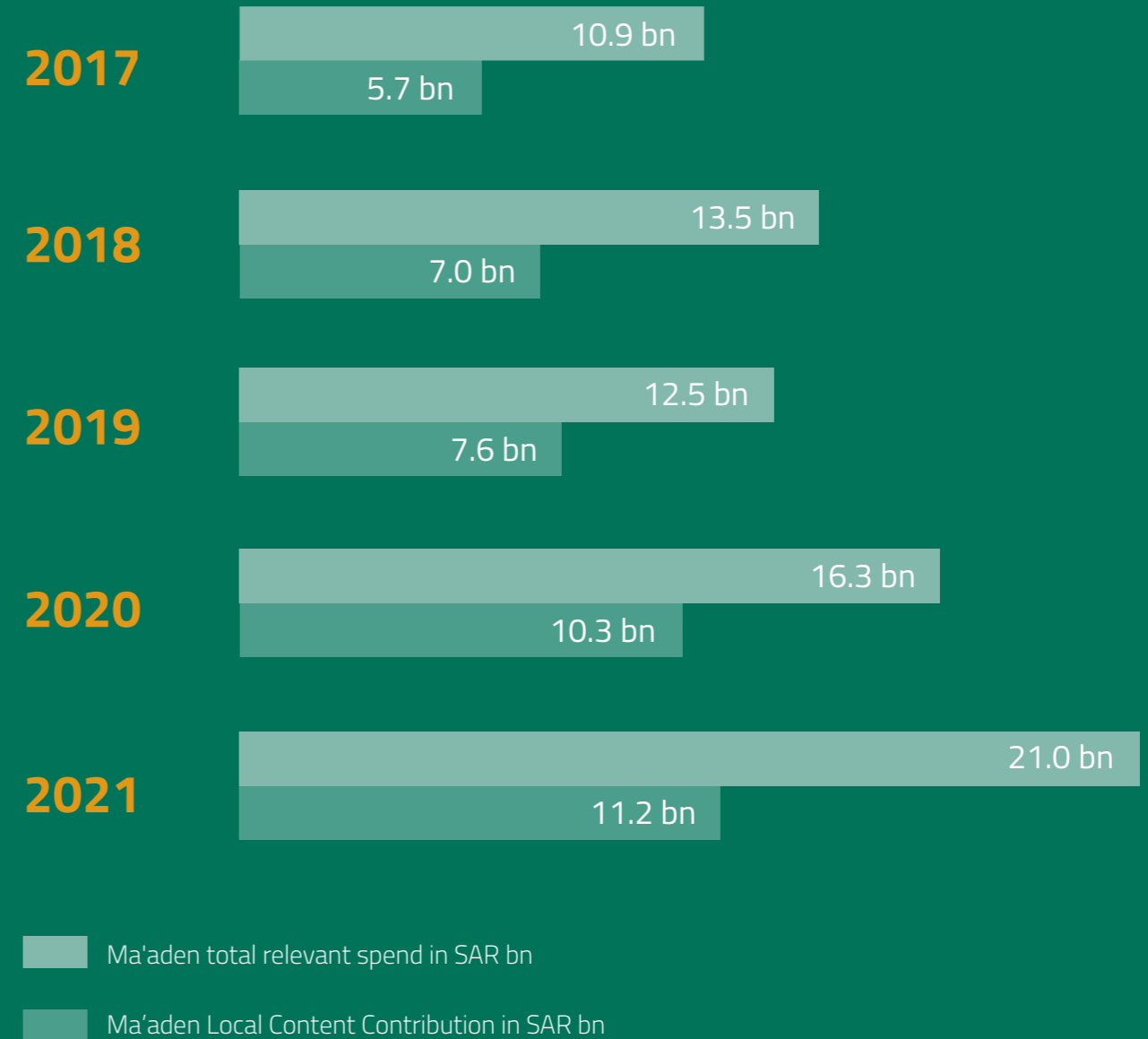


**Local SMEs**  
Maximise opportunities for local SMEs



**Local Businesses**  
Maximise participation of local businesses in our supply chain

Ma'aden has made excellent progress in 2021. Of our total procurement spend, SAR 13.6 bn 72% was placed with companies in KSA. This led to a Local Content contribution of SAR 11.2 bn, which will boost Saudi national GDP by SAR 19 bn. We estimate that this will lead to the creation of over 25,000 jobs for Saudi nationals in the mining industry supply chain.



As we move forward, Ma'aden is working with investors to localize the production of some of the key goods and services that Ma'aden buys to operate and develop new businesses and industries using our products. We signed seven new agreements, covering key commodities such as calcined petroleum coke, catalysts, and aluminium fluoride that collectively will create over 300 new jobs for Saudi nationals, and contribute an additional SAR 1.45 bn to Saudi national GDP in the future. We also have a pipeline of opportunities we are working on with investors that have the potential to generate a further 1,400 Saudi jobs and a GDP contribution of SAR 1.2 bn.

As we move forward, Ma'aden is working with investors to localize the production of some of the key goods and services that Ma'aden buys to operate and develop new businesses and industries using our products.



We signed seven new agreements, covering key commodities such as calcined petroleum coke, catalysts, and aluminium fluoride that collectively will create over **300 new jobs for Saudi nationals**, and contribute an additional

**SAR 1.45bn**

to Saudi national GDP in the future.

We also have a pipeline of opportunities we are working on with investors that have the potential to generate a further **1,400 Saudi jobs** and a GDP contribution of

**SAR 1.2bn**

## Key highlights included:

- Ma'aden is participating in an early stage study with a local investor on the development of an onsite air separation unit to produce liquid nitrogen to directly supply Ma'aden's phosphate operations in Ras Al Khair.
- Ma'aden has signed a supply agreement with a local investor for the supply of calcined petroleum coke (CPC) for use in its aluminum smelter in Ras Al Khair.
- Ma'aden is currently working with a local investor on the development of a manufacturing facility to produce food and pharmaceutical grade aluminium foil, and aluminium cladding.
- Ma'aden is working with several local suppliers of recycled aluminium scrap to localize the supply of scrap metals to Ma'aden aluminium operations.
- Ma'aden is working with a local investor working in partnership with an overseas investor, to develop a geochemical analytical services laboratory in the Kingdom of Saudi Arabia. This will significantly increase the laboratory services capability and capacity in KSA and could potentially provide laboratory analytical services to Ma'aden, and other mining investors and exploration companies.

## Supply Chain Investment

In 2021, Ma'aden spent

**SAR 14.5bn**

on goods and services to support its activities.

A key element of our Local Content program is to drive the localization of the production and delivery of these goods and services. We have identified 82 categories where Ma'aden's current spend provides a significant opportunity to increase Local Content adding value to the Kingdom.

### Raw materials

Aluminium Scrap	Aluminum Fluoride	Antiscalants
Petroleum Coke	Alloys	Catalysts
Pitch	Coating Oil	Flocculants
Fatty Acid	Colouring Agent for DAP	Caustic Soda
Explosives	Limestone & Hydrated Lime	Refractory Bricks
Defoamer	Metal Products	Aluminum coating
Magnesium	Potash	
Sodium Cyanide	Manganese Based Alloys	

### Equipment

Power Transmission	Generators Rental	Safety Suppliers - PPE
Pipes and Fittings	Valves	Heavy Equipment Spares
Electrical & instrumentation	Pumps	Crushers, Breakers and Grinders
Conveyors	Compressors Rental & Maintenance	Tires and tire tubes
Hardware & Fasteners	Building & Construction Machinery	Nozzles
Filtration	Paints & Primers	Switches
Hydraulics	Hose	Straps
Fabricated Structural Assemblies	Tube	Cathode sealing bar
Bearing	Flange	Dewatering equipment
Seals	Computer Equipment & Accessories	Motor
Lubricant	Washers	Gaskets

## Services

Minin Operation	Facilities Management	Chartered Bus Service
Manpower supply	Drilling Services	Professional Engineering
Tanker truck transport	Management Consultancy	Refractory Services
Freight Forwarding	Conveyor Maintenance	Education & Training
General Maintenance	Catering Services	Security Management & Fire Safety
Ocean Freight	Waste Management	IT Consulting
Scaffold Services	Mobile Equipment	Hydro letting Services
Transport from mines	Event Management	Catalyst Services
Laboratory Services	Manufacturing Services	Gypsum Stacking

## Supply Chain

2030

**31 bn**  
Total Spend (SAR)

**15 bn**  
LC contribution (SAR)

**23 k**  
Saudi job creation

**43 bn**  
GDP Contribution (SAR)

These categories include goods and services purchased from overseas and from businesses based in KSA. In all instances, we believe an opportunity exists to increase the level of Local Content in their production and delivery.

We currently have investors registered and actively working on opportunities covering the 21 categories highlighted above. Cumulatively, these opportunities have the potential to increase Local Content by SAR 440 mn, deliver an additional 1.2bn annually to the national GDP, and create over 580 new jobs.

## Downstream Investment Opportunities

In 2021, we have increased our focus on Downstream Local Content opportunities. These are opportunities to build new businesses and create new jobs in KSA based on the outputs of Ma'aden's production. While much of Ma'aden's production brings valuable export revenues to the Kingdom our products also offer the opportunity for investors to create added value to the Kingdom's manufacturing sector.

We have identified a set of 36 priority Downstream investment opportunities across our aluminium, phosphate, and industrial minerals business.

### Aluminium

Aluminium Foil	Aluminium Slugs/Circle	Poly-Aluminum Chloride (PAC)
Aluminium Powder	Aluminium Wheels & Castings	Aluminum Alloy Drill Pipe
Aluminium Composite Panels	Aluminum Caps & Closures	Aluminum Blinds and Shades
Aluminium Extrusions	Aluminum Conductors	Aluminum Notch Bars
Aluminium Forgings	Aluminum Sulphate	
Aluminium Cabkes & Welding Wires	Aluminum Tubes/Pipes	

### Phosphate

Power Aluminium Fluoride	Dicalcium Phosphate	Sodium Fluorosilicate
Sulfuric Acid	Fertilizer grade Ammonium Nitrate	Low-Carbon Cement Clinker
Technical Grade Ammonium Nitrate	Silicon Dioxide	Monosodium Phosphate (Msp)
Ammonium Sulfate	Crystalline Map	
Monocalcium Phosphate (Mcp)	Monopotassium Phosphate (Mkp)	

### Industrial Minerals

Calcined Bauxite	Magnesia Carbon Bricks	Basic Monolithic Refractories
Ceramic Proppant	Metakaolin	Brown Sintered Alumina



**36**

Priority Market Opportunities (#)

**2.2 bn**

Local Contribution (SAR)

**7.4 bn**

Potential Investment Capex (SAR)

**2.6 bn**

GDP Contribution (SAR)

A structured program exists to register investors at all stages from feasibility to production.

We currently have investors registered and actively working on opportunities covering 8 downstream applications highlighted above. Cumulatively these opportunities have the potential to increase Local Content by SAR 1.3 bn, deliver an additional SAR 4.3 bn annually to the national GDP, and create over

**300 new jobs.**

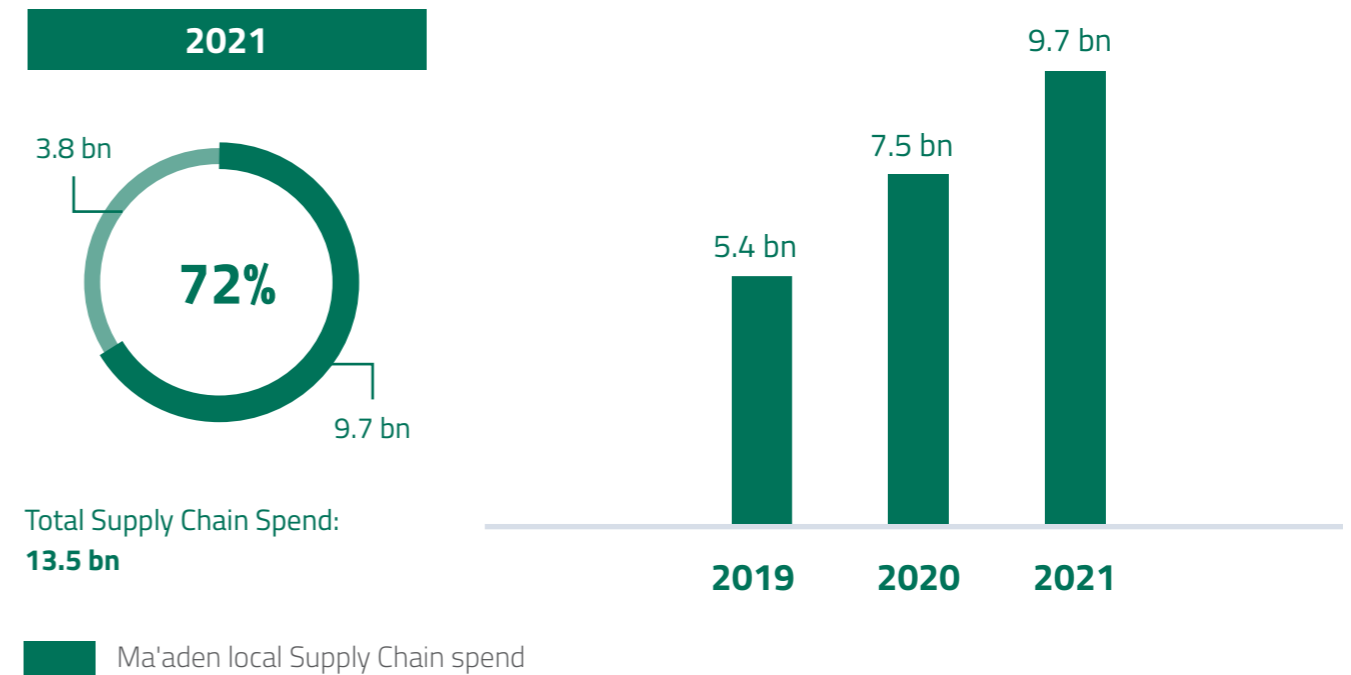
### Local Content in Procurement

Ma'aden is a major purchaser of goods and services from other businesses in the Kingdom. The scale of our procurement activities provides a key lever to maximize impact on the wider KSA economy, by supporting Saudi-based businesses.

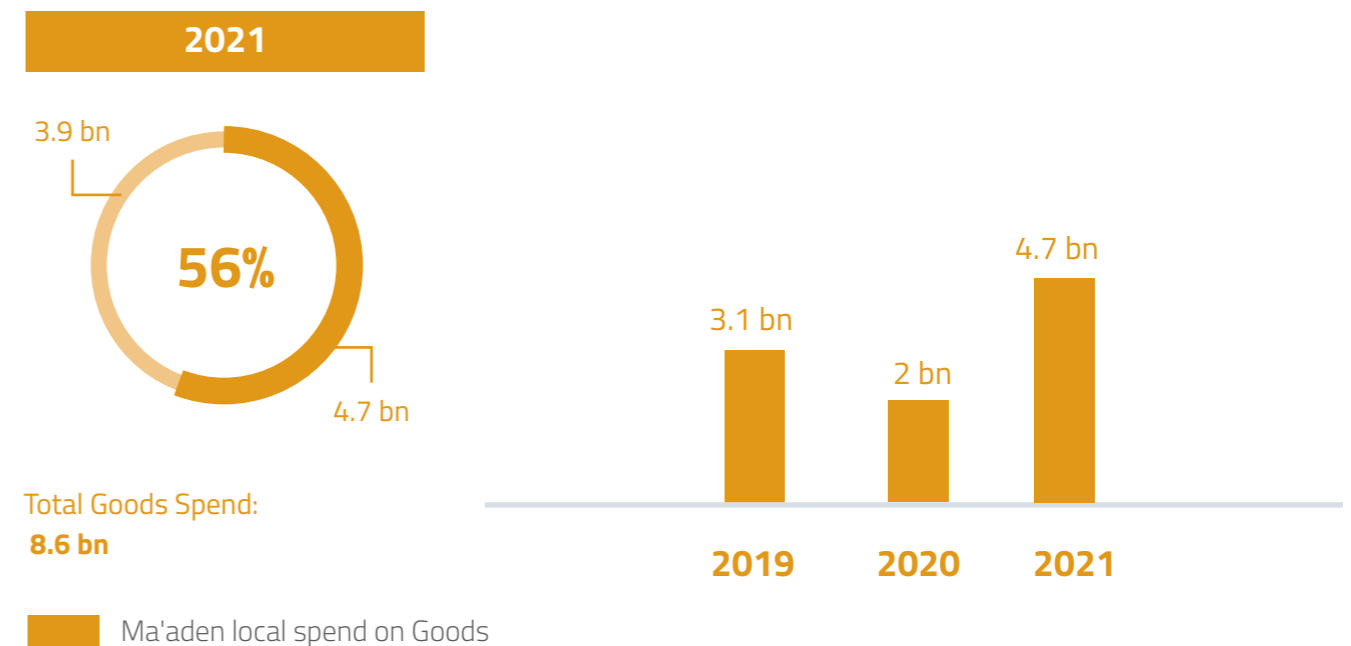
Local bidders, and particularly those that can demonstrate high levels of Local Content, are prioritized for inclusion in bidder lists. Bid documents highlight targets for key Local Content metrics and bid responses must include the bidders' commitments to meet or exceed those targets. All major tenders include Local Content in the evaluation of bid responses, which becomes a factor in the decision to award the contract. We also proactively seek suppliers who can support our strategic objective of providing economic and job creation opportunities for the communities in Remote Regions where we operate.

### Procurement Performance

Ma'aden spent SAR 9.7 bn in 2021 within KSA registered companies vs. 5.4 bn in 2019.



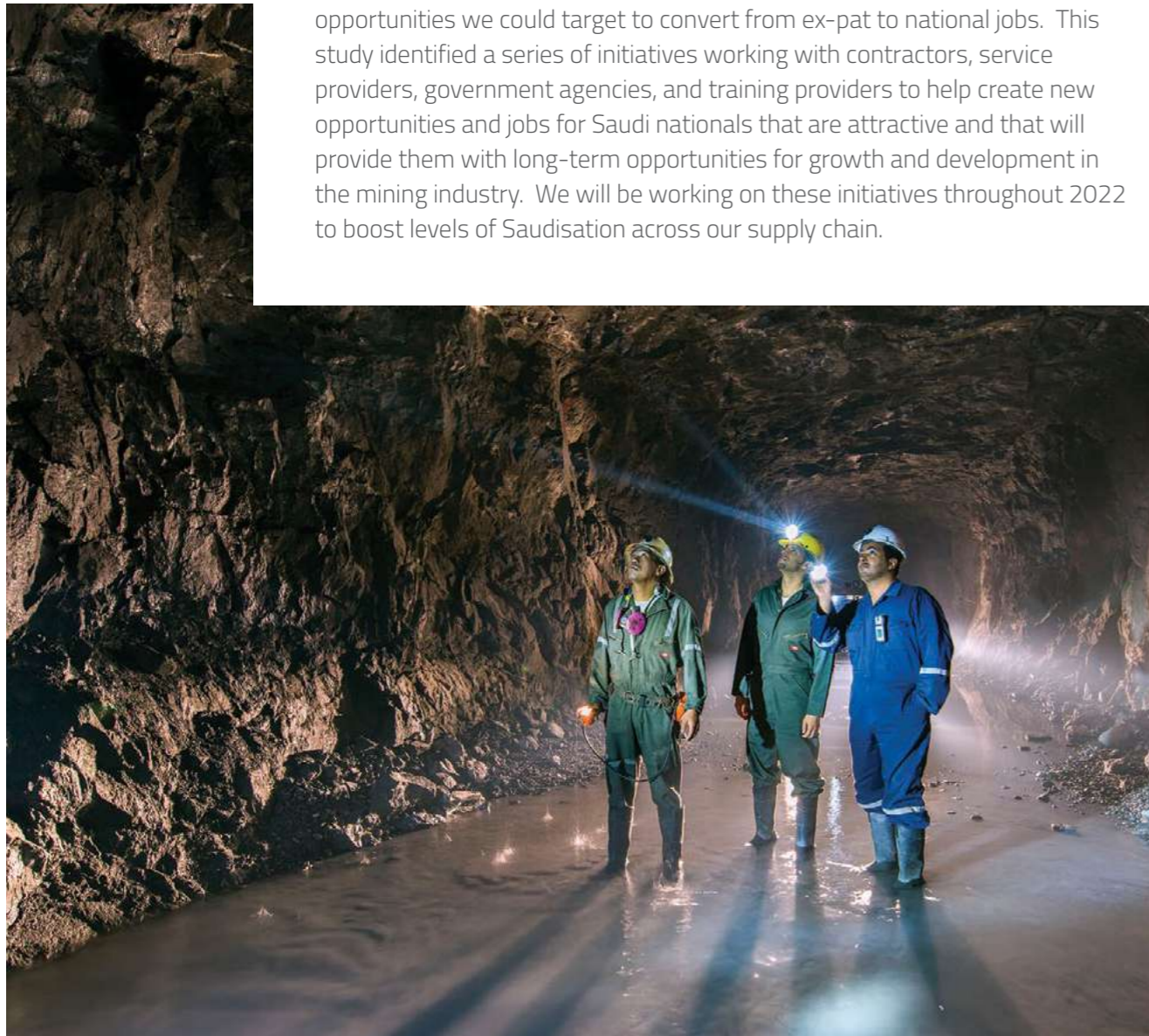
In 2021, SAR 4.7 bn of our spend on goods was placed with local manufacturers vs. SAR 3.1 bn in 2019.



## Workforce

Ma'aden is committed to working with our contractors and major service providers to provide attractive, sustainable jobs for Saudi nationals and boost the domestic skill base and capability in the mining industry.

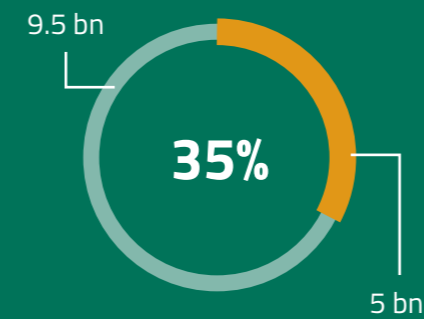
In 2021 we worked with our largest and most significant on-site contractors and service providers to understand the roles in our extended workforce and the current levels of Saudisation. This helps us to identify the roles and opportunities we could target to convert from ex-pat to national jobs. This study identified a series of initiatives working with contractors, service providers, government agencies, and training providers to help create new opportunities and jobs for Saudi nationals that are attractive and that will provide them with long-term opportunities for growth and development in the mining industry. We will be working on these initiatives throughout 2022 to boost levels of Saudisation across our supply chain.



# The Year in Numbers

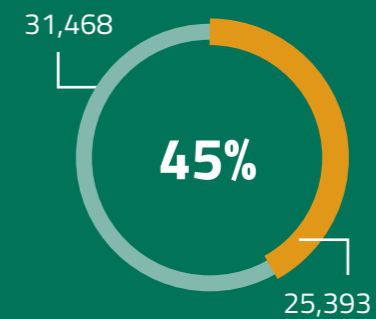
All figures are in SAR

### Supply Chain Local Content



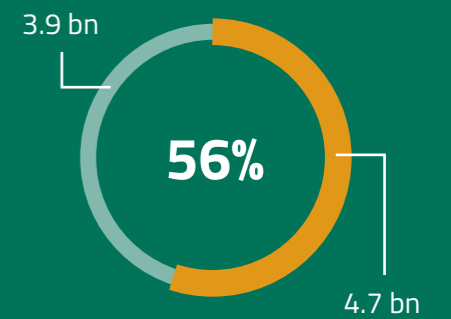
Total Supply Chain Spend (inc Bank)  
**14.5 bn**

### Supply Chain Saudization



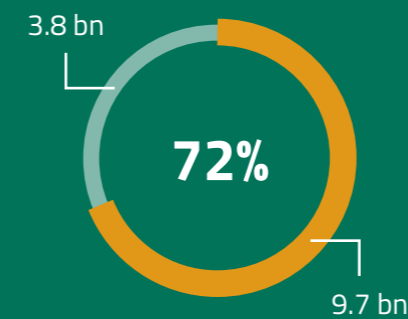
Total Supply Chain Employees:  
**56,861**

### Procurement Index



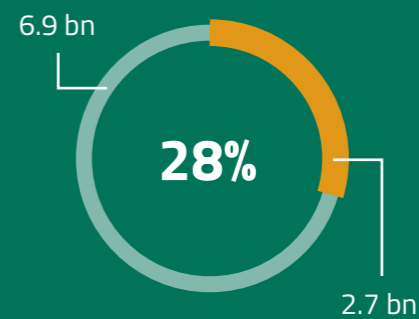
Total Goods Spend:  
**8.6 bn**

### Onshore Spend



Total Supply Chain Spend  
**13.5 bn**

### Local Spend to SME



Total Local Spend:  
**9.6 bn**

Ma'aden Local Content Contribution

# Delivery: Focus on Phosphate

05





Background



Ma'aden Phosphate Complex - Wa'ad Al Shamal Minerals Industrial City



Ma'aden phosphates are critical for food security all over the world.

Since beginning the commercial production of fertilizers in 2011, **Ma'aden** has grown to become the world's second-largest exporter of phosphate-based fertilizers. This helps hundreds of millions of people across the planet meet their food requirements.

Ma'aden is one of the world's largest producers of phosphates, responsible for

**18%**

of global annual trade

This growth has been underpinned by the high quality of our fertilizer products. The natural resources available in Saudi Arabia mean that Ma'aden fertilizer products are some of the purest available on the market, with very low levels of heavy metals. This has helped Ma'aden become a preferred supplier in many key agricultural markets.

As an integrated producer and supplier, we lie in the first quadrant of the global Ammonia and Phosphate cost curve, giving us a competitive advantage over many competitors.

We also enjoy a locational advantage due to our geographical position in Saudi Arabia. This provides us with access to key markets and allows us to benefit from the quality of the Kingdom's infrastructure.

Our location and geographical proximity to key demand centers provide us with a competitive advantage in the phosphate market. Shorter delivery times often make us the preferred choice in South Asian and East African markets. Our logistics capabilities have been continuously improved over the years leading to better on-time delivery and enhanced customer satisfaction. Supply chain management remains a key pillar of our business success and Ma'aden has accordingly invested in developing world-class logistical capacity.

We are committed to ensuring global food security and empowering farmers by providing high-quality products that improve crop quality and yield. Ma'aden's long-term strategy was shaped with very clear goals which have led to sustainable growth in sales and penetration of all major markets. This continued in 2021.

We are now firmly established as one of the world's largest producers of phosphates - responsible for 18% of global annual trade. Ma'aden's achievements are backed by a tailored regional strategy with places customer needs at the heart of everything that we do.

## The Global Market

Phosphate prices soared throughout 2021 driven by several market factors including strong farmer economics in the West, export restrictions in China and Russia, and lower than usual stocks in the east

In the first half of 2021, prices increased consistently driven by supply shortage in the US resulting from the imposition of countervailing duties on Moroccan and Russian fertilizers. Strong farmer economics in the West allowed the price increase across the Americas region. Lower than usual stocks in the Indian subcontinent and an increase in fertilizer subsidy in India led to steady buying in the region and additional strengthened the market.

Phosphate fertilizer price increase slowed globally and started showing signs of softness in the Americas region during August 2021 due to limited seasonal demand and growing availability.



**However, several significant market developments occurred during Sep-Oct 2021 which led to renewed price stability and growth across all markets:**

- China imposed restrictions on fertilizer export to ensure adequate domestic fertilizer supplies.
- Reduced production of ~500 KT at Mosaic facility in the US as a result of hurricane damage.
- A massive increase in natural gas prices in the European region as a result of a decrease in supply from Russia.
- Indian government revised the subsidy for a second time in 2021 in October to encourage fertilizer imports.

## Key Activities

**Ma'aden's position has continued to increase year on year through expansion and prudent investment.**

Phosphates remain a key element of our business portfolio and we will continue to invest in and grow our fertilizer business.

Our new state-of-the-art facility (Phosphate 3 project) at Wa'ad Al Shamal Industrial Mineral City and Ras Alkhair industrial city is currently under study and our new ammonia plant is under construction. With this new facility, our phosphate business is projected to maintain a strong global position as the second largest exporter globally, reinforcing our role as a cornerstone of Saudi Arabia's contribution to global food security.

Ma'aden's Phosphate 3 project will contribute a total of 3 million tons per year of additional fertilizer products, to help meet growing global demand.

Over the past decade, our investments in the production and supply of phosphate in Saudi Arabia have contributed significantly to the national economy, creating thousands of jobs, and producing millions of tons of products that have helped cultivate diverse crops around the world. With Phosphate 3, Ma'aden is continuing its journey of developing the north region around its phosphate reserves and contributing to community development, job creation, and the local economy – enhancing the quality of life for local people through investment, education, and health initiatives.

## Delivering for Customers

**Our phosphate and ammonia businesses continue to achieve success due to both the high quality of our products and our unwavering focus on understanding and responding to the needs of current and future customers.**

We continue to develop new product lines for existing markets and seek out opportunities to support customers in developing markets.

Our phosphate and ammonia business growth were supported by expansion into existing/new territories and markets with market share increasing to **36% in India, 13% in Brazil, 30% in Bangladesh, and 70% in East Africa**. This was supported by our 2019 acquisition of Meridian, an established supplier of fertilizer products in African markets. Through this acquisition, we have performed particularly strongly in those markets, where we have witnessed phosphate sales volume more than doubling since 2019.

**36%**  
in India

**30%**  
in Bangladesh

**13%**  
in Brazil

**70%**  
in East Africa

This year, we have also increased our focus on the supply of specialty phosphate products (NPKs/NPSs). These accounted for 14% of our fertilizer sales in 2021. We intend to further strengthen our specialty products portfolio and are confident that this segment will account for a significant portion of our sales as we move forward.

On the ammonia side, we maintained our strategic position and strengthened our position in the Far East ammonia markets, by further penetrating and increasing market share. However, in 2021 we have been affected by the ammonia shutdown in Ma'aden Phosphate company which resulted in a decrease in our ammonia production by 22% compared to the previous year.

## Moving Forward

Ma'aden has massive scope for expansion with the potential to grow production by nearly 50% in the coming years, through multiple initiatives and projects. Alongside this growth, we will be investing in improving the infrastructure to strengthen connectivity between our mines and processing plants, which will drive further efficiencies and increase shareholder and customer value.

**We will continue to develop routes into new and emerging markets as we move forward into 2021 and beyond.**

# Delivery: Focus on Aluminum

06



## Background

**Ma'aden Aluminium** is the only fully integrated Aluminum producer in the Gulf, and one of the largest such producers in the world. It is three interconnected companies that combine Mining, Refining, Smelting, Casting, and Rolling - offering a fully integrated value chain from bauxite mine to product, to market.



Ma'aden Aluminium Plant - Ras Al Khair

The company responsible for the Mine to Casting operation is a joint venture between Ma'aden and Alcoa.

Ma'aden Aluminium is a key part of the wider Ma'aden operations, delivering value for the company, Saudi Arabia, customers, and investors. We are a major contributor to Saudi Arabia's GDP and job creation, and an important enabler of the local downstream industries. Our cutting-edge, integrated aluminum complex supplies high-quality aluminum solutions to customers in both local and international markets.

**Our integrated aluminum value chain is the largest in the Middle East and one of the largest in the world with assets of over SAR 42 billion.** We have a strategic focus on operational, capital, and commercial excellence to enable our aluminum business to remain competitive in the face of rising raw material costs.

### Operational activities include:

- **Aluminium Smelting/Casting:** We have a focused effort on value-add castings (slabs and billets) and currently successfully operate our smelter at the highest amperage in the Aluminium Pechiney (AP club) of similar technologies.
- **Aluminium Rolling Mill:** Ma'aden operates a state-of-the-art facility focusing on Can Body, End and Tabs & Auto Sheet. In addition, we recycled > 20% of post-consumer scrap using our Can Reclamation Unit (CRU).
- **Bauxite Mining:** We are the only operator within the Gulf with local in-kingdom resources and reserves of Bauxite.
- **Alumina Refining:** Using the Bauxite mined locally, we refine our alumina, in a state-of-the-art high-temperature refinery.

### Market Overview

2021 saw the market recovering and a growth in demand as major economies recovered the ground lost during the 2020 pandemic. However, the global economy has still not yet regained pre-pandemic levels, suggesting that there is room for further growth.

The global economy remains fragile, and towards the end of the year had to balance the twin threats of the rise of new Covid 19 variants and inflationary pressure. This has resulted in weaknesses in some sectors, for instance, construction – with the slowdown of the Chinese construction market a particular concern. However, other sectors have proved more resilient, particularly packaging, electric vehicles, and renewable power. Aluminium stock levels have depleted over the year and the market has moved into a deficit. This has, in turn,

supported higher price levels, with demand for Aluminium outstripping supply resulting in higher prices. The outlook also remains positive due to the depletion of stock levels and supply shortfalls. Despite some uncertainty around demand, the supply/demand balance is expected to continue supporting higher price levels as we move into next year.

### Business Update

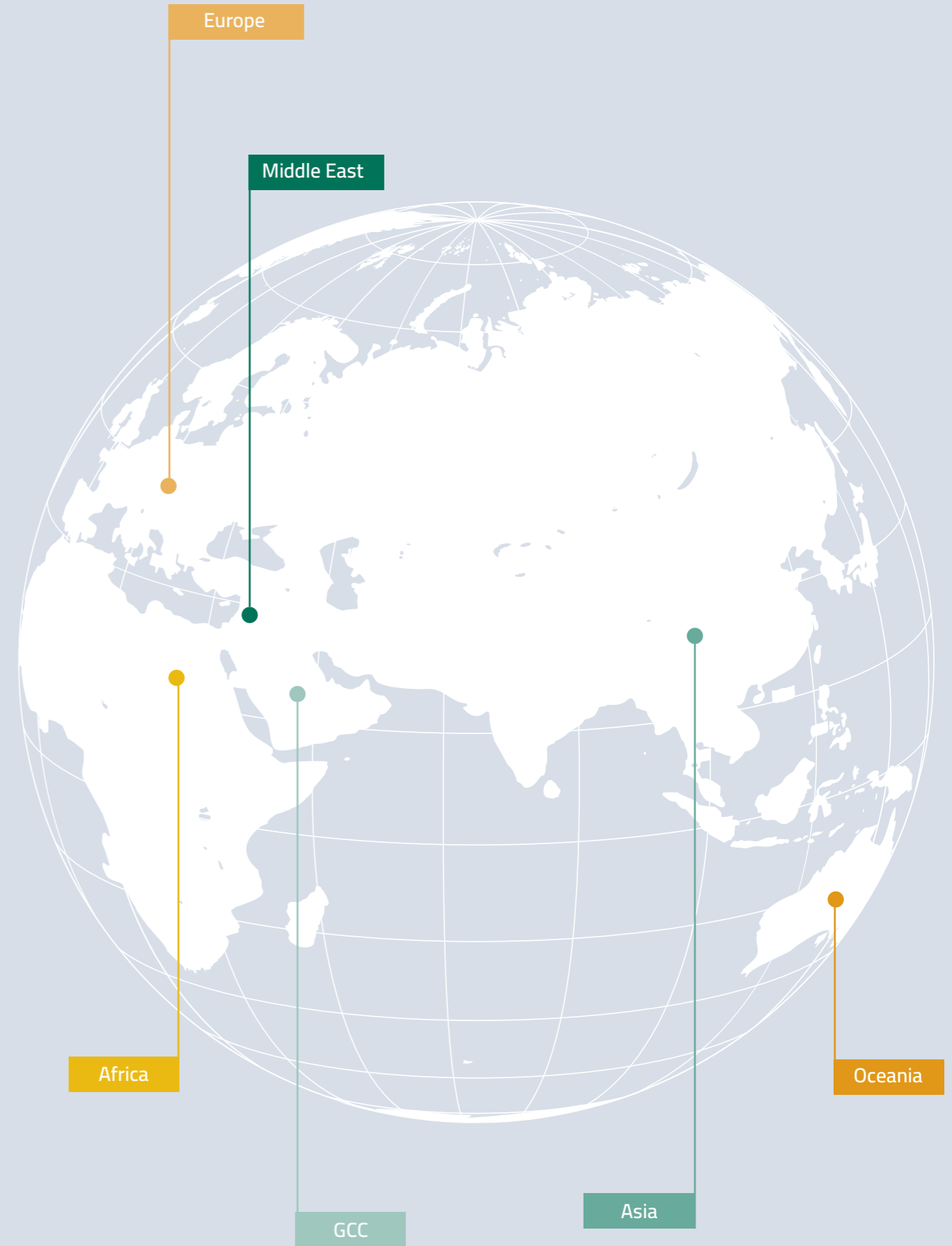
In response to the COVID-19 pandemic in 2020, Ma'aden Aluminium implemented stringent measures to protect the company's workforce, prevent infections, mitigate impacts, and ensure business continuity. Due to these actions, Ma'aden Aluminium has continued to operate without any disruption and has been well-placed to take advantage of the continuing recovery in 2021.

**The key factors that support our position in the market are the quality and range of our products and the quality and experience of our staff – a team of highly skilled employees, that offers a blend of global experience and local knowledge.**

Our product range also assists us in building a level of resilience, which will support our future ambitions. Throughout 2021, we have continued to innovate and bring new product lines onstream – such as the introduction of 6' Billets. This has supported us in moving into new markets globally, whilst retaining and growing strategic market share within our existing customer base.

Auto sales and Can Body Stock saw an average sales increase of approximately 10% during 2021. However, there was a 5% reduction in cansheet sales. These were due to plant reliability challenges caused by the pandemic. Underlying demand for cansheet remained strong throughout period.

# Aluminium Products Sales Destinations



## Key Achievements

Our continuing production of Slabs, Billets, Ingots, and the introduction of the new diameter 6' Billets to the local market have placed us on the path for further growth as market demand increases. Notable achievements this year have included:

- Ma'aden's Board approved Ma'aden's overall ESG Strategy to achieve Net Zero Emissions by 2050.
- In June 2021, Ma'aden Aluminum (MA) obtained ASI Performance Standard (PS) and Chain of Custody (CoC) certificates which demonstrate in a credible way that the business upholds the highest environmental, social, and ethical standards. CoC links MA practices to their products. This link starts with bauxite or recycled aluminum and continues right through each step of the supply chain to end users. In this way, responsible sourcing is linked to responsible production.
- In August 2021, MA began selling Can Body product that is certified by the Aluminum Stewardship Initiative (ASI). We sold around 25,600 tons of this product. We anticipate enlarging our offer of sustainable products in 2022.
- Ma'aden is aligned with ASI's sustainability priorities which have high-level challenges for our global future. These include targets around climate change, circular economy, supporting the natural environment, and protecting human rights.
- Ma'aden Rolling Company (MRC) achieved ISO 45001:2018 (Occupational Health & Safety Management System) certification at the start of the year.

- MRC was awarded to supply commercial volume to Jaguar Land Rover (JLR) for its new 2022 Range Rover Sport model. Ma'aden was awarded the highest share of aluminium inner parts in the vehicle.
- Ma'aden Rolling Company (MRC) started production to supply flat rolled products to Nissan for use in its USA Rogue 2022 model.
- MRC extended its coated end stock customer portfolio by commencing commercial supply to European customers through a relationship with Ball Ireland.



Ma'aden Aluminium Rolling Mill Plant - Ras Al Khair

## Moving Forward

**Ma'aden Aluminium's strategic focus continues to be on sustainably delivering high-quality products.**

We continue to explore investing in new facilities using the most current available technologies. This will help us achieve our wider sustainability goals, increase our output, and maintain our competitive production costs.



Ma'aden Aluminium Rolling Mill Plant - Ras Al Khair

We also continue to target and move into new markets, whilst consolidating the very strong market position we have in the Middle East and North Africa.

2020 was a challenging year for the industry, but we maintained strong sales levels and achieved record production. **2021 saw a recovery in demand and price levels. As a result of our strong business fundamentals, Ma'aden was well positioned to benefit from the recovery.**

# Delivery: Focus on Gold and Base Metals



07



Ma'aden  
Annual Report  
2021

## Background

Gold is an integral part of the Ma'aden success story. In the 12 years since our IPO, Ma'aden has grown from a small gold mining concern to a large-scale international gold and base metals company that operates six gold mines in Saudi Arabia.

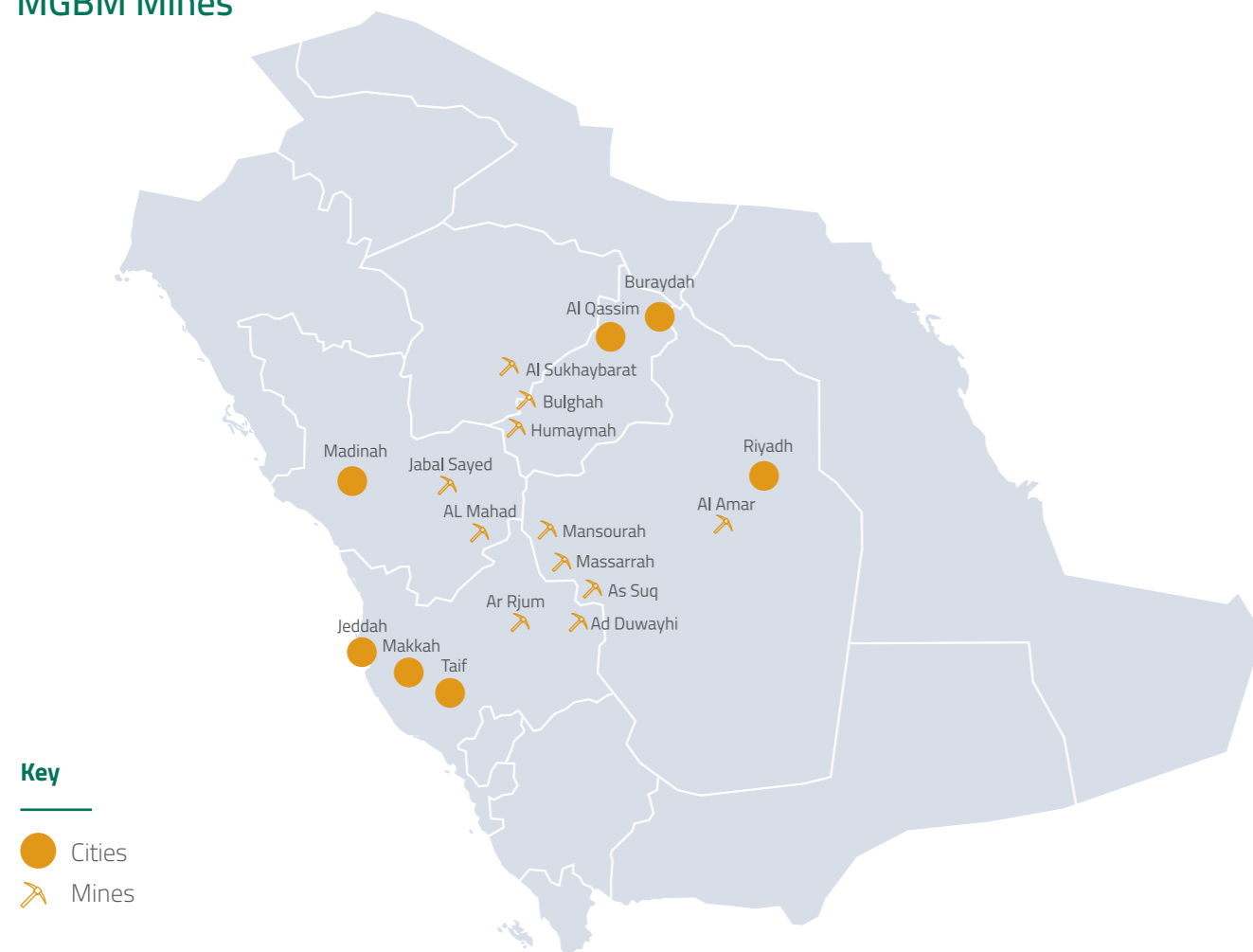
In only a decade, we have progressed from a new market entrant into an internationally renowned gold miner. Ma'aden's gold and base metals business has grown rapidly and currently accounts for 15% of our total revenue, driving shareholder value and significantly contributing to Saudi Arabia's GDP.

2021 saw further preparations towards achieving our targets around growth and expansion. We

currently have two further mines in development, - the Mansourah and Massarah mine, which is under construction, and the Ar Rjum mine, which is undergoing feasibility studies.

These new developments are key to our future expansion and growth. At Ma'aden, we are clear that this needs to be delivered in a sustainable way, which minimizes the impact of extraction on the environment and local host communities. Moving forward into 2022, we have challenging targets on reducing water and energy use, investing in local communities and supply chains, and extracting value and driving shareholder value.

## MGBM Mines



- Key**
- Cities
  - ↗ Mines

## Mine Performance 2021

In 2021, Ma'aden's gold recovery exceeded targets by 5.6% and milled tons exceeded targets by 10.5%. This resulted in the production of a total of 339,672 oz of gold from our six mines.

Ad Duwayhi, our largest producing gold mine, exceeded targets to produce

**182,908oz.**

of gold in the year.

Mine	Gold Production 2021 (oz)	Gold Production 2020 (oz)	Gold Production 2019 (oz)
Mahd Mine	23,636	28,929	27,154
Sukhabarat Mine	24,188	21,955	12,555
Bulghah Mine	56,829	56,569	49,155
Al-Amar Mine	29,008	31,968	27,772
As Suq Mine	23,103	20,412	19,228
Ad Duwayhi Mine	182,908	248,998	263,408



## Projects in Development

Saudi Arabia holds an estimated \$1.3 trillion worth of untapped mineral deposits. At Ma'aden, we are making use of that resource to boost the Kingdom's economy and improve the quality of life for citizens. We continue to identify new sources of mineral wealth to ensure that future generations are also able to benefit from the Kingdom's mineral wealth.

Currently, we have two new gold-mining projects under development. Work is continuing to complete the construction and engineering work on the Mansourah and Massarah goldmine project, which will become the largest gold project ever undertaken by Ma'aden. The level and scale of our ambition demonstrate the commitment of Ma'aden to identify and pursue growth investments in Saudi Arabia. The project will enter the commencing stage by the end of 2022.

This project has the potential to bring enormous benefits to local communities. We are already working with partners to ensure that local employees and supply chains benefit from the development of this new mine.



Projects in Development  
(Continued)

The Mansourah and Massarah project is an important element in **Ma'aden's** strategy to increase gold production to 1 million sustainable ounces per year, benefiting Saudi Arabia, and the local communities.

At the heart of this project is our commitment to sustainable development. This will be the first mine in Saudi Arabia to use solar energy as an energy source. It will also benefit from treated water transferred to the two mines through a pipeline of over 300 km pipeline, built by Ma'aden, connecting Taif city to the remote and scarce water area of the mine. We are also in the process of completing the necessary feasibility studies for the Ar Rjum Mine.

Focus on Copper

In addition to gold, Ma'aden also continues to successfully extract, process, and export copper. In 2021, a total of 2.832 million tons were processed at a grade of 2.62% and with a recovery rate of 92.6% resulting in 151.2 million pounds of copper. Moreover, the mine exceeded targets for both ore extraction and the production of copper concentrates. New Larox tailing and concentrate filters were fully operational this year, improving the efficiency of our processing plant. Tailings Storage Facility 3 was commissioned during the year and is now operational.

In 2021, 25 shipments of bulk copper concentrates were loaded from Yanbu commercial port, either to China, Japan, or India.

Ma'aden and Barrick Copper Company attaches great importance to the environment and the application of all relevant environmental regulations and regulations. Our ISO 14001 Environmental Management Certificate was renewed in January 2022 following an assessment that reported zero non-conformities. The company also received its ISO45001 Safety Management Certificate in June 2021.

▲  
**151.2**  
million pounds  
of copper in 2021

# Facing the Future

Ma'aden Gold Plant - Mahd Al Dahab



**Gold extraction** is an important and growing part of **Ma'aden's** business and a major contributor to the strength of Saudi Arabia's economy.

We see this as an ongoing area for future growth. In 2021, we learned a great deal about how new technology and investment can drive sustainability, efficiency, and better working practices. We will build on this learning as we move forward into 2022.

# Conclusion

2021 has demonstrated that the **Ma'aden** model is resilient and that our business fundamentals are strong. The results our team has delivered demonstrate that we are now an established force in the global mining industry.



Ma'aden Coper Mine - Jabal Sayid

Our acceleration in 2021 was partly a result of favorable market conditions as global demand increased for phosphate fertilizers and essential metals and minerals.

But we could only capitalize on the recovery of commodity prices and achieve record profits thanks to the strength of the foundations that we have, and the commitment and skills of our people.

As well as strengthening our global reach through strategic investments and partnerships in Africa and Asia and developing our core business at home in Saudi Arabia, we have also produced a roadmap for the future. This sets out an ambitious growth strategy for the coming decades. At the heart of this is our commitment to pursue growth built on values, ensuring that we develop in a way that protects people and places, and that reflects the needs of future as well as current generations.

In the last two years, Ma'aden has shown its resilience to withstand enormously disruptive global events. The business has proven that it can deliver value in difficult situations for consumers, shareholders, employees, and the Kingdom.

**We end the year in a very strong financial position, with exciting plans for the future.** Our growth ambitions will be supported by new developments and new explorations. We will continue to drive efficiencies, strive for ever higher safety standards, invest in new technologies, achieve ever higher sustainability standards, and deliver more value to investors.

As the world economy returns to normal, tremendous opportunities lie ahead for Ma'aden as we continue our journey to become a global mining giant.

As mentioned by our chairman

**THE BEST IS YET AHEAD.**

# Mineral Resources and Ore Reserves

09



Ma'aden  
Annual Report  
2021

# Mineral Resources and Ore Reserves

## Highlights

In 2021, Maaden operated twelve mines producing seven different minerals, either as sole operator or in joint venture.

Mining progressively depletes the mineral resource base, which is necessary to sustain and grow a mining business. Therefore, Ma'aden depends on the continued success of our exploration programmes to target, discover and evaluate new mineral resources.

Mineral exploration has long lead times. The benefit of several years work was realized when exploration and evaluation programmes completed in 2021 unlocked new opportunities from greenfield and brownfield exploration targets. This investment in exploration has significantly expanded our reported gold, phosphate and magnesite mineral resources.

Ma'aden achieved a significant increase in our reported mineral resources in 2021 with 23% increase in contained gold, a 118% increase in contained phosphate and a 1026% increase in magnesite mineral resources versus December 2020.

The addition of 4 billion tonnes of new phosphate mineral resources was achieved on Ma'aden's exploration licences adjacent to our Al Jalamid and Al Khabra mines. The addition of 616 million tonnes of contained phosphate is a material 118% increase year on year in our reported mineral resources. A total of 70 million tonnes of new gold mineral resources containing 3.9 million ounces from Mahd Adh Dhahab and Humaymah was added to the

portfolio after depletion by mining in 2021. This is a significant 23% increase year on year in the contained gold in our mineral resource portfolio.

Our industrial minerals resource portfolio was significantly expanded by the addition of 67 million tonnes of a new magnesite Mineral Resource at the Jabal Rokham exploration licence. This represents a 1026% increase year on year in our magnesite resource base.

The Mineral Resources in Ma'aden's project pipeline are progressively converted into Ore Reserves, which enable the development of large new mines. Two new open pit gold mines at Mansourah and Massarah feeding to a central processing plant are currently under construction. A major gold project at Ar Rjum, centred on the two mineral resources at Umm Naam and Waseemah, is in the feasibility study stage. Evaluation of significant new open pit gold mineral resource is in progress at our Mahd Adh Dhahab underground gold mine, and has the potential to deliver a significant extension of mine life.

## Reporting Standards

Mineral Resources and Ore Reserves are key assets of a mining company.

The Ore Reserve and Mineral Resource estimates in this Annual Report were prepared by Competent Persons in accordance with the requirements of (the JORC Code (the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves 2012 edition). The JORC Code represents

current global industry best practice for the public reporting of Ore Reserves and Mineral Resources.

The exception is the Jabal Sayid mine, where the estimates were prepared by Qualified Persons in accordance with the Canadian CIM 2014 Definition Standards for Mineral Resources and Mineral Reserves. There are no material differences between CIM 2014 and the JORC Code 2012 standards.

The reporting of Ma'aden's Ore Reserve and Mineral Resource estimates is in accordance with the principles of transparency, materiality and competence in the JORC Code for the estimation, classification, reporting in this annual report.

The Mineral Resources and Ore Reserves terminology used in this Annual Report follows the definitions in the JORC Code. Additional terms are defined in the Glossary section of the annual report.

These Mineral Resources and Ore Reserves estimates are reported at an effective date of 31 December 2020 after depletion by annual mine production and adjustments for changes in commodity prices, technical and economic factors. Previously reported Ma'aden Mineral Resources and Ore Reserves at 31 December 2020 and 31 December 2019 are shown for comparison purposes.

Mineral Resources are reported inclusive of the Mineral Resources converted to Ore Reserves. All estimates are reported on a dry tonnes basis.

Mineral Resource and Ore Reserve estimates are reported by commodity, project, development stage and licence. All estimates are reported as the total

for each project. The Ma'aden ownership interest is listed for each project.

Differences in Mineral Resources and Ore Reserves for gold, phosphate and metallurgical bauxite from 31 December 2020 to 31 December 2019 are presented as waterfall charts, which show the starting and closing balances and quantify and describe the causes of the changes.

Metric units are used throughout this report, except for troy ounces, which is common industry usage.

## Governance Standards

Ma'aden implemented a system of internal and external reviews to provide assurance that Ore Reserve and Mineral Resource estimates are estimated and reported in accordance with the JORC Code and global mining industry practice.

The principles governing the application of the JORC Code are transparency, materiality and competence. Transparency requires that the reader of a report is provided with sufficient information, in a clear and unambiguous form. Materiality requires public reporting of all relevant information, which investors would reasonably require in the reporting of Mineral Resources or Ore Reserves. Competence requires that the public report of Mineral Resources and Ore Reserves is prepared and certified by suitably qualified and experienced persons, 'Competent Persons'. Mineral Resources and Ore Reserves reported according to the JORC Code must accurately reflect the information and supporting documentation prepared by a Competent Person.

### Governance Standards (Continued)

The reported Ore Reserves and Mineral Resources estimated were prepared by or under the supervision of Competent Persons as defined in the JORC Code. All Competent Persons are required to have a minimum of five years relevant experience in the type of mineralisation and in the estimation which they are doing. Each must be a member of a recognised professional body whose members are bound by an enforceable professional code of ethics. Most estimates were prepared by independent Competent Persons, who are not employees of Ma'aden. The estimates which were prepared by Competent Persons who were Ma'aden employees were reviewed and countersigned by independent, external Competent Persons to confirm that the estimates comply with the requirements of the JORC Code. All Competent Persons consented to the inclusion of the estimates in this report of in the form and context in which it appears. The names of the Competent Persons, their membership of a Recognised Professional Organisation and their employer are listed in the relevant section of this report.

Ma'aden formally appointed a Resources and Reserves Committee, which is comprised of suitably experienced and qualified Competent Persons from within Ma'aden. The Committee is responsible for reviewing all annual Mineral Resource and Ore Reserve estimates to provide assurance that these were estimated and reported in accordance with JORC Code. The Committee's membership, authorities and accountabilities are mandated in a company charter approved by the Chief Executive Officer. The Committee reports to the Chief Executive Officer.

The Ma'aden Board approved the publication of the Mineral Resource and Ore Reserve estimates in this report.

### Commodity Prices

These Mineral Resource and Ore Reserve estimates are based on long term commodity price forecasts prepared annually by Ma'aden's Business Units.

#### Commodity Prices for Ma'aden's December 2021 Resources and Reserves

Mineral Commodity	Mineral Resource	Ore Reserve
Gold	\$1550/oz	\$1300/oz
Silver	\$20/oz	\$17/oz
Copper	\$7550/t	\$6300/t
Zinc	\$1550/oz	\$1300/oz

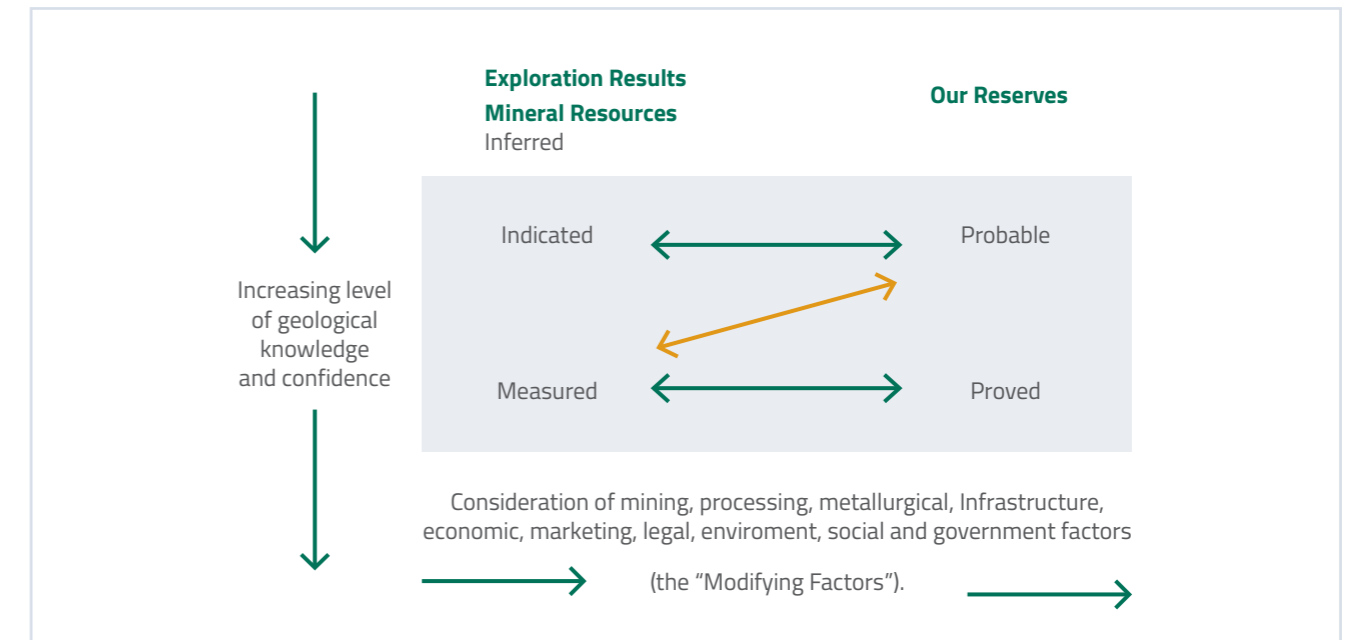
oz - troy ounce; t - metric tonne

Commodity prices for phosphate, metallurgical bauxite, kaolin and magnesite are not reported as these commodities are processed within Ma'aden's vertically integrated businesses or sold at multiple quality and chemical specifications.

### Resource And Reserve Classification

There is an inherent degree of uncertainty in the estimation of Mineral Resources and Ore Reserves when compared with the material when it is

ultimately mined and processed. This uncertainty is reflected in the Mineral Resource and Ore Reserve classifications of the JORC Code as shown below.



General relationship between Exploration Results, Mineral Resources and Ore Reserves (from the JORC Code 2012)

Extrapolation of operational performance from small-scale laboratory tests or pilot plants to full-scale production may not prove to be exact in practice and this may affect the Ore Reserves. Changes in assumptions for overburden removal, process plant recoveries and other operational factors may influence the tonnage and grade of an Ore Reserve and adversely affect the economic viability of a project. Volumes, grades and recoveries of Ore Reserves which are mined and processed may not be the same as currently anticipated.

According to the JORC Code, a Mineral Resource must have reasonable prospects for eventual economic extraction. The Competent Person must consider that there is a reasonable expectation that all or part of the Mineral Resources will eventually

become Ore Reserves, but there is no guarantee that this will occur subject to further technical and economic scoping, prefeasibility and feasibility studies and future economic conditions. An Ore Reserve must be economically mineable.

The tonnage and grade of the Mineral Resources and Ore Reserves are reported according to the classification system in the JORC Code. The classification reflects the judgement of the Competent Person confidence in the estimate subject to the understanding of the geology, geological continuity, grade variability, and the quantity, distribution, quality and confidence in the geoscientific data and information used to produce the estimate.

## Resource And Reserve Classification (Continued)

Mineral Resources and Ore Reserves are subject to change from depletion from mining, additional drilling, improved understanding of the mineralised deposits, and variations in commodity prices, mine production costs, mineral processing costs as well as mining, infrastructure, legal, environmental, social and governmental factors. The year on year changes to the Mineral Resources and Ore Reserves for gold, phosphate and metallurgical bauxite are shown in this annual report in tables and graphs. The Reserve Life stated in the Ore Reserves table is the scheduled extraction period in years in the Life of Mine Plan in the latest Ore Reserve report for the project.

The reported Ore Reserve tonnage and grade is the estimated metal or product as mined at the point of delivery to the processing plant, which follows common international practice. The Ore Reserve table shows the mining and processing methods for each Ore Reserve, forecast metallurgical recovery and forecast recoverable metal or mineral product.

The Mineral Resources and Ore Reserves estimates for phosphate, bauxite and industrial minerals are stated to one decimal place and for gold, copper and zinc to two decimal places. The Mineral Resources and Ore Reserves estimates in their source reports are more precise than are shown in the tables in this report, so minor apparent discrepancies may result if the tabulated figures are summed.

### Mining Law

Saudi Arabia recently enacted a new Mining Investment Law and Regulations, which came into effect from 1 January 2021. The new law introduced several significant changes to the previous law for exploration and mining licences including new licence application requirements, new surface rentals

for licences and ad valorem production royalty (severance), amongst other changes.

### Licences

The licence status of each mine and project is shown in the Mineral Resources and Ore Reserves tables.

Exploration licences confer the right to explore and evaluate only, while mining licences give the right to mine and process the material within the licence. Mineral Resource and Ore Reserve estimates are reported within licence applications where Ma'aden has a reasonable expectation that the licence applications will be renewed or granted. However, the decision to grant or renew is at the sole discretion of the relevant government authority.

### Definitions

The key definitions from the JORC Code, which are used in this report, are given below.

### JORC Code

The Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves 2012 edition (the JORC Code) is an internationally recognised professional code of practice which sets minimum standards for the public reporting of Exploration Results, Mineral Resources and Ore Reserves.

The JORC Code provides a system for the classification and reporting of Mineral Resources and Ore reserves according to the levels of confidence in geological knowledge and technical and economic considerations (as shown in the JORC Code 2012).

### Competent Person

A Competent Person is a minerals industry professional who is a Member or Fellow of the Australasian Institute of Mining and Metallurgy, or the Australian Institute of Geoscientists, or of a Recognized Professional Organization, which

is included in a list available on the JORC and Australian Securities Exchange websites. These organisations have enforceable disciplinary processes including the powers to suspend or expel a member. A Competent Person must have a minimum of five years relevant experience in the style of mineralisation or type of deposit under consideration and in the activity, which that person is undertaking.

### Exploration Results

Exploration Results include data and information generated by mineral exploration programmes which might be of use to investors, but which do not form part of a declaration of Minerals Resources or Ore Reserves. The reporting of such information is common in the early stages of exploration when the quantity of data available may not be sufficient to allow a reasonable estimate of a Mineral Resource.

### Exploration Target

An Exploration Target is a statement or estimate of the exploration potential of a mineral deposit in a defined geological setting where the statement or estimate, quoted as a range of tonnes and a range of grade (or quality) relates to mineralisation for which there has been insufficient exploration to estimate a Mineral Resource. Any such information must be expressed so that it cannot be misrepresented or misconstrued as an estimate of a Mineral Resource or Ore Reserve. There has been insufficient exploration to estimate a Mineral Resource and that it is uncertain if further exploration will result in the estimation of a Mineral Resource.

### Mineral Resource

A Mineral Resource is a concentration or occurrence of material of economic interest in or on the Earth's crust in such form, grade/quality and quantity that there are reasonable prospects for eventual economic extraction. The location, quantity, grade, continuity and other geological

characteristics of a Mineral Resource are known, estimated or interpreted from specific geological evidence and knowledge, including sampling. Mineral Resources are sub-divided in order of increasing geological confidence into Inferred, Indicated and Measured categories.

### Inferred Mineral Resource

An Inferred Mineral Resource is that part of a Mineral Resource for which quantity and grade or quality are estimated from limited geological evidence and sampling. Geological evidence is sufficient to imply, but not verify, geological and grade continuity. It is based on exploration, sampling and testing information gathered through appropriate techniques from locations such as outcrops, trenches, pits, workings and drill holes. An Inferred Resource has a lower level of confidence than that applying to an Indicated Mineral Resource and must not be converted to an Ore Reserve. It is reasonably expected that most of an Inferred Mineral Resource could be upgraded to an Indicated Mineral Resource with continued exploration.

### Indicated Mineral Resource

An Indicated Mineral Resource is that part of a Mineral Resource for which the quantity, grade, quality, density, shape and physical characteristics are estimated with sufficient confidence to allow the application of modifying factors in sufficient detail to support mine planning and evaluation of the economic viability of the deposit. Geological evidence is derived from adequately detailed and reliable exploration, sampling and testing gathered through appropriate techniques from locations such as outcrops, trenches, pits, workings and drill holes, and is sufficient to assume geological and grade/quality continuity between points where data and samples are gathered. An Indicated Mineral Resource has a lower level of confidence than for a Measured Mineral Resource and may be converted to a Probable Ore Reserve only.

### Measured Mineral Resource

Measured Mineral Resource is that part of a Mineral Resource for which the quantity, grade, quality, density, shape and physical characteristics are estimated with confidence sufficient to allow the application of Modifying Factors to support detailed mine planning and final evaluation of the economic viability of the deposit. Geological evidence is derived from adequately detailed and reliable exploration, sampling and testing gathered through appropriate techniques from locations such as outcrops, trenches, pits, workings and drill holes, and is sufficient to confirm geological and grade/quality continuity between points where data and samples are gathered. A Measured Mineral Resource has a higher level of confidence than that applying to either an Indicated Mineral Resource or an Inferred Mineral Resource. It may be converted to a Proved Ore Reserve or under certain circumstances to a Probable Ore Reserve.

### Modifying Factors

Modifying Factors are considerations used to convert Mineral Resources to Ore Reserves. These include, but are not restricted to, mining, processing, metallurgical, infrastructure, economic, marketing, legal, environmental, social and governmental factors.

### Ore Reserve

An Ore Reserve is the economically mineable part of a Measured or Indicated Mineral Resource. It includes diluting materials and allowances for losses, which may occur when the material is mined or extracted and is defined by studies at Pre-Feasibility or Feasibility level, as appropriate, which include the application of Modifying Factors. Such studies demonstrate that, at the time of reporting, economic mining and processing could reasonably be justified. The key underlying assumptions and outcomes of the pre-feasibility study or feasibility study must be disclosed at the time of reporting of a new or materially changed Ore Reserve. Ore

Reserves are sub-divided in order of increasing confidence into Probable and Proved classifications.

### Probable Ore Reserve

A Probable Ore Reserve is the economically mineable part of an Indicated, and in some circumstances, a Measured Mineral Resource. The confidence in the Modifying Factors applying to a Probable Ore Reserve is lower than that applying to a Proved Ore Reserve. A Probable Ore Reserve has a lower level of confidence than a Proved Ore Reserve but is of sufficient quality to serve as the basis for a decision on the development of the deposit.

### Proved Ore Reserve

A Proved Ore Reserve is the economically mineable part of a Measured Mineral Resource. A Proved Ore Reserve implies a high degree of confidence in the Modifying Factors. A Proved Ore Reserve is the highest confidence category of an Ore Reserve estimate. The style of mineralisation or other factors could mean that Proved Ore Reserves are not achievable in some mineral deposits.

### Scoping Study

A Scoping Study is an order of magnitude technical and economic study of the potential viability of a Mineral Resource. It includes appropriate assessment of realistically assumed Modifying Factors together with any other relevant operational factors, which are necessary to demonstrate at the time of reporting that progress to a Pre-Feasibility Study can reasonably be justified.

### Pre-Feasibility Study

A Pre-Feasibility Study is a comprehensive study of a range of options for the technical and economic viability of a mineral project, which has advanced to a stage where a preferred method of underground or pit mining is established and an effective method of mineral processing is determined. It includes a financial analysis based on reasonable assumptions on the Modifying Factors and the evaluation of

any other relevant factors, which are sufficient for a Competent Person, acting reasonably, to determine if all or part of the Mineral Resources may be converted to an Ore Reserve at the time of reporting. A Pre-Feasibility Study is at a lower confidence level than a Feasibility Study.

### Feasibility Study

A Feasibility Study is a comprehensive technical and economic study of the selected development option for a mineral project, which includes appropriately detailed assessments of the applicable Modifying Factors together with any other relevant operational factors and detailed financial analysis which are necessary to demonstrate at the time of reporting that extraction is reasonably justified (economically mineable). The results of the study may reasonably serve as the basis for a final decision by a proponent or financial institution to proceed with, or finance, the development of the project. The confidence level of the study will be higher than that of a Pre-Feasibility Study.

### Annual Change Graphs

The definitions in the waterfall graphs showing the quantum and types of changes in the Mineral Resource and Ore Reserves from 31 December 2020 to 31 December 2021 are listed below.

### Reserve Life

Reserve life is the remaining years of mining and processing according to the life of mine plan in the 2021 Ore Reserve report.

### Grade

Grade is the estimate of the quantity, percentage or quality of a metal or mineral contained within a mineral deposit.

### Cutoff grade

Cutoff grade is the grade above or below which the Mineral Resource or Ore Reserve is determined to be economic.

### Mining Depletion

Mining depletion is the reduction in the Ore Reserve or Mineral Resource due to annual mine production estimated from mine survey and production reconciliation.

### New Data

New data is that which is acquired from new drilling, sampling, chemical analyses, geotechnical, metallurgical, technical and financial studies.

### Cost Factors

Cost factors are the operating, capital, processing and transport costs used to estimate the economics of extraction of the Mineral Resource and economic mineability of the Ore Reserve.

### Estimation methodology

Estimation methodology is method which is used by the Competent Person to estimate the tonnes, grade, quality or confidence level of the estimates to classify the Mineral Resource or Ore Reserve.

### Life of Mine Plan

The Life of Mine Plan is the approved long term plan for the design, development, ore extraction and processing of a mine in the Ore Reserve report prepared by a Competent Person.

### Revenue Factors

Revenue factors are changes in the sale prices of the mineral commodity and foreign currency exchange rates used to convert the international market price to the local currency .

### Stockpiles

Stockpile changes are annual changes in the tonnage and grade or classification of the Mineral Resource or Ore Reserve classification of ore in temporary storage after mining but before processing.

## Glossary of Abbreviations

<b>Al<sub>2</sub>O<sub>3</sub></b>	Aluminium oxide, also known as alumina
<b>Au</b>	Gold
<b>CEng</b>	Chartered Engineer of the Institute of Materials, Mining and Metallurgy
<b>CF</b>	Column flotation of phosphate ore
<b>CGeol</b>	Chartered Geologist of the Geological Society of London
<b>CIL</b>	Carbon in leach extraction of gold ore
<b>CIP</b>	Carbon in pulp extraction of gold ore
<b>CPGeo</b>	Chartered Professional (Geology) Australasian Institute of Mining and Metallurgy
<b>CPMin</b>	Chartered Professional (Mining) of the Australasian Institute of Mining and Metallurgy
<b>Cu</b>	Copper
<b>DS</b>	Direct shipping ore
<b>EFG</b>	European Federation of Geologists
<b>EL</b>	Exploration licence
<b>EurGeol</b>	European Geologist member of the European Federation of Geologists
<b>Expl</b>	Exploration
<b>FAusIMM</b>	Fellow of the Australasian Institute of Mining and Metallurgy
<b>FGS</b>	Fellow of the Geological Society of London
<b>FGS (CGeol)</b>	Fellow of the Geological Society of London and Chartered Geologist
<b>FS</b>	Feasibility study
<b>g/t</b>	Grammes per tonne
<b>HL</b>	Heap leach processing of gold ore
<b>lb</b>	Pound (453.6 grammes)
<b>LPZ</b>	Al Jalamid lower phosphate zone
<b>% Ma'aden</b>	Ma'aden share of ownership
<b>MAusIMM</b>	Member of the Australasian Institute of Mining and Metallurgy
<b>MBCC</b>	Ma'aden Barrick Copper Company
<b>MF</b>	Mechanical flotation of gold, copper, zinc and phosphate ores

## Glossary of Abbreviations (Continued)

<b>MGBM</b>	Ma'aden Gold and Base Metals Company
<b>MIGI</b>	Member of the Institute of Geologists of Ireland
<b>MIMMM</b>	Member of the Institute of Materials, Mining and Metallurgy
<b>MgO</b>	Magnesium oxide
<b>ML</b>	Mining licence
<b>MLA</b>	Mining licence application
<b>Moz</b>	Million troy ounces
<b>MSAIMM</b>	Member of South African Institute of Mining and Metallurgy
<b>Mt</b>	Million metric tonnes
<b>OP</b>	Open pit mine
<b>oz</b>	Troy ounce (31.104 grammes)
<b>P<sub>2</sub>O<sub>5</sub></b>	Phosphorus pentoxide
<b>PFS</b>	Prefeasibility study
<b>PH</b>	Phosphate horizons 1, 2, 3 and 4 at Al Khabra mine
<b>POX</b>	Pressure oxidation processing of gold ore
<b>SC</b>	Screening to separate a fine and coarse ore fraction
<b>SiO<sub>2</sub></b>	Silicon dioxide
<b>SME</b>	Registered Member of the Society for Mining, Metallurgy and Exploration
<b>TAA</b>	Total available alumina (Al <sub>2</sub> O <sub>3</sub> )
<b>UG</b>	Underground mine
<b>UPZ</b>	Al Jalamid upper phosphate zone
<b>Zn</b>	Zinc



### Ore Reserves at 31 December 2020

					31 Dec 2021 Ore Reserves				31 Dec 2021 Ore Reserves										
					Proved		Probable		Proved + Probable										
Phosphate	Project	Ma'aden %	Project Stage	Mine Type	Metallurgy	Mt	%P <sub>2</sub> O <sub>5</sub>	% MgO		Mt	%P <sub>2</sub> O <sub>5</sub>	% MgO	% SiO <sub>2</sub>	Mt	%P <sub>2</sub> O <sub>5</sub>	% MgO		Contained Mt P <sub>2</sub> O <sub>5</sub>	
	Al Jalamid ML	70%	Mine	OP	SC+MF	150	20.3	3.5		123	18.1	4.5		273	19.3	4.5		52.7	
	Project	% Ma'aden	Project Stage		Mine	Mt	%P <sub>2</sub> O <sub>5</sub>	% SiO <sub>2</sub>		Mt	%P <sub>2</sub> O <sub>5</sub>	% SiO <sub>2</sub>		Mt	%P <sub>2</sub> O <sub>5</sub>	% SiO <sub>2</sub>		Contained Mt P <sub>2</sub> O <sub>5</sub>	
	Al Khabra ML	60%	Mine	OP	SC+MF	275	17.0	10.0		97	16.0		10.2	386	16.7		10.1	64.6	
	Umm Wu'al B6 ML	60%	Prefeasibility	OP	MF					280	16.2		2.3	280	16.2		2.3	45.4	
	Umm Wu'al B4-5 ML	100%	Prefeasibility	OP	CF	189	15.8	2.6		145	15.4		3.0	334	15.6		2.8	52.1	
	Umm Wu'al B10-11 ML	100%	Prefeasibility	OP	SC					59	18.8		2.7	59	18.8		2.7	11.1	
	<b>Total</b>					<b>614</b>	<b>17.4</b>			<b>704</b>	<b>16.6</b>			<b>1332</b>	<b>16.8</b>			<b>226</b>	
	<b>Metallurgical Bauxite</b>																		
	Project	Ma'aden %	Project Stage	Mine Type	Metallurgy	Mt	% Al <sub>2</sub> O <sub>3</sub>	%TAA	% SiO <sub>2</sub>	Mt	% Al <sub>2</sub> O <sub>3</sub>	%TAA	% SiO <sub>2</sub>	Mt	% Al <sub>2</sub> O <sub>3</sub>	%TAA	% SiO <sub>2</sub>	Contained Mt Bauxite	
	Al Ba'itha ML	75%	Mine	OP	DS	72.0	57.4	50.0	8.0	124.1	55.9	46.6	10.4	196.6	56.4	47.9	9.5	196.6	
	<b>Industrial Bauxite</b>																		
	Project	Ma'aden %	Project Stage	Mine Type	Metallurgy	Mt	% Al <sub>2</sub> O <sub>3</sub>	%TAA	% SiO <sub>2</sub>	Mt	% Al <sub>2</sub> O <sub>3</sub>	%TAA	% SiO <sub>2</sub>	Mt	% Al <sub>2</sub> O <sub>3</sub>	%TAA	% SiO <sub>2</sub>	Contained Mt Bauxite	
	Az Zabirah ML	100%	Mine	OP	DS	2.6	53.2	40.2	14.9	3.5	53.9	41.3	14.6	6.1	53.5	40.7	14.7	6.1	
	<b>Kaolin</b>																		
	Project	Ma'aden %	Project Stage	Mine Type	Metallurgy	Mt	% Al <sub>2</sub> O <sub>3</sub>		% SiO <sub>2</sub>	Mt	% Al <sub>2</sub> O <sub>3</sub>		% SiO <sub>2</sub>	Mt	% Al <sub>2</sub> O <sub>3</sub>		% SiO <sub>2</sub>	Contained Mt Kaolin	
	Az Zabirah ML	100%	Mine	OP	DS	0.5	32.7		40.5	1.6	35.1		40.5	2.1	34.2		40.4	2.1	
	<b>Magnesite</b>																		
	Project	Ma'aden %	Project Stage	Mine Type	Metallurgy	Mt	% MgO	CaO%	SiO <sub>2</sub>	Mt	% MgO	CaO%	SiO <sub>2</sub>	Mt	% MgO	CaO%	SiO <sub>2</sub>	Contained Mt MgO	
	Al Ghazalah ML	100%	Mine	OP	DS	0.3	46.4	1.6	0.6	2.5	43.3	4.0	2.5	2.8	43.8	3.6	2.2	1.24	
	<b>Gold</b>																		
	Project	Ma'aden %	Project Stage	Mine Type	Metallurgy	Mt	g/t Au			Mt	g/t Au			Mt	g/t Au			Contained Moz Au	
	Ad Duwayhi ML	100%	Mine	OP	GR+CIL	1.95	3.24			18.1	1.44			20.0	1.61			1.04	
	Bulghah ML	100%	Mine	OP	HL+CIL					33.0	0.86			33.0	0.86			0.91	
	Sukhaybarat ML	100%	Mine	OP	HL+CIL					19.0	0.98			19.0	0.98			0.60	
	As Suq ML	100%	Mine	OP	HL					3.5	1.32			3.5	1.32			0.15	
	Mansourah ML	100%	Construction	OP	MF+POX+CIL	12.40	2.49			15.3	2.6			27.7	2.53			2.25	
	Massarah ML	100%	Construction	OP	MF+POX+CIL	3.10	2.08			14.1	2.0			17.2	2.00			1.10	
	Ar Rjum Waseemah ML	100%	Prefeasibility	OP	CIL	13.30	1.56			21.00	1.6			34.3	1.57			1.73	
	Ar Rjum Umm Naam ML	100%	Prefeasibility	OP	CIL	14.20	1.26			11.90	1.5			26.1	1.35			1.13	
	Project	Ma'aden %	Project Stage	Mine Type	Metallurgy	Mt	g/t Au	% Cu	% Zn	Mt	g/t Au	% Cu	% Zn	Mt	g/t Au	% Cu	% Zn	Contained Moz Au	
	Al Amar ML	100%	Mine	UG	MF+CIL					0.90	4.50	0.4	3.8	0.9	4.50	0.40	3.8	0.13	
	Project	Ma'aden %	Project Stage	Mine Type	Metallurgy	Mt	g/t Au	% Cu	% Zn	Mt	g/t Au	% Cu	% Zn	Mt	g/t Au	% Cu	% Zn	Contained Moz Au	
	Mahd Ad Dhahab ML Underground	100%	Mine	UG	MF+CIP	0.16	5.10	0.5	1.3	0.32	4.13	0.4	1.0	0.48	4.45	0.42	1.1	0.07	
	<b>Total</b>					<b>45.1</b>	<b>1.84</b>			<b>137.1</b>	<b>1.46</b>			<b>182.3</b>	<b>1.55</b>			<b>9.1</b>	
	<b>Copper</b>																		
	Project	Ma'aden %	Project Stage	Mine Type	Metallurgy	Mt	% Cu	g/t Au	% Zn	Mt	% Cu	g/t Au	% Zn	Mt	% Cu	g/t Au	% Zn	Contained Mt Cu	
	Jabal Sayid ML	50%	Mine	UG	MF	13	2.3	0.2	0.14	13.30	2.2	0.3	0.48	26	2.3	0.3	0.3	0.59	

Ore Reserves at 31 December 2020 (Continued)

31 Dec 2021 Mine Plan				2021 - 2020 Ore Reserve Changes			31 Dec 2020 Ore Reserves				31 Dec 2019 Ore Reserves				31 Dec 2018 Ore Reserves			
							Proved + Probable				Proved + Probable				Proved + Probable			
<b>Phosphate</b>																		
Project	% Recovery	Recoverable Mt P <sub>2</sub> O <sub>5</sub>	Reserve Years	Mt	Contained Mt P <sub>2</sub> O <sub>5</sub>	% Change Mt P <sub>2</sub> O <sub>5</sub>	Mt	%P <sub>2</sub> O <sub>5</sub>	% MgO	Mt P <sub>2</sub> O <sub>5</sub>	Mt	%P <sub>2</sub> O <sub>5</sub>	% MgO	Mt P <sub>2</sub> O <sub>5</sub>	Mt	%P <sub>2</sub> O <sub>5</sub>	% MgO	Mt P <sub>2</sub> O <sub>5</sub>
Al Jalamid ML	69%	36.3	19	-18.6	-3.1	-6%	292	19.1	4.0	55.8	252	19.6	3.5	49.4	265	19.8	3.5	52.5
Project	% Recovery	Recoverable Mt P <sub>2</sub> O <sub>5</sub>	Reserve Years	Mt	Contained Mt P <sub>2</sub> O <sub>5</sub>	% Change Mt P <sub>2</sub> O <sub>5</sub>	Mt	%P <sub>2</sub> O <sub>5</sub>	% SiO <sub>2</sub>	Mt P <sub>2</sub> O <sub>5</sub>	Mt	%P <sub>2</sub> O <sub>5</sub>	% SiO <sub>2</sub>	Mt P <sub>2</sub> O <sub>5</sub>	Mt	%P <sub>2</sub> O <sub>5</sub>	% SiO <sub>2</sub>	Mt P <sub>2</sub> O <sub>5</sub>
Al Khabra ML	68%	43.9	24	-0.1	0.8	1%	386	16.5	9.9	63.8	394	16.5	9.8	65.2	409	16.4	12.4	67.1
Umm Wu'al B6 ML	70%	31.8	20	-5	0	0%	285	16.0	2.3	45.4	285	16.0	2.3	45.4	285	16.0	2.3	45.4
Umm Wu'al B4-5 ML	91%	47.4	30	0	0	0%	334	15.6	2.8	52.1	334	15.6	2.8	52.1	334	15.6	2.8	52.1
Umm Wu'al B10-11 ML	59%	6.5	17	-23.1	-2.7	-25%	82	16.9	10.3	13.8	82	16.9	10.3	13.8	82	16.9	10.3	13.8
<b>Total</b>	<b>73%</b>	<b>166</b>		<b>-46.3</b>	<b>-5.1</b>	<b>-2%</b>	<b>1378</b>	<b>16.8</b>		<b>230.9</b>	<b>1346</b>	<b>16.8</b>		<b>225.9</b>	<b>1375</b>	<b>16.8</b>		<b>230.9</b>
<b>Metallurgical Bauxite</b>																		
Project	% Recovery	Recoverable Mt Bauxite	Reserve Years	Mt	Contained Mt bauxite	% Change Mt Bauxite	Mt	%TAA	% SiO <sub>2</sub>	Mt Bauxite	Mt	%TAA	% SiO <sub>2</sub>	Mt Bauxite	Mt	%TAA	% SiO <sub>2</sub>	Mt Bauxite
Al Ba'itha ML	100%	197	36	13.2	13.2	7%	183.4	48.2	9.3	183.4	187.8	48.2	9.2	187.8	192.2	48.2	9.2	192.2
<b>Industrial Bauxite</b>																		
Project	% Recovery	Recoverable Mt Bauxite	Reserve Years	Mt	Contained Mt bauxite	% Change Mt Bauxite	Mt	% Al <sub>2</sub> O <sub>3</sub>	% SiO <sub>2</sub>	Mt Bauxite	Mt	% Al <sub>2</sub> O <sub>3</sub>	% SiO <sub>2</sub>	Mt bauxite	Mt	% Al <sub>2</sub> O <sub>3</sub>	% SiO <sub>2</sub>	Mt bauxite
Az Zabirah ML	100%	6.1	16	-0.5	-0.5	-8%	6.6	53.6	14.7	6.6	7.0	53.6	14.7	7.0	7.3	53.6	14.8	7.3
<b>Kaolin</b>																		
Project	% Recovery	Recoverable Mt Kaolin	Reserve Years	Mt	Contained Mt kaolin	% Change Mt Kaolin	Mt	% Al <sub>2</sub> O <sub>3</sub>	% SiO <sub>2</sub>	Mt aolin	Mt	% Al <sub>2</sub> O <sub>3</sub>	% SiO <sub>2</sub>	Mt kaolin	Mt	% Al <sub>2</sub> O <sub>3</sub>	% SiO <sub>2</sub>	Mt kaolin
Az Zabirah ML	100%	2.1	16	-0.2	-0.2	-10%	2.3	34.2	40.4	2.3	2.4	34.3	40.5	2.4	2.5	34.2	40.4	2.5
<b>Magnesite</b>																		
Project	% Recovery	Recoverable Mt MgO	Reserve Years	Mt	Contained Mt MgO	% Change Mt MgO	Mt	% MgO	% SiO <sub>2</sub>	Mt MgO	Mt	% MgO	% SiO <sub>2</sub>	Mt MgO	Mt	% MgO	% SiO <sub>2</sub>	Mt MgO
Al Ghazalah ML	100%	1.24	36	-0.2	-0.1	-8%	3.0	43.8	2.2	1.3	2.9	43.4	2.3	1.0	3.1	43.5	2.2	1.3
<b>Gold</b>																		
Project	% Recovery	Recoverable Moz Au	Reserve Years	Mt	Contained Moz Au	% Change Moz Au	Mt	g/t Au	% Zn	Moz Au	Mt	g/t Au	% Zn	Moz Au	Mt	g/t Au	% Zn	Moz Au
Ad Duwayhi ML	95%	0.99	9	-1.2	-0.09	-9%	21.3	1.65		1.13	15.3	2.2		1.08	19.2	2.4		1.47
Bulghah ML	53%	0.48	13	-7.7	-0.14	-15%	40.7	0.82		1.05	52.4	0.9		1.46	56.8	0.9		1.58
Sukhaybarat ML	67%	0.40	8	1.9	-0.01	-2%	17.1	1.11		0.61	20.0	1.1		0.69	20.4	1.1		0.71
As Suq ML	56%	0.08	4	-3.1	-0.13	-89%	6.6	1.32		0.28	5.3	1.7		0.30	5.7	1.0		0.18
Mansourah ML	88%	1.98	11	0	0	0%	27.7	2.53		2.25	27.7	2.5		2.25	27.7	2.5		2.25
Massarah ML	88%	0.97	11	0	0	0%	17.2	2.00		1.10	17.2	2.0		1.10	17.2	2.0		1.10
Ar Rjum Waseemah ML	98%	1.69	10	0	0	0%	34.3	1.57		1.73	0	0		0	0	0		0
Ar Rjum Umm Naam ML	98%	1.11	10	0	0	0%	26.1	1.35		1.13	0	0		0	0	0		0
Project	% Recovery	Recoverable Moz Au	Reserve Years	Mt	Contained Moz Au	% Change Moz Au	Mt	g/t Au	% Zn	Moz Au	Mt	g/t Au	% Zn	Moz Au	Mt	g/t Au	% Zn	Moz Au
Al Amar ML	89%	0.12	4	-0.33	-0.03	-22%	1.2	4.10	3.7	0.16	1.5	3.8	4.0	0.19	2.8	3.3	2.5	0.29
Project	% Recovery	Recoverable Moz Au	Reserve Years	Mt	Contained Moz Au	% Change Moz Au	Mt	g/t Au	% Cu	Moz Au	Mt	g/t Au	% Cu	Moz Au	Mt	g/t Au	% Cu	Moz Au
Mahd Ad Dhahab ML Underground	96%	0.07	3	0.03	-0.04	-59%	0.5	7.54	0.6	0.11	0.8	5.4	0.3	0.13	1.0	5.0	0.8	0.16
<b>Total</b>	<b>87%</b>	<b>7.9</b>		<b>-10.4</b>	<b>-0.44</b>	<b>-5%</b>	<b>192.7</b>	<b>1.5</b>		<b>9.6</b>	<b>140.2</b>	<b>1.6</b>		<b>7.2</b>	<b>150.8</b>	<b>1.6</b>		<b>7.8</b>
<b>Copper</b>																		
Project	% Recovery	Recoverable Mt Cu	Reserve Years	Mt	Contained Mt Cu	% Change Mt Cu	Mt	% Cu	g/t Au	Mt Cu	Mt	% Cu	g/t Au	Mt Cu	Mt	% Cu	g/t Au	Mt Cu
Jabal Sayid ML	92%	0.55	10	-0.6	-0.02	-3%	24.6	2.3	0.2	0.56	25.2	2.3	0.2	0.58	27.1	2.4	0.2	0.65

# Mineral Resources At 31 December 2021

31 Dec 2021 Mineral Resources

31 Dec 2021 Mineral Resources

				Measured				Indicated				Inferred				Measured + Indicated + Inferred					
Phosphate				Mt	%P <sub>2</sub> O <sub>5</sub>	%MgO	%SiO <sub>2</sub>	Mt	%P <sub>2</sub> O <sub>5</sub>	%MgO	%SiO <sub>2</sub>	Mt	%P <sub>2</sub> O <sub>5</sub>	%MgO	%SiO <sub>2</sub>	Mt	%P <sub>2</sub> O <sub>5</sub>	%MgO	%SiO <sub>2</sub>	Contained Mt P <sub>2</sub> O <sub>5</sub>	
<b>Phosphate</b>																					
<b>Project</b>	<b>% Ma'aden</b>	<b>Project Stage</b>	<b>Mine</b>	<b>Mt</b>	<b>%P<sub>2</sub>O<sub>5</sub></b>	<b>%MgO</b>	<b>%SiO<sub>2</sub></b>	<b>Mt</b>	<b>%P<sub>2</sub>O<sub>5</sub></b>	<b>%MgO</b>	<b>%SiO<sub>2</sub></b>	<b>Mt</b>	<b>%P<sub>2</sub>O<sub>5</sub></b>	<b>%MgO</b>	<b>%SiO<sub>2</sub></b>	<b>Mt</b>	<b>%P<sub>2</sub>O<sub>5</sub></b>	<b>%MgO</b>	<b>%SiO<sub>2</sub></b>	<b>Contained Mt P<sub>2</sub>O<sub>5</sub></b>	
Al Jalamid ML	70%	Mine	OP	386	18.3	5.2	2.0	91	18.5	5.4	1.7	5	17.9	7.2	1.2	482	18.3	5.3	1.9	88	
Al Jalamid EL	100%	Exploration	OP					289	19.1	6.6	2.7	1400	16.3	6.5	2.4	1689	16.8	6.5	2.5	284	
<b>Project</b>	<b>% Ma'aden</b>	<b>Project Stage</b>	<b>Mine</b>	<b>Mt</b>	<b>%P<sub>2</sub>O<sub>5</sub></b>	<b>%MgO</b>	<b>%SiO<sub>2</sub></b>	<b>Mt</b>	<b>%P<sub>2</sub>O<sub>5</sub></b>	<b>%MgO</b>	<b>%SiO<sub>2</sub></b>	<b>Mt</b>	<b>%P<sub>2</sub>O<sub>5</sub></b>	<b>%MgO</b>	<b>%SiO<sub>2</sub></b>	<b>Mt</b>	<b>%P<sub>2</sub>O<sub>5</sub></b>	<b>%MgO</b>	<b>%SiO<sub>2</sub></b>	<b>Contained Mt P<sub>2</sub>O<sub>5</sub></b>	
Al Khabra ML	60%	Mine	OP	283	16.7		9.9	108	15.5		10.1	7	17.6		18.2	398	16.4		10.1	65	
Umm Wu'al B6 ML	60%	Prefeasibility	OP					473	16.7	0.2	2.2					473	16.7	0.2	2.2	79	
Umm Wu'al B4-5 ML	100%	Prefeasibility	OP	177	16.9		2.2	150	16.8		2.6	96	16.3		3.6	424	16.7		2.7	71	
Umm Wu'al B10-11 ML	100%	Prefeasibility	OP	29	20.4		8.0	39	19.1		8.6	213	18.5		9.3	281	18.8		9.1	53	
Umm Wu'al EL	100%	Exploration	OP									3275	15.1		8.1	3275	15.1		8.1	495	
<b>Total</b>				<b>875</b>	<b>17.6</b>		<b>4.8</b>	<b>1151</b>	<b>17.4</b>		<b>2.8</b>	<b>4995</b>	<b>15.6</b>		<b>5.8</b>	<b>7021</b>	<b>16.2</b>		<b>5.3</b>	<b>1135</b>	
<b>Metallurgical Bauxite</b>																					
<b>Project</b>	<b>% Ma'aden</b>	<b>Project Stage</b>	<b>Mine</b>	<b>Mt</b>	<b>%Al<sub>2</sub>O<sub>3</sub></b>	<b>%TAA</b>	<b>%SiO<sub>2</sub></b>	<b>Mt</b>	<b>%Al<sub>2</sub>O<sub>3</sub></b>	<b>%TAA</b>	<b>%SiO<sub>2</sub></b>	<b>Mt</b>	<b>%Al<sub>2</sub>O<sub>3</sub></b>	<b>%TAA</b>	<b>%SiO<sub>2</sub></b>	<b>Mt</b>	<b>%Al<sub>2</sub>O<sub>3</sub></b>	<b>%TAA</b>	<b>%SiO<sub>2</sub></b>	<b>Contained Mt Bauxite</b>	
Al Ba'itha ML	75%	Mine	OP	80	57.3	49.8	8.1	133	57.7	49.8	8.6	3	58.7	48.3	11.7	216	57.8	49.8	8.5	216	
Az Zabirah ML	75%	Mine	OP	12	58.0	48.6	10.9	17	57.3	46.6	12.2	11	57.0	46.3	12.3	40	57.4	47.1	11.8	40	
Az Zabirah Central MLA	100%	Exploration	OP					11	51.1	46.9	10.9	31	50.4	46.5	9.4	42	50.7	46.6	9.7	42	
Az Zabirah North EL	100%	Exploration	OP									13	50.5	46.8	9.7	13	50.5	46.8	9.7	13	
<b>Total</b>				<b>92</b>	<b>57.4</b>	<b>49.7</b>	<b>8.5</b>	<b>160</b>	<b>57.2</b>	<b>49.3</b>	<b>9.2</b>	<b>57</b>	<b>52.1</b>	<b>46.6</b>	<b>10.1</b>	<b>311</b>	<b>56.5</b>	<b>48.9</b>	<b>9.1</b>	<b>311</b>	
<b>Industrial Bauxite</b>																					
<b>Project</b>	<b>% Ma'aden</b>	<b>Project Stage</b>	<b>Mine</b>	<b>Mt</b>	<b>%Al<sub>2</sub>O<sub>3</sub></b>	<b>%TAA</b>	<b>%SiO<sub>2</sub></b>	<b>Mt</b>	<b>%Al<sub>2</sub>O<sub>3</sub></b>	<b>%TAA</b>	<b>%SiO<sub>2</sub></b>	<b>Mt</b>	<b>%Al<sub>2</sub>O<sub>3</sub></b>	<b>%TAA</b>	<b>%SiO<sub>2</sub></b>	<b>Mt</b>	<b>%Al<sub>2</sub>O<sub>3</sub></b>	<b>%TAA</b>	<b>%SiO<sub>2</sub></b>	<b>Contained Mt Bauxite</b>	
Az Zabirah ML	100%	Mine	OP	6	50.8	35.1	18.0	17	51.5	35.4	18.5	6	52.6	36.4	18.6	29	51.6	35.6	18.4	29	
Az Zabirah Central MLA	100%	Exploration	OP					22	51.1		17.5	21	50.4		16.1	43	50.7		16.8	43	
Az Zabirah North EL	100%	Exploration	OP									46	50.5		14.7	46	50.5		14.7	46	
<b>Total</b>				<b>6</b>	<b>50.8</b>	<b>35.1</b>	<b>18.0</b>	<b>39</b>	<b>51.3</b>	<b>35.4</b>	<b>17.9</b>	<b>73</b>	<b>50.6</b>	<b>35.4</b>	<b>15.4</b>	<b>118</b>	<b>50.8</b>	<b>35.6</b>	<b>16.4</b>	<b>118</b>	
<b>Kaolin</b>																					
<b>Project</b>	<b>% Ma'aden</b>	<b>Project Stage</b>	<b>Mine</b>	<b>Mt</b>	<b>%Al<sub>2</sub>O<sub>3</sub></b>	<b>%SiO<sub>2</sub></b>	<b>%SiO<sub>2</sub></b>	<b>Mt</b>	<b>%Al<sub>2</sub>O<sub>3</sub></b>	<b>%SiO<sub>2</sub></b>	<b>%SiO<sub>2</sub></b>	<b>Mt</b>	<b>%Al<sub>2</sub>O<sub>3</sub></b>	<b>%SiO<sub>2</sub></b>	<b>%SiO<sub>2</sub></b>	<b>Mt</b>	<b>%Al<sub>2</sub>O<sub>3</sub></b>	<b>%SiO<sub>2</sub></b>	<b>%SiO<sub>2</sub></b>	<b>Contained Mt Kaolin</b>	
Az Zabirah ML	100%	Mine	OP	7	36.1		41.0	16	36.8		41.5	8	38.4		41.0	31	37.1		41.3	31	
Az Zabirah Central MLA	100%	Exploration	OP					17	36.6		39.7	9	35.7		40.6	25	36.3		40.0	25	
Az Zabirah North EL	100%	Exploration	OP									19	35.3		40.6	19	35.3		40.6	19	
<b>Total</b>				<b>7</b>	<b>36.1</b>		<b>41.0</b>	<b>33</b>	<b>36.7</b>		<b>40.6</b>	<b>36</b>	<b>36.1</b>		<b>40.7</b>	<b>76</b>	<b>36.4</b>		<b>40.7</b>	<b>76</b>	
<b>Magnesite</b>																					
<b>Project</b>	<b>% Ma'aden</b>	<b>Project Stage</b>	<b>Mine</b>	<b>Mt</b>	<b>%MgO</b>	<b>CaO%</b>	<b>SiO<sub>2</sub></b>	<b>Mt</b>	<b>%MgO</b>	<b>CaO%</b>	<b>SiO<sub>2</sub></b>	<b>Mt</b>	<b>%MgO</b>	<b>CaO%</b>	<b>SiO<sub>2</sub></b>	<b>Mt</b>	<b>%MgO</b>	<b>CaO%</b>	<b>SiO<sub>2</sub></b>	<b>Contained Mt MgO</b>	
Al Ghazalah ML	100%	Mine	OP	0.5	46.2	1.7	0.7	3.4	43.2	4.1	2.6	2.0	44.2	3.7	1.6	6	43.8	3.6	2.1	2.6	
Jabal Rokham EL	100%	Exploration	OP									67.4	40.7	4.6	6.3	67	40.7	4.6	6.3	27.4	
<b>Total</b>				<b>0.5</b>	<b>46.2</b>	<b>1.7</b>	<b>0.7</b>	<b>3.4</b>	<b>43.2</b>	<b>4.1</b>	<b>2.6</b>	<b>69</b>	<b>40.8</b>	<b>4.6</b>	<b>6.2</b>	<b>73</b>	<b>40.9</b>	<b>4.5</b>	<b>6.0</b>	<b>30</b>	
<b>Gold</b>																					
<b>Project</b>	<b>% Ma'aden</b>	<b>Project Stage</b>	<b>Mine</b>	<b>Mt</b>	<b>g/t Au</b>			<b>Mt</b>	<b>g/t Au</b>			<b>Mt</b>	<b>g/t Au</b>			<b>Mt</b>	<b>g/t Au</b>			<b>Contained Moz Au</b>	
Ad Duwayhi ML	100%	Mine	OP+SP	1.7	4.0			14.3	1.2			5.7	1.9			27.3	1.8			1.62	
Bulghah ML	100%	Mine	OP					42.5	0.9			10.8	0.9			53.2	0.9			1.55	
Humaymah ML	100%	Mine	OP					37.2	0.9			0.5	0.8			37.6	0.9			1.05	
Sukhaybarat ML	100%	Mine	OP					19.1	1.1			0.9	1.5			20.0	1.1			0.73	
As Suq ML	100%	Mine	OP+SP					3.9	1.5			0.9	1.6			4.8	1.5			0.23	
Mansourah ML	100%	Construction	OP	14.8	2.3			30.3	1.9			4.7	2.2			49.8	2.0			3.26	
Massarah ML	100%	Construction	OP	4.3	1.7			38.1	1.6			4.5	0.9			46.9	1.5			2.30	
Ar Rjum Waseemah ML	100%	Feasibility	OP	14.0	1.6			31.7	1.6			2.0	1.2			47.6	1.6			2.43	
Ar Rjum Umm Naam + Ghazal ML	100%	Feasibility	OP	15.0	1.3			18.5	1.4			0.6	1.4			34.0	1.4			1.50	
Bir Tawilah EL	100%	Exploration	OP									49.0	0.9			49.0	0.9			1.35	
Jabal Ghadarah EL	100%	Exploration	OP									5.7	1.0			5.7	1.0			0.18	
<b>Project</b>	<b>% Ma'aden</b>	<b>Project Stage</b>	<b>Mine</b>	<b>Mt</b>	<b>g/t Au</b>	<b>%Cu</b>	<b>%Zn</b>	<b>Mt</b>	<b>g/t Au</b>	<b>%Cu</b>	<b>%Zn</b>	<b>Mt</b>	<b>g/t Au</b>	<b>%Cu</b>	<b>%Zn</b>	<b>Mt</b>	<b>g/t Au</b>	<b>%Cu</b>	<b>%Zn</b>	<b>Contained Moz Au</b>	
Al Amar ML	100%	Mine	UG					2.7	4.7	0.4	4.1	0.5	5.2	0.4	4.9	3.2	4.8	0.4	4.40	0.50	
<b>Project</b>	<b>% Ma'aden</b>	<b>Project Stage</b>	<b>Mine</b>	<b>Mt</b>	<b>g/t Au</b>	<b>%Cu</b>	<b>%Zn</b>	<b>Mt</b>	<b>g/t Au</b>	<b>%Cu</b>	<b>%Zn</b>	<b>Mt</b>	<b>g/t Au</b>	<b>%Cu</b>	<b>%Zn</b>	<b>Mt</b>	<b>g/t Au</b>	<b>%Cu</b>	<b>%Zn</b>	<b>Contained Moz Au</b>	
Mahd Ad Dhahab ML Underground	100%	Mine	UG	1.4	13.5	0.8	2.5	1.6	11.4	0.7	1.9	0.6	13.9	0.7	1.8	3.6	12.6	0.8	2.14	1.44	
Mahd Ad Dhahab ML Open Pit	100%	Prefeasibility	OP	14.3	2.7	0.3	0.9	20.5	1.8	0.2	0.6	17.0	1.1	0.2	0.4	51.7	1.8	0.2	0.60	3.05	
<b>Total</b>				<b>65</b>	<b>2.2</b>			<b>260</b>	<b>1.5</b>			<b>103</b>	<b>1.1</b>			<b>431</b>	<b>1.5</b>			<b>21.2</b>	
<b>Copper</b>																					
<b>Project</b>	<b>% Ma'aden</b>	<b>Project Stage</b>	<b>Mine</b>	<b>Mt</b>	<b>g/t Au</b>	<b>%Cu</b>	<b>%Zn</b>	<b>Mt</b>	<b>g/t Au</b>	<b>%Cu</b>	<b>%Zn</b>	<b>Mt</b>	<b>g/t Au</b>	<b>%Cu</b>	<b>%Zn</b>	<b>Mt</b>	<b>g/t Au</b>	<b>%Cu</b>	<b>%Zn</b>	<b>Contained Mt Cu</b>	
Jabal Sayid ML	50%	Mine	UG	13	0.2	2.6		16	0.4	2.2		2	0.5	1.3		31	0.3	2.3		0.72	

# Mineral Resources At 31 December 2021 (Continued)

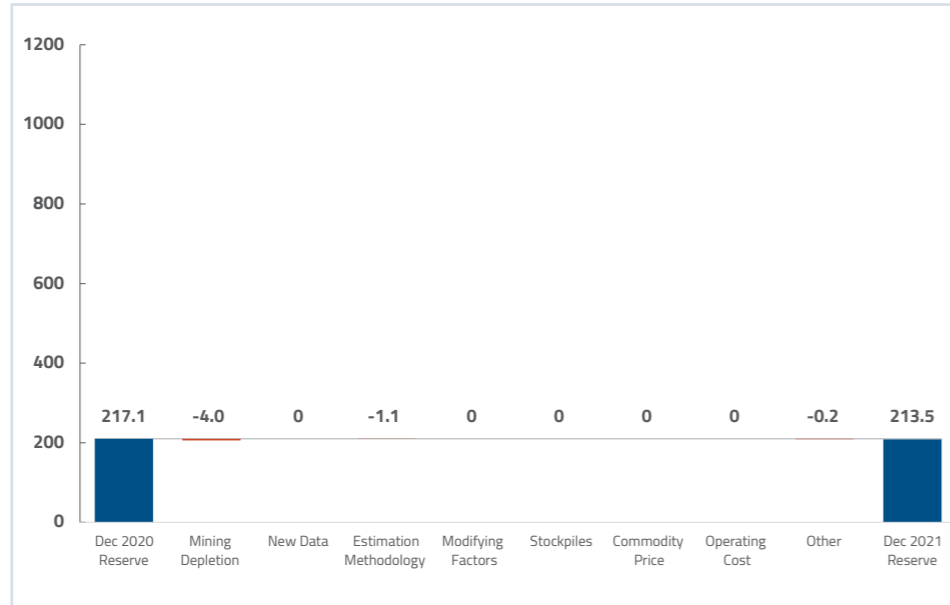
2021 - 2020 Mineral Resource Changes				31 Dec 2020 Mineral Resources				31 Dec 2019 Mineral Resources				31 Dec 2018 Mineral Resources			
Annual Mineral Resource Change				Measured + Indicated + Inferred				Measured + Indicated + Inferred				Measured + Indicated + Inferred			
<b>Phosphate</b>															
<b>Project</b>	<b>Mt</b>	<b>Contained Mt P<sub>2</sub>O<sub>5</sub></b>	<b>% Change Mt P<sub>2</sub>O<sub>5</sub></b>	<b>Mt</b>	<b>% P<sub>2</sub>O<sub>5</sub></b>	<b>% MgO</b>	<b>Mt P<sub>2</sub>O<sub>5</sub></b>	<b>Mt</b>	<b>% P<sub>2</sub>O<sub>5</sub></b>	<b>% MgO</b>	<b>Mt P<sub>2</sub>O<sub>5</sub></b>	<b>Mt</b>	<b>% P<sub>2</sub>O<sub>5</sub></b>	<b>% MgO</b>	<b>Mt P<sub>2</sub>O<sub>5</sub></b>
Al Jalamid ML	109	17	24%	373	19.1	4.0	71	370	19.4	4.0	72	432	19.1	4.2	83
Al Jalamid EL	986	155	120%	703	18.4	6.1	129	703	18.4	6.1	129	417	16.1	4.4	67
<b>Project</b>	<b>Mt</b>	<b>Contained Mt P<sub>2</sub>O<sub>5</sub></b>	<b>% Change Mt P<sub>2</sub>O<sub>5</sub></b>	<b>Mt</b>	<b>% P<sub>2</sub>O<sub>5</sub></b>	<b>% SiO<sub>2</sub></b>	<b>Mt P<sub>2</sub>O<sub>5</sub></b>	<b>Mt</b>	<b>% P<sub>2</sub>O<sub>5</sub></b>	<b>% SiO<sub>2</sub></b>	<b>Mt P<sub>2</sub>O<sub>5</sub></b>	<b>Mt</b>	<b>% P<sub>2</sub>O<sub>5</sub></b>	<b>% SiO<sub>2</sub></b>	<b>Mt P<sub>2</sub>O<sub>5</sub></b>
Al Khabra ML	-16	-2.6	-4%	414	16.4	10.0	68	423	16.4	10.0	69	425	16.1	12.7	68
Umm Wu'al B6 ML	0	0	0%	473	16.7	2.2	79	473	16.7	2.2	79	473	16.7	2.2	79
Umm Wu'al B4-5 ML	0	0	0%	424	16.7	2.7	71	424	16.7	2.7	71	424	16.7	2.7	71
Umm Wu'al B10-11 ML	-36	-7	-11%	317	18.7	9.1	59.3	334	18.7	9.1	62	334	18.7	9.1	62
Umm Wu'al EL	3032	454	1106%	243	16.9		41	243	16.9		41	243	16.9		41
<b>Total</b>	<b>4074</b>	<b>616</b>	<b>118%</b>	<b>2963</b>	<b>17.6</b>		<b>522</b>	<b>2969</b>	<b>17.6</b>		<b>524</b>	<b>2748</b>	<b>17.2</b>		<b>471</b>
<b>Metallurgical Bauxite</b>															
<b>Project</b>	<b>Mt</b>	<b>Contained Mt Bauxite</b>	<b>% Change Mt Bauxite</b>	<b>Mt</b>	<b>% TAA</b>	<b>% SiO<sub>2</sub></b>	<b>Mt Bauxite</b>	<b>Mt</b>	<b>% TAA</b>	<b>% SiO<sub>2</sub></b>	<b>Mt Bauxite</b>	<b>Mt</b>	<b>% TAA</b>	<b>% SiO<sub>2</sub></b>	<b>Mt Bauxite</b>
Al Ba'itha ML	-17	-17	-7%	233	49.8	8.5	233	238	49.8	8.4	238	243	49.8	8.4	243
Az Zabirah ML	0	0	0%	40	47.1	11.8	40	40	47.1	11.8	40	40	57.4	11.8	40
Az Zabirah Central MLA	0	0	0%	42	46.6	9.7	42	42	46.5	9.7	42	37	47.2	9.4	37
Az Zabirah North EL	0	0	0%	13	46.8	9.7	13	13	46.8	9.3	13	31	44.9	9.3	31
<b>Total</b>	<b>-17</b>	<b>-17</b>	<b>-5.4%</b>	<b>328</b>	<b>48.9</b>	<b>9.0</b>	<b>328</b>	<b>333</b>	<b>48.9</b>	<b>9.8</b>	<b>333</b>	<b>351</b>	<b>49.9</b>	<b>9.0</b>	<b>351</b>
<b>Industrial Bauxite</b>															
<b>Project</b>	<b>Mt</b>	<b>Contained Mt Bauxite</b>	<b>% Change Mt Bauxite</b>	<b>Mt</b>	<b>% Al<sub>2</sub>O<sub>3</sub></b>	<b>% SiO<sub>2</sub></b>	<b>Mt Bauxite</b>	<b>Mt</b>	<b>% Al<sub>2</sub>O<sub>3</sub></b>	<b>% SiO<sub>2</sub></b>	<b>Mt Bauxite</b>	<b>% Al<sub>2</sub>O<sub>3</sub></b>	<b>% SiO<sub>2</sub></b>	<b>Mt Bauxite</b>	<b>Mt Bauxite</b>
Az Zabirah ML	-1	-1	-3%	30	51.6	18.4	30	30.3	51.6	18.4	30	30	51.6	18.4	30
Az Zabirah Central MLA	0	0	0%	43	50.7	16.8	43	43.0	50.7	16.8	43	29	49.7	16.1	29
Az Zabirah North EL	0	0	0%	46	50.5	14.7	46	46.0	50.5	14.7	46	20	50.4	16.8	20
<b>Total</b>	<b>-1</b>	<b>-1</b>	<b>-0.8%</b>	<b>119</b>	<b>50.9</b>	<b>17.3</b>	<b>119</b>	<b>119.3</b>	<b>50.9</b>	<b>17.3</b>	<b>119</b>	<b>79</b>	<b>27.6</b>	<b>17.1</b>	<b>79</b>
<b>Kaolin</b>															
<b>Project</b>	<b>Mt</b>	<b>Contained Mt Kaolin</b>	<b>% Change Mt Kaolin</b>	<b>Mt</b>	<b>% Al<sub>2</sub>O<sub>3</sub></b>	<b>% SiO<sub>2</sub></b>	<b>Mt Kaolin</b>	<b>Mt</b>	<b>% Al<sub>2</sub>O<sub>3</sub></b>	<b>% SiO<sub>2</sub></b>	<b>Mt Kaolin</b>	<b>Mt</b>	<b>% Al<sub>2</sub>O<sub>3</sub></b>	<b>% SiO<sub>2</sub></b>	<b>Mt Kaolin</b>
Az Zabirah ML	0	0	0%	31	37.1	41	31	31	37.1	41.3	31	31	37.1	41.3	31
Az Zabirah Central MLA	0	0	0%	25	36.3	40	25	25	36.3	40.0	25	17	36.3	40.8	17
Az Zabirah North EL	0	0.3	2%	19	35.3	41	19	19	35.3	40.6	19	21	35.1	40.4	21
<b>Total</b>	<b>0</b>	<b>0.3</b>	<b>-1%</b>	<b>76</b>	<b>36.3</b>	<b>41</b>	<b>76</b>	<b>76</b>	<b>36.3</b>	<b>40.6</b>	<b>76</b>	<b>69</b>	<b>36.3</b>	<b>40.9</b>	<b>69</b>
<b>Magnesite</b>															
<b>Project</b>	<b>Mt</b>	<b>Contained Mt MgO</b>	<b>% Change Mt MgO</b>	<b>Mt</b>	<b>% MgO</b>	<b>% SiO<sub>2</sub></b>	<b>Mt MgO</b>	<b>Mt</b>	<b>% MgO</b>	<b>% SiO<sub>2</sub></b>	<b>Mt MgO</b>	<b>Mt</b>	<b>% MgO</b>	<b>% SiO<sub>2</sub></b>	<b>Mt MgO</b>
Al Ghazalah ML	-0.2	-0.1	-4%	6.1	43.86	2	2.7	5.9	43.7	3.8	2.6	6.1	43.8	3.0	2.7
Jabal Rokham EL	67.4	27.4	New												
<b>Total</b>	<b>67.2</b>	<b>27.4</b>	<b>1026%</b>	<b>6.1</b>	<b>43.9</b>	<b>2.1</b>	<b>2.7</b>	<b>5.9</b>	<b>43.7</b>	<b>3.8</b>	<b>2.6</b>	<b>6.1</b>	<b>43.8</b>	<b>3.0</b>	<b>2.7</b>
<b>Gold</b>															
<b>Project</b>	<b>Mt</b>	<b>Contained Moz Au</b>	<b>% Change Moz Au</b>	<b>Mt</b>	<b>g/t Au</b>		<b>Moz Au</b>	<b>Mt</b>	<b>g/t Au</b>		<b>Moz Au</b>	<b>Mt</b>	<b>g/t Au</b>		<b>Moz Au</b>
Ad Duwayhi ML	-1.4	-0.05	-3%	28.7	1.82		1.7	23.8	2.11		1.6	27.0	2.09		1.8
Bulghah ML	-8.6	-0.21	-12%	61.8	0.89		1.8	81.7	0.9		2.44	84.8	0.9		2.51
Humaymah ML	37.6	1.05	New												
Sukhaybarat ML	-0.8	-0.11	-13%	20.8	1.26		0.8	28.0	1.1		1.01	28.0	1.1		1.01
As Suq ML	-5.2	-0.21	-48%	10.0	1.40		0.4	9.3	1.4		0.43	8.7	1.5		0.42
Mansourah ML	0	0	0%	49.8	2.00		3.3	43.7	2.2		3.12	46.8	2.1		3.21
Massarah ML	0	0	0%	46.9	1.50		2.3	43.4	1.4		1.99	43.7	1.6		2.23
Ar Rjum Waseemah ML	0	0	0%	47.6	1.59		2.4	47.6	1.6		2.43	43.7	1.6		2.18
Ar Rjum Umm Naam + Ghazal ML	0	0	0%	34.0	1.36		1.5	34.0	1.4		1.50	28.5	1.5		1.38
Bir Tawilah EL	0	0	0%	49.0	0.85		1.3	49.0	0.9		1.35	41.0	0.9		1.14
Jabal Ghadarah EL	0	0	0%	5.7	1.00		0.2	5.4	1.0		0.17	5.4	1.0		0.17
<b>Project</b>	<b>Mt</b>	<b>Contained Moz Au</b>	<b>% Change Moz Au</b>	<b>Mt</b>	<b>g/t Au</b>	<b>% Zn</b>	<b>Moz Au</b>	<b>Mt</b>	<b>g/t Au</b>	<b>% Zn</b>	<b>Moz Au</b>	<b>Mt</b>	<b>g/t Au</b>	<b>% Zn</b>	<b>Moz Au</b>
Al Amar ML	-0.14	-0.02	-4%	3.4	4.80	4.5	0.5	3.0	4.35	5.4	0.42	1.0	4.9	0.5	0.16
<b>Project</b>	<b>Mt</b>	<b>Contained Moz Au</b>	<b>% Change Moz Au</b>	<b>Mt</b>	<b>g/t Au</b>	<b>% Cu</b>	<b>Moz Au</b>	<b>Mt</b>	<b>g/t Au</b>	<b>% Cu</b>	<b>Moz Au</b>	<b>Mt</b>	<b>g/t Au</b>	<b>% Cu</b>	<b>Moz Au</b>
Mahd Ad Dhahab ML Underground	0.6	0.5	46%	3.0	10.40	0.76	1.0	2.3	8.38	0.67	0.63	2.6	8.2	0.5	0.7
Mahd Ad Dhahab ML Open Pit	51.7	3.0	New	0			0	0			0	0			0
<b>Total</b>	<b>70.4</b>	<b>3.9</b>	<b>23%</b>	<b>361</b>	<b>1.5</b>		<b>17.2</b>	<b>371</b>	<b>1.4</b>		<b>17.1</b>	<b>361</b>	<b>1.5</b>		<b>14.0</b>
<b>Copper</b>															
<b>Project</b>	<b>Mt</b>	<b>Mt Cu</b>		<b>Mt</b>	<b>% Cu</b>	<b>g/t Au</b>	<b>Mt Cu</b>	<b>Mt</b>	<b>% Cu</b>	<b>g/t Au</b>	<b>Mt Cu</b>	<b>Mt</b>	<b>% Cu</b>	<b>g/t Au</b>	<b>Mt Cu</b>
Jabal Sayid ML	-2.1	0.01	1.4%	33.5	2.13	0.31	0.71	33.7	2.19	0.35	0.74	6.2	1.72	0.45	0.11

### Ore Reserve Changes

From 31 Dec 2020 to 31 Dec 2021

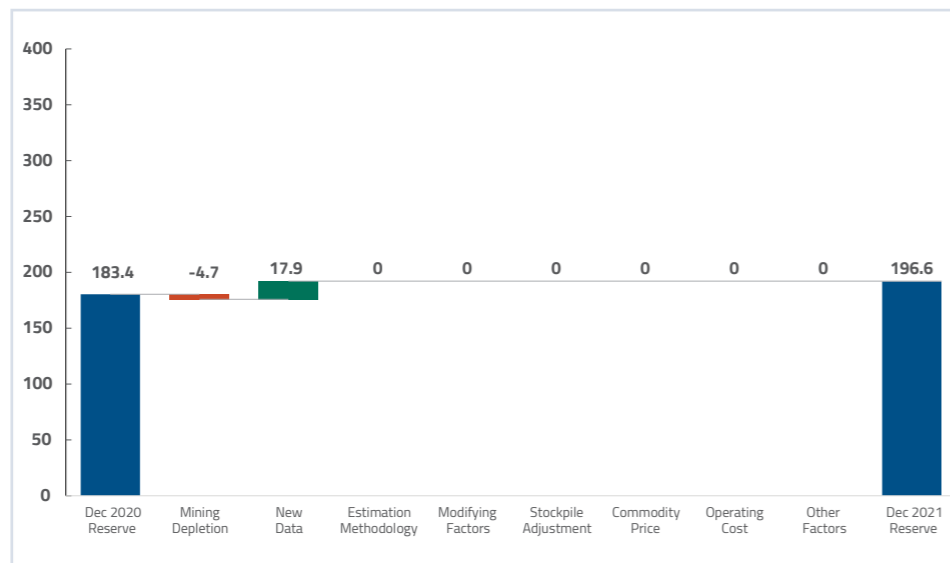
#### Phosphate

Contained P<sub>2</sub>O<sub>5</sub> million tonnes



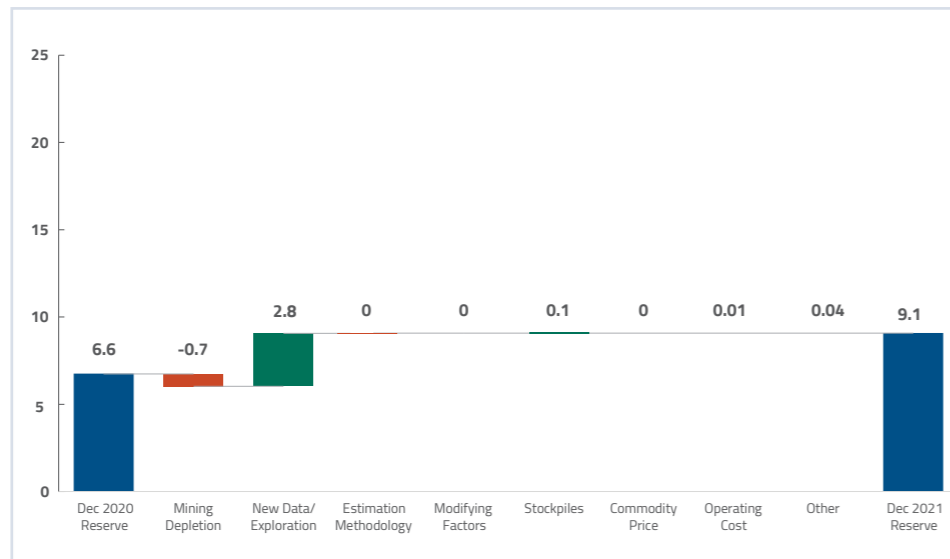
#### Metallurgical Bauxite

Contained bauxite million tonnes



#### Gold

Contained gold million troy ounces

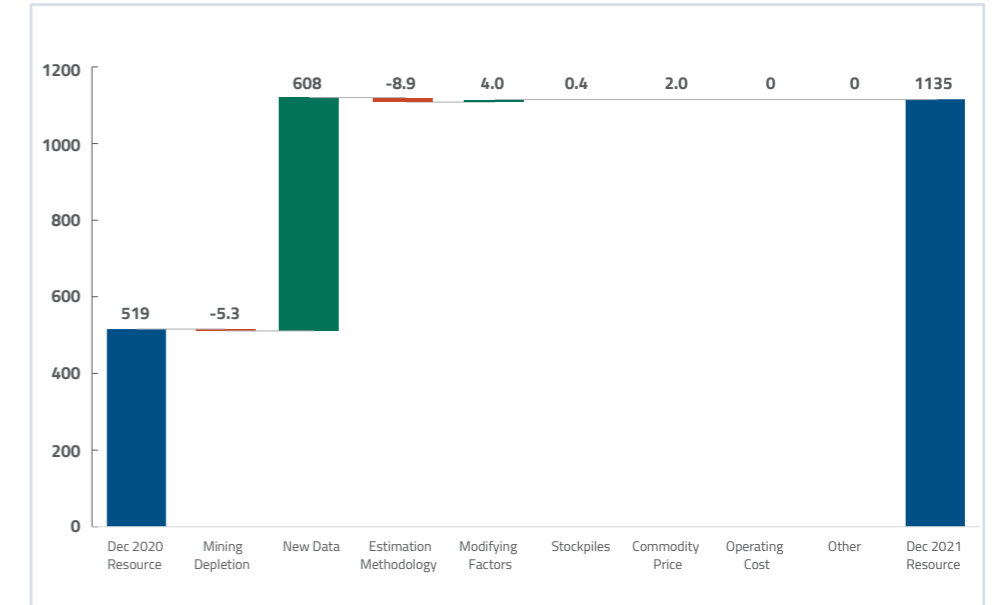


### Mineral Resource Changes

From 31 Dec 2020 to 31 Dec 2021

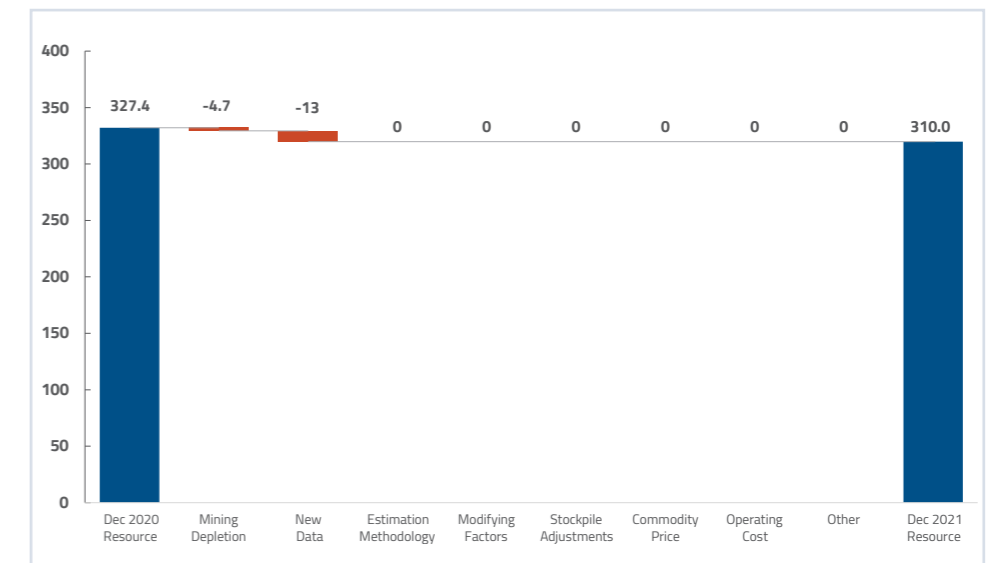
#### Phosphate

Contained P<sub>2</sub>O<sub>5</sub> million tonnes



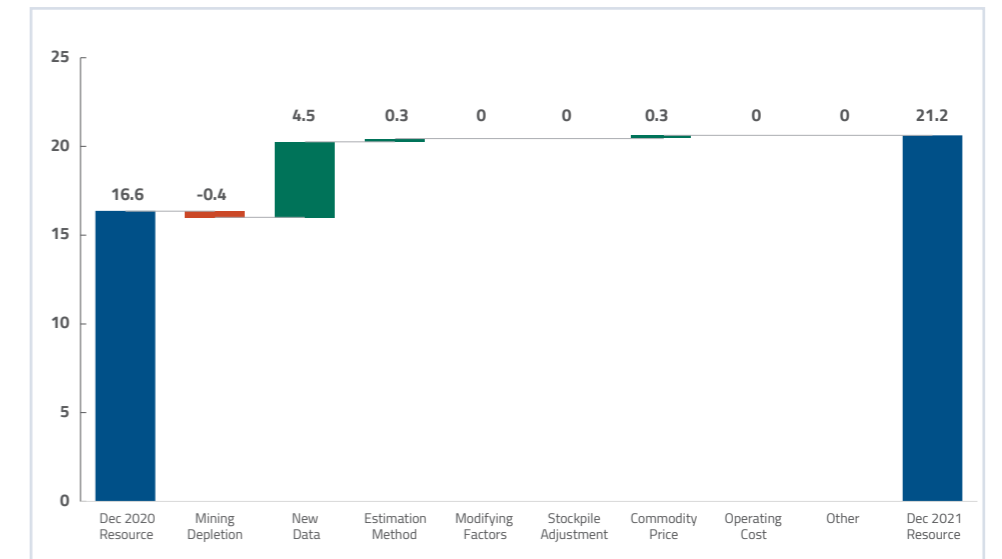
#### Metallurgical Bauxite

Contained bauxite million tonnes



#### Gold

Contained gold million troy ounces



## Competent Persons For Ore Reserves At 31 December 2021

Project	Estimate Date	Competent Person	Recognised Professional Organisation (RPO)	RPO membership	Employer
<b>Phosphate</b>					
Al Jalamid ML	31 Dec 2021	Helge Ziehe	MAusIMM	316648	Sofreco
Al Khabra ML	31 Dec 2021	Helge Ziehe	MAusIMM	316648	Sofreco
Umm Wu'al B6 ML	31 Dec 2021	Helge Ziehe	MAusIMM	316648	Sofreco
Umm Wu'al UMW 4 + 5 ML	05 Oct 2017	Thierry Rousseau	EFG (EurGeol)	1031	Technip
Umm Wu'al UMW 10 + 11 ML	31 Dec 2021	Helge Ziehe	MAusIMM	316648	Sofreco
<b>Metallurgical Bauxite</b>					
Al Ba'itha ML	31 Dec 2021	Fraser McQueen	CEng MIMMM	460909	SRK Consulting (Australasia)
<b>Industrial Bauxite</b>					
Az Zabirah ML	31 Dec 2021	Filip Orzechowski	MAusIMM	459557	SRK Consulting (UK)
<b>Kaolin</b>					
Az Zabirah ML	31 Dec 2021	Filip Orzechowski	MAusIMM	459557	SRK Consulting (UK)
<b>Magnesite</b>					
Al Ghazalah ML	31 Dec 2021	Filip Orzechowski	MAusIMM	459557	SRK Consulting (UK)
<b>Gold</b>					
Ad Duwayhi ML	31 Dec 2021	Francois Taljaard	MSAIMM	704511	SRK Consulting (UK)
Al Amar ML	31 Dec 2021	Yerko Martinez	MAusIMM	333523	SRK Consulting (UK)
As Suq ML	31 Dec 2021	Francois Taljaard	MSAIMM	704511	SRK Consulting (UK)
Bulghah ML	31 Dec 2021	Francois Taljaard	MSAIMM	704511	SRK Consulting (UK)
Sukhaybarat ML	31 Dec 2021	Francois Taljaard	MSAIMM	704511	SRK Consulting (UK)
Mahd Ad Dhahab ML Open Pit	31 Dec 2021	Colin Davies	CEng MIMMM.	621198	Wardell Armstrong International
Mansourah ML	01 May 2017	Klaus Thomas Shrimpf	FAusIMM	112612	Amec Foster Wheeler
Massarah ML	01 May 2017	Klaus Thomas Shrimpf	FAusIMM	112612	Amec Foster Wheeler
Ar Rjum Waseemah ML	01 Mar 2020	Igor Bojanic	FAusIMM		RPM Global
Ar Rjum Umm Naam + Ghazal ML	01 Mar 2020	Igor Bojanic	FAusIMM		RPM Global
<b>Copper</b>					
Jabal Sayid ML	31 Dec 2021	Simon Bottoms	FAusIMM	313276	Barrick Gold (UK)

## Competent Persons For Ore Reserves At 31 December 2021

Project	Estimate Date	Competent Person	Recognised Professional Organisation (RPO)	RPO membership	Employer
<b>Phosphate</b>					
Al Jalamid ML	31 Dec 2021	Daniel Mariton	EFG (EurGeol)	1159	Sofreco
Al Khabra ML	31 Dec 2021	Mohamed Mahmoud Ali Daniel Mariton	MAusIMM CP(Geo) EFG (EurGeol)	316089 1159	Ma'aden Sofreco
Umm Wu'al B6 ML	31 Dec 2021	Daniel Mariton	EFG (EurGeol)	1159	Sofreco
Umm Wu'al UMW 4 + 5 ML	31 Dec 2015	Daniel Mariton	EFG (EurGeol)	1159	Sofreco
Umm Wu'al UMW 10 + 11 ML	31 Dec 2021	Daniel Mariton	EFG (EurGeol)	1159	Sofreco
Umm Wu'al EL	31 Dec 2020	Tim Lucks	MAusIMM CP(Geo)	304968	SRK Consulting (UK)
Al Jalamid EL	31 Dec 2020	Tim Lucks	MAusIMM CP(Geo)	304968	SRK Consulting (UK)
Al Jalamid EL	31 Dec 2019	Dr. Tim Lucks	MAusIMM CP(Geo)	304968	SRK
<b>Metallurgical Bauxite</b>					
Al Ba'itha ML	31 Dec 2021	Rodney Brown	MAusIMM	110384	SRK Consulting (Australasia)
Az Zabirah ML	31 Dec 2021	Mark Campodonic	MAusIMM CP(Geo)	225925	SRK Consulting (UK)
Az Zabirah Central MLA	31 Dec 2019	Mark Campodonic	MAusIMM CP(Geo)	225925	SRK Consulting (UK)
Az Zabirah North EL	31 Dec 2019	Mark Campodonic	MAusIMM CP(Geo)	225925	SRK Consulting (UK)
<b>Industrial Bauxite</b>					
Az Zabirah ML	31 Dec 2021	Mark Campodonic	MAusIMM CP(Geo)	225925	SRK Consulting (UK)
Az Zabirah Central MLA	31 Dec 2019	Mark Campodonic	MAusIMM CP(Geo)	225925	SRK Consulting (UK)
Az Zabirah North EL	31 Dec 2019	Mark Campodonic	MAusIMM CP(Geo)	225925	SRK Consulting (UK)
<b>Kaolin</b>					
Az Zabirah ML	31 Dec 2021	Mark Campodonic	MAusIMM CP(Geo)	225925	SRK Consulting (UK)
Az Zabirah Central EL	31 Dec 2019	Mark Campodonic	MAusIMM CP(Geo)	225925	SRK Consulting (UK)
Az Zabirah North EL	31 Dec 2019	Mark Campodonic	MAusIMM CP(Geo)	225925	SRK Consulting (UK)
<b>Magnesite</b>					
Al Ghazalah ML	31 Dec 2021	Mark Campodonic	MAusIMM CP(Geo)	225925	SRK Consulting UK
Jabal Rokham EL	31 Dec 2021	Mark Campodonic	MAusIMM CP(Geo)	225925	SRK Consulting UK
<b>Gold</b>					
Ad Duwayhi ML	31 Dec 2021	Mark Campodonic	MAusIMM CP(Geo)	225925	SRK Consulting (UK)
Al Amar ML	31 Dec 2021	Mark Campodonic	MAusIMM CP(Geo)	225925	SRK Consulting (UK)
As Suq ML	31 Dec 2021	Mark Campodonic	MAusIMM CP(Geo)	225925	SRK Consulting (UK)
Bulghah ML	31 Dec 2021	Mark Campodonic	MAusIMM CP(Geo)	225925	SRK Consulting (UK)
Sukhaybarat ML	31 Dec 2021	Mark Campodonic	MAusIMM CP(Geo)	225925	SRK Consulting (UK)
Humaymah ML	31 Dec 2021	Mark Campodonic	MAusIMM CP(Geo)	225925	SRK Consulting (UK)
Mahd Ad Dhahab ML Underground	31 Dec 2021	Alan Clarke	CGeol FGS	1014124	Wardell Armstrong International
Mahd Ad Dhahab ML Open Pit	31 Dec 2021	Alan Clarke	CGeol FGS	1014124	Wardell Armstrong International
Mansourah ML	31 Dec 2020	Mark Campodonic	MAusIMM CP(Geo)	225925	SRK Consulting (UK)
Massarah ML	31 Dec 2020	Mark Campodonic	MAusIMM CP(Geo)	225925	SRK Consulting (UK)
Ar Rjum Waseemah ML	31 Jan 2019	Paul Payne	FAusIMM	105622	RPM Global
Ar Rjum (Umm Naam + Ghazal ML	31 Jan 2019	Paul Payne	FAusIMM	105622	RPM Global
Bir Tawilah EL	31 Dec 2019	Mark Campodonic	MAusIMM CP(Geo)	225925	SRK Consulting (UK)
Jabal Ghadarah EL	31 Dec 2019	Mark Campodonic	MAusIMM CP(Geo)	225925	SRK Consulting (UK)
<b>Copper</b>					
Jabal Sayid ML	31 Dec 2021	Simon Bottoms	FAusIMM	313276	Barrick Gold (UK)

# Consolidated Financial Statements

10



Ma'aden  
Annual Report  
2021

<b>Commercial registration number</b>	1010164391
<b>Directors*</b>	<p>H.E. Yaser Bin Othman Al-Rumayyan Chairman</p> <p>Dr. Abdulaziz bin Saleh Al-Jarbou Vice chairman</p> <p>H.E. Sulaiman Bin Abdulrahman Al-Gwaiz</p> <p>H.E. Engr. Khalid Bin Saleh Al-Mudaifer</p> <p>Dr. Mohammed Bin Yahya Al-Qahtani</p> <p>Mr. Richard O'Brien</p> <p>Dr. Samuel Walsh</p> <p>Dr. Ganesh Kishore</p> <p>Mr. Abdullah Bin Saleh Bin Jum'ah</p> <p>Engr. Nabilah Bint Mohammed Al-Tunisi</p> <p>Mr. Robert Wilt (Bob)*</p>
<b>Registered address</b>	<p>Building number 395</p> <p>Abi Bakr Asseddiq Road, South</p> <p>Exit 6, North Ring Road</p> <p>Riyadh 11537</p> <p>Kingdom of Saudi Arabia</p>
<b>Postal address</b>	<p>P.O. Box 68861</p> <p>Riyadh 11537</p> <p>Kingdom of Saudi Arabia</p>
<b>Banker</b>	The Saudi British Bank (SABB)
<b>Auditors</b>	<p>PricewaterhouseCoopers</p> <p>Kingdom Tower - 21st Floor</p> <p>King Fahad Road</p> <p>Riyadh 11414</p> <p>Kingdom of Saudi Arabia</p>

\* As of 1 February 2022, the Board of Directors appointed Mr. Robert Wilt (Bob) as CEO and as Executive Board Member. Mr. Robert Wilt's appointment as Executive Board Member is subject to the General Assembly ratification in March 2022.

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

The following statement, which should be read in conjunction with the independent auditor's responsibilities stated in the independent auditor's report, set out on page 4 to 9, is made with a view to distinguish the responsibilities of management and those of the independent auditor in relation to the consolidated financial statements of Saudi Arabian Mining Company (Ma'aden) (the "Company") and its subsidiaries (the "Group").

Management is responsible for the preparation of the consolidated financial statements that present fairly the consolidated financial position of the Group as at 31 December 2021, its financial performance, changes in equity and cash flows for the year then ended, in accordance with International Financial Reporting Standards ("IFRS") issued by the Saudi Organization for Chartered and Professional Accountants ("SOCPA"), as endorsed in the Kingdom of Saudi Arabia.

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

- selecting suitable accounting policies and applying them consistently,
- making judgments and estimates that are reasonable and prudent,
- stating whether IFRS and other standards and pronouncements that are issued by the Saudi

Organization for Certified Public Accountants ("SOCPA"), as endorsed in the Kingdom of Saudi Arabia, have been followed, subject to any material departures disclosed and explained in the consolidated financial statements and

- preparing and presenting the consolidated financial statements on a going concern basis, unless it is inappropriate to presume that the Group and the companies will continue their business for the foreseeable future.

Management is also responsible for:

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

The consolidated financial statements for the year ended 31 December 2021 set out on pages 10 to 138, were approved and authorized for issue by the Board of Directors on 24 February 2022 and signed on their behalf by:



**H.E. Sulaiman Bin Abdulrahman Al-Gwaiz**

Authorized by the Board



**Mr. Robert Wilt (Bob)**

Chief Executive Officer



**Mr. Yaser Bin Abdul Rauf Barri**

Senior Vice-President  
Finance and  
Chief Financial Officer (A)

23 Rajab 1443H  
24 February 2022  
Riyadh  
Kingdom of Saudi Arabia





## Report on the audit of the consolidated financial statements

### Our opinion

In our opinion, the consolidated financial statements present fairly, in all material respects, the consolidated financial position of Saudi Arabian Mining Company (Ma'aden) (the "Company") and its subsidiaries (together the "Group") as at 31 December 2021, and its consolidated financial performance and its consolidated cash flows for the year then ended 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).

### What we have audited

The Group's consolidated financial statements comprise:

- the consolidated statement of profit or loss and other comprehensive income for the year ended 31 December 2021;
- the consolidated statement of financial position as at 31 December 2021;
- the consolidated statement of changes in equity for the year then ended;
- the consolidated statement of cash flows for the year then ended; and
- the notes to the consolidated financial statements, which include significant accounting policies 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 consolidated 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 Group in accordance with the code of professional conduct and ethics, endorsed in the Kingdom of Saudi Arabia, that are relevant to our audit of the consolidated financial statements and we have fulfilled our other ethical responsibilities in accordance with these requirements.

### Our audit approach

#### Overview

Key audit matter

- Impairment assessments of property, plant and equipment, mine properties, capital work-in-progress, right-of-use assets and finite-life intangible assets

As part of designing our audit, we determined materiality and assessed the risks of material misstatement in the consolidated financial statements. In particular, we considered where management made subjective judgements; for example, in respect of significant accounting estimates that involved making assumptions and considering future events that are inherently uncertain. As in all of our audits, we also addressed the risk of management override of internal controls, including among other matters consideration of whether there was evidence of bias that represented a risk of material misstatement due to fraud.

We tailored the scope of our audit in order to perform sufficient work to enable us to provide an opinion on the consolidated financial statements as a whole, taking into account the structure of the Group, the accounting processes and controls, and the industry in which the Group operates.

### Continued

### Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matter	How our audit addressed the Key audit matter
<p><b>Impairment assessments of property, plant and equipment, mine properties, capital work-in-progress, right-of-use assets and finite-life intangible assets</b></p> <p>As at 31 December 2021, the Group had property, plant and equipment with a carrying value of Saudi Riyals 58.9 billion, mine properties of Saudi Riyals 11.7 billion, capital work-in-progress of Saudi Riyals 6.6 billion, right-of-use assets of Saudi Riyals 1.4 billion and finite-life intangible assets of Saudi Riyals 0.13 billion, individually or as grouped in cash generating units ("CGUs"). As at 31 December 2021, property, plant and equipment is stated net of an impairment loss, arising in previous years, amounting to Saudi Riyals 3.3 billion.</p> <p>At each reporting date, the Group tests for impairment the carrying amount of these assets, whenever events or changes in circumstances indicate that the carrying amount may not be recoverable or where a reversal of a previously recognized impairment on a specific asset or a CGU is required.</p> <p>The determination of the recoverable amounts, being the higher of value-in-use and fair value less costs of disposal, requires management to identify and then estimate the recoverable amounts for the assets or the CGUs to which the assets belong. Recoverable amounts, in case of value-in-use, are based on management's view of key inputs around future business growth in the forecasted period as well as external market conditions such as expected future commodity prices as set out in the approved business plans of the respective CGUs. It also requires management to make estimates of future business growth, terminal growth rates and to determine the most appropriate discount rates.</p>	<p><b>Our procedures included the following:</b></p> <ul style="list-style-type: none"> <li>Understood and evaluated the appropriateness of management's identification of the CGUs.</li> <li>Assessed management's identification of both impairment indicators and indicators of impairment reversal, including the conclusions reached. We also evaluated the design and implementation of key controls over the impairment assessment processes comprising impairment indicators identification and the estimation of recoverable amounts.</li> <li>Evaluated the reasonableness of management's assumptions and estimates used to determine the recoverable amounts of the CGUs where impairment indicators have been identified. This evaluation included: <ul style="list-style-type: none"> <li>(i) Assessing the methodology used by management to estimate the value-in-use by checking, on a sample basis, the accuracy and appropriateness of the input data in the discounted cash flow models to supporting documentation, such as the approved business plans. We considered the reasonableness of business plans by comparing them to the historical results and the market data, particularly with respect to sales pricing, and comparing the current year's actual results with its forecast. We also inquired with management to understand the basis for the assumptions used in the business plans of the respective CGUs in the Group;</li> </ul> </li> </ul>

Continued

Key audit matter	How our audit addressed the Key audit matter
<p>Specific assets, or the CGUs to which the assets belong, where management identified the impairment indicators and where we focused our audit procedures included the following:</p> <p><b>Ma'aden Rolling Company (Rolling mill and Automotive sheet CGUs)</b></p> <p>Management determined that the recoverable amounts of both CGUs were higher than their respective carrying values resulting in no further impairment loss nor reversal of a previously recognized impairment loss to be recognized as at 31 December 2021.</p> <p><b>Ma'aden Wa'ad Al Shamal Phosphate Company</b></p> <p>Management determined that the recoverable amount was higher than the carrying value resulting in no impairment loss to be recognized as at 31 December 2021.</p> <p>We considered this as a key audit matter as the assessment of the recoverable amounts of the assets, or the CGUs to which the assets belong, requires complex estimation and significant judgement primarily around production profiles, commodity prices, future economic and market conditions, growth rates (including terminal growth rates) and discount rates.</p> <p>Refer to Note 4.11 to the consolidated financial statements for the accounting policy relating to the impairment of these assets, Note 5 for the disclosure of significant accounting estimates and judgements and Note 17 for the disclosure of matters related to impairment considerations of the respective CGUs.</p>	<ul style="list-style-type: none"> <li>(ii) Assessing the appropriateness of the discounted cash flow projections in the calculation of the value-in-use, testing the reasonableness of key assumptions such as the future business growth in the forecasted period, terminal growth rates and discount rates. We made this assessment based on our knowledge of the business and industry by, for example, comparing the assumptions to historical results and published market and industry outlook data and other relevant information. Our internal valuation experts were engaged to assist us in the assessment of the methodology underlying the value-in-use calculations and to assess the reasonableness of discount rates and terminal growth rates assumed in the models;</li> <li>(iii) Testing management's discounted cash flow models used in the calculation of the value-in-use for mathematical accuracy and logical integrity of the underlying calculations; and</li> <li>(iv) Performing sensitivity analyses over key assumptions in the calculation of the value-in-use in order to assess the potential impact of a range of possible outcomes.</li> </ul> <ul style="list-style-type: none"> <li>▪ Assessed the adequacy and appropriateness of the related disclosures in the accompanying consolidated financial statements.</li> </ul>

Continued

<p><b>Other information</b></p>	<p>Management is responsible for the other information. The other information comprises information included in the Group's 2021 Annual Report, (but does not include the consolidated financial statements and our auditor's report thereon), which is expected to be made available to us after the date of this auditor's report.</p> <p>Our opinion on the consolidated financial statements does not cover the other information and we will not express any form of assurance conclusion thereon.</p> <p>In connection with our audit of the consolidated financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.</p> <p>When we read the Group's 2021 Annual Report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.</p>
<p><b>Responsibilities of management and those charged with governance for the consolidated financial statements</b></p>	<p>Management is responsible for the preparation and fair presentation of the consolidated 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 By-laws, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.</p> <p>In preparing the consolidated financial statements, management is responsible for assessing the Group'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 Group or to cease operations, or has no realistic alternative but to do so.</p> <p>Those charged with governance, i.e. the Board of Directors, are responsible for overseeing the Group's financial reporting process.</p>
<p><b>Auditor's responsibilities for the audit of the consolidated financial statements</b></p>	<p>Our objectives are to obtain reasonable assurance about whether the consolidated 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 consolidated financial statements.</p>

Continued

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 consolidated 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 Group'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 Group'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 consolidated 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 Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the Group audit. We remain solely responsible for our audit opinion.

Continued



Ma'aden Phosphate Plant - Al Jalameed

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.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

PricewaterhouseCoopers

Bader I. Benmohareb  
License Number 471

23 Rajab 1443H  
24 February 2022  
Riyadh  
Kingdom of Saudi Arabia

	Notes	Year ended 31 December 2021	Year ended 31 December 2020
Sales	7	26,769,006,109	18,579,823,261
Cost of sales	8	(17,614,338,038)	(16,012,828,504)
<b>Gross profit</b>		<b>9,154,668,071</b>	2,566,994,757
<b>Operating expenses</b>			
Selling, marketing and logistic expenses	9	(586,477,812)	(510,350,520)
General and administrative expenses	10	(1,005,132,752)	(1,032,858,057)
Exploration and technical services expenses	11	(149,413,572)	(213,191,489)
<b>Operating profit</b>		<b>7,413,643,935</b>	810,594,691
<b>Other income / (expenses)</b>			
Income from time deposits	12	48,561,521	72,439,718
Finance cost	13	(1,206,611,995)	(1,662,245,650)
Other income / (expenses), net	14	(59,319,617)	(113,084,775)
Share in net profit of joint ventures that have been equity accounted	21.1.3, 21.2.3	728,346,429	197,410,762
<b>Profit / (loss) before zakat and income tax</b>		<b>6,924,620,273</b>	(694,885,254)
Income tax	22.1	(158,480,876)	8,807,709
Zakat expense	42.2	(284,774,432)	(161,279,813)
<b>Profit / (loss) for the year</b>		<b>6,481,364,965</b>	(847,357,358)

#### Other comprehensive loss

##### Items that may be reclassified to profit or loss in subsequent periods

Gain / (Loss) on exchange differences on translation	33	6,058,024	(49,911,394)
Cash flow hedge – changes in fair value and transfer to profit / (loss), net	38	185,381,894	(162,510,079)

#### Continued

	Notes	Year ended 31 December 2021	Year ended 31 December 2020
<b>Items that will not be reclassified to profit or loss in subsequent periods</b>			
Share in other comprehensive loss of a joint venture that has been equity accounted	21.1.1	(835,019)	(673,590)
Loss attributable to the re-measurements of employees' end of service termination benefits obligation	39.1.1	(24,092,359)	(12,196,393)
<b>Other comprehensive income / (loss) for the year</b>		<b>166,512,540</b>	(225,291,456)
<b>Total comprehensive income / (loss) for the year</b>		<b>6,647,877,505</b>	(1,072,648,814)
<b>Profit / (loss) for the year is attributable to:</b>			
Ordinary shareholders of the parent company	15	5,227,700,464	(208,980,874)
Non-controlling interest	34.2, 34.3	1,253,664,501	(638,376,484)
		<b>6,481,364,965</b>	(847,357,358)
<b>Total comprehensive income / (loss) for the year is attributable to:</b>			
Ordinary shareholders of the parent company		5,351,327,367	(383,390,676)
Non-controlling interest	34.2, 34.3	1,296,550,138	(689,258,138)
		<b>6,647,877,505</b>	(1,072,648,814)
<b>Earnings / (Loss) per ordinary share (Saudi Riyals)</b>			
Basic and diluted earnings / (loss) per share from continuing operations attributable to ordinary shareholders of the parent company	15	4.25	(0.17)

	Notes	31 December 2021	31 December 2020
<b>Assets</b>			
<b>Non-current assets</b>			
Mine properties	16	11,688,407,519	10,672,155,147
Property, plant and equipment	17	58,940,009,154	61,884,484,039
Right-of-use assets	18	1,357,006,453	1,463,774,682
Capital work-in-progress	19	6,616,312,752	4,666,875,538
Intangible assets and goodwill	20	286,929,729	318,275,737
Investment in joint ventures	21	1,208,517,336	1,026,630,926
Deferred tax assets	22.2	824,596,191	804,902,772
Other investments	23	37,231,000	33,465,000
Other non-current assets	24	939,762,919	933,952,082
<b>Total non-current assets</b>		<b>81,898,773,053</b>	<b>81,804,515,923</b>
<b>Current assets</b>			
Other investments	23	-	4,925,000
Advances and prepayments	25	294,001,031	304,142,407
Inventories	26	6,831,609,698	5,932,384,325
Trade and other receivables	27	5,206,134,272	2,978,603,812
Time deposits	28	971,340,217	1,466,321,392
Cash and cash equivalents	29	8,135,831,282	4,246,213,518
<b>Total current assets</b>		<b>21,438,916,500</b>	<b>14,932,590,454</b>
<b>Total assets</b>		<b>103,337,689,553</b>	<b>96,737,106,377</b>
<b>Equity and liabilities</b>			
<b>Equity</b>			
Share capital	30	12,305,911,460	12,305,911,460
Statutory reserve			
Share premium	31	10,739,190,039	10,739,190,039
Transfer of net income	32	1,577,021,485	1,054,251,439
Other reserves	33	(110,830,112)	(174,575,062)
Retained earnings and reserve	33	11,139,961,591	6,326,860,009
Equity attributable to ordinary shareholders of the parent company		35,651,254,463	30,251,637,885
Non-controlling interest	34.4	8,317,317,036	7,048,131,855
<b>Total equity</b>		<b>43,968,571,499</b>	<b>37,299,769,740</b>

Continued

	Notes	31 December 2021	31 December 2020
<b>Non-current liabilities</b>			
Deferred tax liabilities	22.3	1,047,205,022	971,455,742
Long-term borrowings	35	42,467,731,504	45,196,273,929
Provision for decommissioning, site rehabilitation and dismantling obligations	36	625,842,158	520,840,445
Non-current portion of lease liabilities	37	1,108,982,844	1,173,613,697
Derivative financial instruments	38	229,266,382	425,875,705
Employees' benefits	39	966,685,952	843,450,157
Projects, trade and other payables	40	133,755,381	171,555,104
<b>Total non-current liabilities</b>		<b>46,579,469,243</b>	<b>49,303,064,779</b>
<b>Current liabilities</b>			
Projects, trade and other payables	40	3,437,317,851	3,846,758,988
Accrued expenses	41	4,272,454,890	2,603,202,057
Zakat and income tax payable	42	347,853,577	204,503,523
Severance fees payable	43	220,771,506	210,793,374
Current portion of long-term borrowings	35	4,376,353,108	3,105,457,977
Current portion of lease liabilities	37	134,897,879	163,555,939
<b>Total current liabilities</b>		<b>12,789,648,811</b>	<b>10,134,271,858</b>
<b>Total liabilities</b>		<b>59,369,118,054</b>	<b>59,437,336,637</b>
<b>Total equity and liabilities</b>		<b>103,337,689,553</b>	<b>96,737,106,377</b>
<b>Commitments and contingent liabilities</b>	45		

	Equity attributable to ordinary shareholders of the parent company						Non-controlling interest					Total equity
	Statutory reserve						Share capital	Payments to increase share capital*	Other reserves (Note 33)	Loss attributable to non-controlling interest	Sub-total	
	Share capital (Note 30)	Share premium (Note 31)	Transfer of net income (Note 32)	Other reserves (Note 33)	Retained earnings and reserve (Note 33)	Sub-total						
1 January 2020	12,305,911,460	10,739,190,039	1,054,251,439	(111,636,166)	6,667,826,000	30,655,542,772	7,952,771,882	68,155,432	(5,776,828)	(277,760,493)	7,737,389,993	38,392,932,765
<b>Loss for the year</b>	-	-	-	-	(208,980,874)	(208,980,874)	-	-	-	(638,376,484)	(638,376,484)	(847,357,358)
<b>Items of other comprehensive loss for the year:</b>												
Share in other comprehensive loss of a joint venture that has been equity accounted (Note 21.1.3)	-	-	-	-	(673,590)	(673,590)	-	-	-	-	-	(673,590)
Cash flow hedge – changes in fair value and transfer to profit / (loss), net (Note 38)	-	-	-	-	(121,720,049)	(121,720,049)	-	-	-	(40,790,030)	(40,790,030)	(162,510,079)
Loss attributable to the re-measurements of employees' end of service termination benefits obligation (Note 39.1.1)	-	-	-	-	(9,591,478)	(9,591,478)	-	-	-	(2,604,915)	(2,604,915)	(12,196,393)
Loss on exchange differences on translation	-	-	-	(42,424,685)	-	(42,424,685)	-	-	(7,486,709)	-	(7,486,709)	(49,911,394)
Total comprehensive loss for the year	-	-	-	(42,424,685)	(340,965,991)	(383,390,676)	-	-	(7,486,709)	(681,771,429)	(689,258,138)	(1,072,648,814)
Revaluation loss on put option for non-controlling interest (Note 40.2)	-	-	-	(20,514,211)	-	(20,514,211)	-	-	-	-	-	(20,514,211)
31 December 2020	12,305,911,460	10,739,190,039	1,054,251,439	(174,575,062)	6,326,860,009	30,251,637,885	7,952,771,882	68,155,432	(13,263,537)	(959,531,922)	7,048,131,855	37,299,769,740

Continued	Equity attributable to ordinary shareholders of the parent company						Non-controlling interest					Total equity
	Statutory reserve						Share capital	Payments to increase share capital*	Other reserves (Note 33)	Loss attributable to non-controlling interest	Sub-total	
	Share capital (Note 30)	Share premium (Note 31)	Transfer of net income (Note 32)	Other reserves (Note 33)	Retained earnings and reserve (Note 33)	Sub-total						
31 December 2020	12,305,911,460	10,739,190,039	1,054,251,439	(174,575,062)	6,326,860,009	30,251,637,885	7,952,771,882	68,155,432	(13,263,537)	(959,531,922)	7,048,131,855	37,299,769,740
<b>Profit for the year</b>	-	-	-	-	<b>5,227,700,464</b>	<b>5,227,700,464</b>	-	-	-	<b>1,253,664,501</b>	<b>1,253,664,501</b>	<b>6,481,364,965</b>
<b>Items of other comprehensive income / (loss) for the year:</b>												
Share in other comprehensive loss of a joint venture that has been equity accounted (Note 21.1.3)	-	-	-	-	(835,019)	(835,019)	-	-	-	-	-	(835,019)
Cash flow hedge – changes in fair value and transfer to profit / (loss), net (Note 38)	-	-	-	-	138,851,039	138,851,039	-	-	-	46,530,855	46,530,855	185,381,894
Loss attributable to the re-measurements of employees' end of service termination benefits obligation (Note 39.1.1)	-	-	-	-	(20,571,972)	(20,571,972)	-	-	-	(3,520,387)	(3,520,387)	(24,092,359)
Gain on exchange differences on translation	-	-	-	6,182,855	-	6,182,855	-	-	(124,831)	-	(124,831)	6,058,024
<b>Total comprehensive income for the year</b>	-	-	-	<b>6,182,855</b>	<b>5,345,144,512</b>	<b>5,351,327,367</b>	-	-	<b>(124,831)</b>	<b>1,296,674,969</b>	<b>1,296,550,138</b>	<b>6,647,877,505</b>
Transactions with non-controlling interest (Note 40.2, Note 33)	-	-	-	36,637,841	(9,272,884)	27,364,957	-	-	-	(27,364,957)	(27,364,957)	-
Revaluation gain on put option for non-controlling interest (Note 40.2)	-	-	-	20,924,254	-	20,924,254	-	-	-	-	-	20,924,254
Transfer to statutory reserve (Note 32)	-	-	522,770,046	-	(522,770,046)	-	-	-	-	-	-	-
<b>31 December 2021</b>	<b>12,305,911,460</b>	<b>10,739,190,039</b>	<b>1,577,021,485</b>	<b>(110,830,112)</b>	<b>11,139,961,591</b>	<b>35,651,254,463</b>	<b>7,952,771,882</b>	<b>68,155,432</b>	<b>(13,388,368)</b>	<b>309,778,090</b>	<b>8,317,317,036</b>	<b>43,968,571,499</b>

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

	Notes	Year ended 31 December 2021	Year ended 31 December 2020
<b>Operating activities</b>			
Profit / (loss) before zakat and income tax		6,924,620,273	(694,885,254)
<b>Adjustments for non-cash flow items:</b>			
Gain on exchange differences on translation		(7,697,421)	(41,573,795)
Property, plant and equipment written-off	17	183,263,439	-
Mine properties written-off	16	133,158,805	-
Income from time deposits	12	(48,561,521)	(72,439,718)
Finance cost	13	1,206,611,995	1,662,245,650
Adjustment to mine properties	16	876,180	-
Depreciation of mine properties	16.1	705,743,639	883,432,499
Adjustment to property, plant and equipment	17	7,990,198	-
Loss on derecognition of property, plant and equipment	17,14	482,678	12,632,519
Depreciation of property, plant and equipment	17.1	3,644,491,764	3,654,107,351
Adjustment to right-of-use assets and the corresponding lease liabilities	18,37.1,37.2	71,323	125,345
Depreciation of right-of-use assets	18.1	221,314,744	239,877,860
Amortisation of intangible assets	20.1	45,420,430	44,228,855
Share in net profit of joint ventures	21.1.3, 21.2.3	(728,346,429)	(197,410,762)
Obsolete spare parts written-off	26	-	4,073,406
Increase in provision for allowance for inventory obsolescence	26.1	8,840,663	4,268,051
Increase in expected credit loss allowance on trade and other receivables	27.1	3,381,709	1,764,743
Adjustment to mine closure provision	36.1,14	-	(797,101)
Current service cost of employees' termination benefits	39.1	85,891,527	83,492,145
Contribution for the employees' savings plan	39.2	69,658,567	77,512,639
Provision for severance fees	43	222,692,578	207,197,069
<b>Changes in working capital:</b>			
Advances and prepayments	24,25	22,281,692	(82,060,059)
Inventories	24,26	(992,544,485)	(169,303,830)
Trade and other receivables	24,27	(2,178,634,873)	83,010,565
Projects and other payables – Trade	40	(247,323,835)	66,512,705
Accrued expenses – Trade	41	1,874,204,817	154,589,056
Derivative interest paid	38	(141,388,694)	(66,546,091)

Continued	Notes	Year ended 31 December 2021	Year ended 31 December 2020
Employees' termination benefits paid	39.1	(47,840,579)	(37,956,540)
Employees' savings plan withdrawal	39.2	(26,933,309)	(39,215,821)
Zakat paid	42.2	(228,667,019)	(224,612,518)
Income tax paid	42.5	(13,758,000)	-
Severance fees paid	43	(212,714,446)	(120,909,643)
Finance cost paid		(1,070,319,332)	(1,582,053,039)
<b>Net cash generated from operating activities</b>		<b>9,416,267,078</b>	<b>3,849,306,287</b>
<b>Investing activities</b>			
Income received from time deposits		48,542,696	98,732,174
Additions to mine properties	16	(1,765,548,125)	(1,406,109,622)
Proceeds from derecognition of property, plant and equipment	17	1,783,840	1,598,234
Additions to property, plant and equipment	17	(431,069,604)	(185,273,042)
Additions to capital work-in-progress	19	(2,250,488,974)	(2,785,501,018)
Additions to intangible assets	20	(1,111,223)	(1,046,254)
Settlement of additional contribution to equity in a joint venture	21.1.3	-	286,822,939
Dividend received from a joint venture	21.1.3	545,625,000	-
Other investments	23	1,159,000	4,795,000
Decrease in time deposits	28	495,000,000	1,694,175,000
Increase in restricted cash	29	(42,725,258)	(38,296,818)
Projects and other payables – Projects	40	(165,685,685)	592,912,743
Accrued expenses - Projects	41	(204,951,984)	288,534,640
<b>Net cash utilized in investing activities</b>		<b>(3,769,470,317)</b>	<b>(1,448,656,024)</b>
<b>Financing activities</b>			
Transaction cost paid	31	(110,744,000)	(134,475,646)
Proceeds from long-term borrowings received	35	1,541,160,000	8,708,496,299
Repayment of long-term borrowings	35	(3,009,106,418)	(10,155,181,585)
Lease liabilities	37.1	(207,906,751)	(216,468,707)
Transaction with non-controlling interest	40.2	(13,307,086)	-
<b>Net cash utilized in financing activities</b>		<b>(1,799,904,255)</b>	<b>(1,797,629,639)</b>
<b>Net change in cash and cash equivalents</b>			
Unrestricted cash and cash equivalents at the beginning of the year	29	4,111,070,912	3,508,050,288
<b>Unrestricted cash and cash equivalents at the end of the year</b>	29	<b>7,957,963,418</b>	<b>4,111,070,912</b>



Continued

	Notes	Year ended 31 December 2021	Year ended 31 December 2020
<b>Non-cash flow transactions</b>			
Transfer to mine properties from capital work-in-progress	16,19	95,840	66,878,840
Adjustment to the provision for decommissioning site rehabilitation and dismantling obligation	16,36.2,36.3	90,905,155	50,137,913
Reversal of mine properties and corresponding accrued expenses	16,41	-	11,200,000
Transfer to property, plant and equipment from mine properties	17,16	-	1,079,365
Transfer to property, plant and equipment from capital work-in-progress	17,19	448,161,505	900,574,581
Addition to right-of-use assets and the corresponding lease liabilities	18,37.1,37.2	123,748,370	291,920,832
Borrowing cost capitalized as part of capital work-in-progress	19,13.1	149,872,511	99,256,052
Amortization of transaction cost capitalized as part of capital work-in-progress	19,35.12	11,753,003	11,224,106
Transfer to intangible assets from mine properties	20,16	518,124	589,195
Transfer to intangible assets from capital work-in-progress	20,19	12,445,075	4,771,611
Revaluation gain / (loss) on put option for non-controlling interest	40.2	20,924,254	(20,514,211)

## 1. General information

Saudi Arabian Mining Company ("Ma'aden") (the "Company") was formed as a Saudi Arabian joint stock company, following the Council of Ministers Resolution No. 179 dated 8 Zul Qaida 1417H (corresponding to 17 March 1997) and incorporated in the Kingdom of Saudi Arabia pursuant to the Royal Decree No. M/17 dated 14 Zul Qaida 1417H (corresponding to 23 March 1997) with Commercial Registration No. 1010164391, dated 10 Zul Qaida 1421H (corresponding to 4 February 2001). The Company has an authorized and issued share capital of Saudi Riyals ("SAR") 12,305,911,460 divided into 1,230,591,146 with a nominal value of SAR 10 per share (Note 30).

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

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

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

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

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

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

## 2. Group structure

The Company has the following subsidiaries and joint ventures:

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

## 2. Group structure (continued)

MMDC has the following subsidiaries in which Ma'aden has an indirect ownership:

Maaden Marketing Services India Private Limited ("MMSIL") – Incorporated in India	Limited liability company	100%	100%
---	---------------------------	------	------

Incorporated in Mauritius:

Meridian Consolidated Investments Limited ("MCIL") – Incorporated in Mauritius	Limited liability company	92.5%	85%
--	---------------------------	-------	-----

MCIL has the following subsidiaries in which Ma'aden has an indirect ownership:

Agroservice S.A.	Limited liability company	92.5%	85%
MCFL (Africa) Ltd	Limited liability company	92.5%	85%
Meridian Commodities Limited	Limited liability company	92.5%	85%
Meridian Group Services Limited	Limited liability company	92.5%	85%
V & M Grain Mauritius Limited	Limited liability company	92.5%	85%
Meridian CRV Limited	Public Company Limited	92.5%	-

Incorporated in Malawi:

Farmers World Holdings Limited	Limited liability company	92.5%	85%
Agora Limited	Limited liability company	92.5%	85%
Farmers World Limited	Limited liability company	92.5%	85%
Grain Securities Limited	Limited liability company	92.5%	85%
Liwonde Property Investment Limited	Limited liability company	46.25%	42.5%
Malawi Fertilizer Company Limited	Limited liability company	92.5%	85%
Optichem (2000) Limited	Limited liability company	92.5%	85%

Incorporated in Mozambique:

Mozambique Fertilizer Company Limited	Limited liability company	92.5%	85%
Transalt Limitada	Limited liability company	92.5%	85%
Transcorgo Limitada	Limited liability company	92.5%	85%
MozGrain Limitada	Limited liability company	92.5%	85%

## 2. Group structure (continued)

### Incorporated in Seychelles:

African Investment Group Limited	Limited liability company	92.5%	85%
----------------------------------	---------------------------	-------	-----

### Incorporated in South Africa:

MG Administration Services Proprietary Limited	Limited liability company	92.5%	85%
--	---------------------------	-------	-----

### Incorporated in Zambia:

Fert, Seed and Grain Limited	Limited liability company	92.5%	85%
------------------------------	---------------------------	-------	-----

### Incorporated in Zimbabwe:

Ferts, Seed and Grain (Private) Limited	Limited liability company	92.5%	85%
---	---------------------------	-------	-----

The financial year end of all the subsidiaries and joint ventures incorporated inside the Kingdom of Saudi Arabia coincide with that of the parent company ("Ma'aden"), whereas the financial year end of all the subsidiaries incorporated outside the Kingdom of Saudi Arabia is 31<sup>st</sup> March except MRL for which year end is 31<sup>st</sup> December.

### 2.1 MGBM

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

The objectives of the company are:

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

### 2.2 MIC

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

The objectives of the company are to:

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

### 2.3 IMC

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

The objectives of the company are:

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

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

## 2. Group structure (continued)

### 2.4 MFC

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

The objectives of the company are:

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

### 2.5 MMDC

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

The objectives of the company are:

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

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

On 8 August 2019, acquisition of 85% of Meridian was completed after obtaining all the necessary regulatory and legal approvals. In accordance with the shareholders' agreement between Ma'aden and Meridian, on 13 October 2021 and 6 December 2021, Ma'aden acquired additional cumulative 7.5% of Meridian which resulted in its percentage of holding to 92.5% (Note 40.2).

### 2.6 MRC

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

The objectives of the company are the production of:

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

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

### 2.7 MAC

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

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

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

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

### 2.8 MBAC

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

- 74.9% by Saudi Arabian Mining Company ("Ma'aden") and

## 2. Group structure (continued)

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

The objectives of the company are to:

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

### 2.9 MPC

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

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

The objectives of the company are to:

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

### 2.10 MWSPC

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

- 60% by Saudi Arabian Mining Company ("Ma'aden"),

- 25% by Mosaic Phosphate B.V., a foreign shareholder, a limited liability company registered in Netherlands wholly owned by The Mosaic Company ("Mosaic"), which is accounted for as a non-controlling interest in these consolidated financial statements (Note 34.1) and

- 15% by Saudi Basic Industries Corporation ("SABIC"), which is accounted for as a non-controlling interest in these consolidated financial statements (Note 34.1).

The objectives of the Company are the production of:

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

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

### 2.11 MBCC

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

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

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

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

## 2. Group structure (continued)

### 2.12 SAMAPCO

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

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

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

The objectives of the company are the production of:

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

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

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

### 2.13 MRL

The company was incorporated on 18 November 2021 in the Dubai, United Arab Emirates, which is also its principal place of business and is owned:

The objectives of the company are:

- Carrying out contracts of insurance,
- Effecting contracts of insurance.



Ma'aden Phosphate Complex - Wa'ad Al Shamal Minerals Industrial City

## 3. Basis of preparation

### Statement of compliance

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

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

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

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

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

Certain new accounting standards, amendments to standards and interpretations have been published by the International Accounting Standards Board ("IASB") that are not mandatory for 31 December 2021 reporting periods and have not been early adopted by the Group. These standards are not expected to have a material impact on the Group in the current or future reporting periods and on foreseeable future transactions.

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

There are no new standards applicable to the Group, however, the Group has applied the following amendments to the standards for the first time for their reporting periods commencing on or after 1 January 2021:

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

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

The amendments provide temporary reliefs which address the financial reporting effects when an IBOR is replaced with an alternative nearly risk-free interest rate (RFR). The amendments include the following practical expedients:

- A practical expedient to require contractual changes, or changes to cash flows that are directly required by the reform, to be treated as changes to a floating interest rate, equivalent to a movement in a market rate of interest;
- Permit changes required by IBOR reform to be made to hedge designations and hedge documentation without the hedging relationship being discontinued; and
- Provide temporary relief to entities from having to meet the separately identifiable requirement when an RFR instrument is designated as a hedge of a risk component.

### 3. Basis of preparation (continued)

These amendments had no impact on the consolidated financial statements of the Group as at the reporting date. The Group intends to use the practical expedients in future periods when they become applicable.

The Group is currently analyzing the exposure to IBOR benchmarks and evaluating the potential impact of the transition. As per the initial transition plan, all contracts and agreements that are based on USD LIBOR and are expiring at the cessation dates, will be renegotiated with counterparties to reflect the alternative benchmarks (Also see Note 46.1.2).

The following table contains details of all financial instruments of the Group which are based on USD LIBOR as at 31 December 2021 and are currently in process of transitioning to an alternative benchmark:

#### Financial instruments:

Non-derivative financial liabilities	<b>17,598,641,340</b>
Derivative financial liabilities	<b>139,831,487</b>

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

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

- the change in lease payments results in revised consideration for the lease that is substantially the same as, or less than, the consideration for the lease immediately preceding the change; and
- there is no substantive change to other terms and conditions of the lease.

The amendment was intended to apply until 30 June 2021, but as the impact of the Covid-19 pandemic is continuing, the IASB extended the period of application of the practical expedient to 30 June 2022. However, the Group has not received Covid-19-related rent concessions but plans to apply the practical expedient if it becomes applicable within allowed period of application.

## 4. Summary of significant accounting policies

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

### 4.1 Basis of consolidation and equity accounting

#### Subsidiaries

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

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

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

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

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

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

### 4.1 Basis of consolidation and equity accounting (continued)

#### Business combinations

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

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

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

#### Non-controlling interest put option

Written put options in respect of which the Group does not have an unconditional right to avoid the delivery of cash, are recognised as financial liabilities. Under this method, the non-controlling interest is not derecognised when the financial liability in respect of the put option is recognised, as the noncontrolling interest still has present access to the economic benefits associated with the underlying ownership interest. Non-controlling interest put options are initially recognised at the present value of redemption amount and reduction to controlling interest equity. All subsequent changes in liability are recognised within controlling interest equity.

#### Joint ventures

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

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

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

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

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

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

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

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

## 4.2 Foreign currency translation

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

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

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

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

## 4.3 Revenue recognition

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

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

The Group recognizes revenue from the following main sources:

### a) Sale of the following goods directly to the customers:

- Phosphate fertilizer, ammonia and industrial minerals
- Alumina, primary aluminium products and flat rolled products
- Gold bullion (including by-products like copper, zinc and silver concentrate)

### b) Rendering of the following services directly to the customers:

- Transportation of goods

## 4.3 Revenue recognition (continued)

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

### Sales of phosphate fertilizer, ammonia and industrial minerals

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

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

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

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

Ma'aden has full discretion over the price to sell the goods. The selling price includes revenue generated from the sale of goods and transportation services depending on the Incoterms contained in the contract with the customer.

The selling price is therefore unbundled or disaggregated into these two performance obligations, being:

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

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

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

### Sale of alumina, primary aluminium products and flat rolled products

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

### 4.3 Revenue recognition (continued)

#### Sale of gold bullion and concentrates

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

#### Gold bullion sales

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

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

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

#### Metal concentrate sales

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

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

#### Contract liabilities

A contract liability is recognised if a payment is received or a payment is due (whichever is earlier) from a customer before the Group transfers the related goods or services. Contract liabilities are recognised as revenue when the Group performs under the contract (i.e., transfers control of the related goods or services to the customer).

#### Income from time deposits

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

### 4.4 Selling, marketing and logistic expenses

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

### 4.5 General and administrative expenses

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

### 4.6 Earnings per share

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

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

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

### 4.7 Mine properties and property, plant and equipment

#### Mine properties and property, plant and equipment

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

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

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



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

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

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

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

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

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

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

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

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

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

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

##### Exploration and evaluation assets

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

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

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

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

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

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

All exploration and evaluation costs incurred after management has concluded that economic benefit is more likely to be realized than not, i.e. "probable" and are capitalised as "Exploration and evaluation assets" only until the technical feasibility and commercial

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

viability of extracting of the mineral resource are demonstrable. Once the technical feasibility and commercial viability is demonstrable i.e. economic benefit will or will not be realised, the asset is tested for impairment and any impairment loss is recognised.

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

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

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

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

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

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

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

##### Stripping activity asset and stripping activity expense

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

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

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

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

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

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

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

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

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

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

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

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

#### 4.8 Right-of-use assets and lease liabilities

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

##### Right-of-use assets (RoU)

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

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

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

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

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

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

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

##### Lease liabilities

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

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

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

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

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

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

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

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

#### 4.9 Capital work-in-progress

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

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

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

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

Capital work-in-progress is not depreciated.

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

#### 4.10 Intangible assets and goodwill

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

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

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

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

The Group amortizes intangible assets with a limited useful life using the straight-line method over the following years:

Categories of intangible assets	Number of years
Internally developed software (ERP System)	4 - 10
Technical development	5 - 7
Software and licenses (mine related)	Over life-of-mine using straight line method

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

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

##### Goodwill

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

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

#### 4.10 Intangible assets and goodwill (continued)

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

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

##### Customer relationships and non-core contracts

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

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

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

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

#### Continued

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

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

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

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

#### 4.12 Inventories

##### Finished goods

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

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

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

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

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

#### 4.12 Inventories (continued)

##### Work-in-process

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

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

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

##### Ore stockpiles

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

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

##### Spares and consumables

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

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

##### Raw materials

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

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



Ma'aden Phosphate Plant - Al Jalameed

#### 4.13 Trade and other receivables

##### Trade receivables

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

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

##### Employees' home ownership program receivable

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

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



Ma'aden Phosphate Train Loading Station - Al Jalameed

#### 4.14 Time deposits

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

#### 4.15 Cash and cash equivalents

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

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

#### 4.16 Financial instruments, financial assets and financial liabilities

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

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

##### Derivative financial instruments

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

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

##### Interest rate swap contracts

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

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

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

##### Forward exchange contracts

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

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

The Group does not use forward exchange contracts

##### Commodity contracts

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

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

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

##### Provisional price contracts

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

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

##### Financial assets

The Group's principal financial assets include:

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

They are derived directly from the Group's operations.

##### Initial recognition of financial assets

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

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

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

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

#### 4.16 Financial instruments, 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").

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

##### Impairment and uncollectibility of financial assets

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

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

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

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

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

##### Derecognition of financial assets

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

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



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

##### Financial liabilities

The Group's principal financial liabilities comprise of:

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

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

##### Initial recognition of financial liabilities

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

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

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

##### Classification of financial liabilities

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

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

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

##### Derecognition of financial liabilities

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

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

##### Offsetting a financial asset and a financial liability

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

#### 4.17 Long-term borrowings

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

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

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

#### 4.17 Long-term borrowings (continued)

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

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

#### 4.18 Provisions

Provisions are recognised when the Group has:

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

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

#### 4.19 Provision for decommissioning, site rehabilitation and dismantling obligations

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

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

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

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

#### 4.19 Provision for decommissioning, site rehabilitation and dismantling obligations (continued)

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

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

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

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

#### 4.20 Employees' benefits

##### Employees' savings plan program

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

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

#### 4.20 Employees' benefits (continued)

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

##### Other short-term obligations

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

##### Employees' home ownership program

The program has three categories:

#### Housing project

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

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

#### Home loan

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

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

#### 4.20 Employees' benefits (continued)

##### HOP furniture loan

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

##### Employees' end-of-service termination benefits obligation

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

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

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

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

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

#### 4.21 Projects, other payables and accrued expenses

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

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

## 4.22 Zakat, income tax, withholding tax and deferred tax

### Companies with only Saudi shareholders

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

### Mix companies with foreign shareholders

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

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

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

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

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

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

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

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

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

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

## 4.23 Severance fees

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

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

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

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

In 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%.

## 5. Critical accounting judgments, estimates and assumptions



Ma'aden Gold Mine - Balgha

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

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

estimates will, by definition, seldom equal the related actual results.

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

### 5.1 Critical accounting judgements in applying accounting standards

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

- identification of CGUs
- right-of-use assets and lease liabilities
- exploration and evaluation expenditure
- stripping costs
- commercial production start date

#### Identification of CGUs

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

#### Right-of-use assets and lease liabilities

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

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

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

#### Exploration and evaluation expenditure

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

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

## 5.1 Critical accounting judgements in applying accounting standards (continued)

### Stripping costs

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

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

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

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

### Commercial production start date

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

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

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

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

## 5.2 Key sources of estimation uncertainty

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

- impairment testing of goodwill
- impairment and the reversal of impairment of tangible assets
- economic useful lives of mine properties, property, plant and equipment
- zakat and income tax
- mineral resource and ore reserve estimates,
- mine decommissioning obligation,
- allowances for obsolete and slow moving spare parts,
- non-controlling interest put options and
- contingencies.

### Impairment testing of goodwill

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

### Impairment and the reversal of impairment of tangible assets

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

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

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

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

- changes in proven and probable ore reserves,
- the grade of ore reserves varying significantly from time to time,
- differences between actual commodity prices and commodity price assumptions

## 5.2 Key sources of estimation uncertainty (continued)

- used in the estimation and classification of ore reserves,
- unforeseen operational issues at mine sites and
- changes in capital, operating, mining, processing and reclamation costs, discount rates could possibly adversely affect the economic viability of ore reserves.

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

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

### Zakat and income tax

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

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

### Mineral resource and ore reserve estimates

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

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

Fluctuation in commodity prices, the results of drilling, metallurgical testing and production and the evaluation of mine plans subsequent to the date of any estimate may require estimates to be revised. The volume and grade of ore reserves mined and processed and recovery rates may not be the same as currently anticipated.

## 5.2 Key sources of estimation uncertainty (continued)

Any material reductions in estimates of ore reserves and mineral resources, or of the Group's ability to extract these mineral contents, could have a material adverse effect on the Group's business, prospects, financial condition and operating results.

### Mine decommissioning obligation

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

### Allowances for obsolete and slow moving spare parts

The Group also creates an allowance for obsolete and slow-moving spare parts. At 31 December 2021, the allowance for obsolete slow-moving items amounted to SAR 106,211,788 (31 December 2020: SAR 97,371,125). These estimates take into consideration fluctuations of price or cost directly relating to events occurring subsequent to the consolidated statement of financial position date to the extent that such events confirm conditions existing at the end of the year (Note 26.1).

### Non-controlling interest put options

The fair value of non-controlling interest put options are recognized at the present value of redemption amount based on the discounted cash flow analysis. The Group estimates the non-controlling interest put options price at each reporting period in accordance with the formula defined in the shareholder's agreement between Ma'aden and Meridian. Further details are explained in Note 40.2 of these consolidated financial statements.

### Contingencies

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

## 6. Segmental information

### Segment reporting

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

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

#### 6.1 Business segment

A business segment is a component of the Group:

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

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

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

Phosphate Strategic Business Unit Segment, consist of operations related to:

- **MPC** – the mining and beneficiation of phosphate concentrated rock at Al-Jalamid. The utilization of natural gas and sulphur to produce phosphate fertilizers as well as ammonia products at Ras-Al-Khair.
- **IMC** – the mining of industrial minerals at a kaolin and low grade bauxite mine in the central zone of Az-Zabirah and a high grade magnesite mine at Al-Ghazallah, Multiple Hearth Furnace (MHF) processing plant and a Vertical Shaft Kiln (VSK) processing plant at Al-Madinah Al Munawarah.
- **MWSPC** – the development of a mine to exploit the Al-Khabra phosphate deposit. The company declared commercial production on 2 December 2018, except for the ammonia plant for which commercial production was declared on 1 January 2017.

#### 6.1 Business segment (continued)

- **MMDC** – a vehicle for Ma'aden to build a fertilizer distribution business in the most important global fertilizer markets.
- **Phosphate and Industrial Minerals division under Corporate** – related cost and exploration expenses in Ma'aden Corporate has been allocated to this segment.
- **MIC** – is responsible for the development, construction and delivery of services to Ma'aden entities in the Ras Al Khair area and other mining and industrial locations in the Kingdom of Saudi Arabia. Therefore, a 33% proportionate share of MIC's revenues, costs and assets have been allocated to this segment.

#### Aluminium Strategic Business Unit Segment, consists of the operations related to:

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

#### Precious and Base Metals Strategic Business Unit Segment, consists of operations related to:

- **MGBM** – that operates five gold mines, i.e. Mahd Ad-Dahab, Al-Amar, Bulghah, As-Suq and Ad-Duwayhi and a processing plant at Sukhaybarat which are located in different geographical areas in the Kingdom of Saudi Arabia.

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



## 6.1 Business segment (continued)

- MBCC – a joint venture that produces copper concentrate and associated minerals located in the southeast of Al Madinah Al Munawarah. MBCC started commercial production on 1 July 2016.
- Precious and base metals division under Corporate – related cost and exploration expenses in Ma'aden Corporate has been allocated to this segment.

### Corporate

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



Ma'aden Gold Plant - Mahd Al Dahab

## 6.2 Business segment financial information

	Notes	Phosphate	Aluminium	Precious and base metals	Corporate	Total
<b>Year ended 31 December 2021</b>						
Sales of goods and services to external customers	6.3,7	14,582,617,392	9,889,870,631	2,296,518,086	-	26,769,006,109
Gross profit		4,851,834,199	3,425,143,210	877,690,662	-	9,154,668,071
<b>Net profit / (loss) before zakat and income tax</b>		<b>3,450,005,967</b>	<b>2,576,007,981</b>	<b>1,216,652,887</b>	<b>(318,046,562)</b>	<b>6,924,620,273</b>
Less: Income from time deposits	12	(725,545)	(11,315,454)	-	(36,520,522)	(48,561,521)
Add: Finance cost	13	527,995,496	633,709,265	6,198,727	38,708,507	1,206,611,995
<b>Net profit / (loss) before net finance income / (cost), zakat and income tax</b>		<b>3,977,275,918</b>	<b>3,198,401,792</b>	<b>1,222,851,614</b>	<b>(315,858,577)</b>	<b>8,082,670,747</b>
<b>Operating special items and re-measurements:</b>						
Add: Non-operating other expenses / (income), net	14	66,949,266	(7,475,248)	(172,641)	18,240	59,319,617
Less: Share in net profit of joint ventures	21.1.3, 21.2.3	-	(158,214,000)	(570,132,429)	-	(728,346,429)
<b>Underlying EBIT</b>		<b>4,044,225,184</b>	<b>3,032,712,544</b>	<b>652,546,544</b>	<b>(315,840,337)</b>	<b>7,413,643,935</b>
Add: Depreciation and amortization		2,487,544,160	1,692,639,810	409,466,821	27,319,786	4,616,970,577
<b>Underlying EBITDA</b>		<b>6,531,769,344</b>	<b>4,725,352,354</b>	<b>1,062,013,365</b>	<b>(288,520,551)</b>	<b>12,030,614,512</b>
<b>Net profit / (loss) attributable to ordinary shareholders of the parent company</b>						
Mine properties	16	5,440,905,710	1,342,852,269	4,904,649,540	-	11,688,407,519
Property, plant and equipment	17	30,041,996,129	28,796,035,950	(497,984)	102,475,059	58,940,009,154
Right-of-use assets	18	191,926,201	1,068,434,753	93,442,541	3,202,958	1,357,006,453
Capital work-in-progress	19	5,982,352,052	531,637,585	19,377,062	82,946,053	6,616,312,752
Intangible assets and goodwill	20	223,021,295	30,094,013	2,631,542	31,182,879	286,929,729
Investment in joint ventures	21	-	248,372,000	960,145,336	-	1,208,517,336
<b>Total assets</b>		<b>51,875,574,068</b>	<b>40,390,594,565</b>	<b>6,830,645,846</b>	<b>4,240,875,074</b>	<b>103,337,689,553</b>
Long-term borrowings	35	26,396,294,916	19,010,919,270	1,311,323,556	-	46,718,537,742
Lease liabilities	37	136,945,800	1,007,390,484	96,261,464	3,282,975	1,243,880,723
<b>Total liabilities</b>		<b>31,863,478,790</b>	<b>23,365,637,478</b>	<b>2,668,269,770</b>	<b>1,471,732,016</b>	<b>59,369,118,054</b>

## 6.2 Business segment financial information (continued)

	Notes	Phosphate	Aluminium	Precious and base metals	Corporate	Total
<b>Year ended 31 December 2020</b>						
Sales of goods and services to external customers	6.3,7	8,663,177,522	7,181,582,602	2,735,063,137	-	18,579,823,261
Gross profit		573,804,588	936,508,396	1,056,681,773	-	2,566,994,757
<b>Net (loss) / profit before zakat and income tax</b>		(1,089,309,988)	(353,168,462)	1,038,328,091	(290,734,895)	(694,885,254)
Less: Income from time deposits	12	(2,114,540)	(18,048,066)	-	(52,277,112)	(72,439,718)
Add: Finance cost	13	822,166,746	777,703,321	19,281,820	43,093,763	1,662,245,650
<b>Net (loss) / profit before net finance income / (cost), zakat and income tax</b>		(269,257,782)	406,486,793	1,057,609,911	(299,918,244)	894,920,678
Operating special items and re-measurements:						
Add: Non-operating other expenses / (income), net	14	97,697,533	18,467,344	3,196,510	(6,276,612)	113,084,775
Less: Share in net loss / (profit) of joint ventures	21.1.3, 21.2.3	-	99,850,000	(297,260,762)	-	(197,410,762)
<b>Underlying EBIT</b>		(171,560,249)	524,804,137	763,545,659	(306,194,856)	810,594,691
Add: Depreciation and amortization		2,439,018,819	1,703,325,392	574,202,803	105,099,551	4,821,646,565
<b>Underlying EBITDA</b>		2,532,695,907	2,270,317,261	976,106,666	(221,769,610)	5,557,350,224
Net (loss) / profit attributable to ordinary shareholders of the parent company		(590,767,188)	(329,740,257)	1,019,010,035	(307,483,464)	(208,980,874)
Mine properties	16	5,707,553,641	1,351,117,869	3,613,483,637	-	10,672,155,147
Property, plant and equipment	17	31,759,117,700	30,014,253,152	444,978	110,668,209	61,884,484,039
Right-of-use assets	18	267,259,432	1,087,397,030	106,039,745	3,078,475	1,463,774,682
Capital work-in-progress	19	4,030,406,969	579,629,086	8,563,228	48,276,255	4,666,875,538
Intangible assets and goodwill	20	234,906,023	41,445,329	4,819,839	37,104,546	318,275,737
Investment in joint ventures	21	-	90,158,000	936,472,926	-	1,026,630,926
<b>Total assets</b>		49,106,794,510	38,710,652,892	5,388,668,448	3,530,990,527	96,737,106,377
Long-term borrowings	35	27,147,665,006	20,382,653,550	643,154,553	-	48,173,473,109
Lease liabilities	37	209,221,885	1,008,379,807	108,050,729	11,517,215	1,337,169,636
<b>Total liabilities</b>		32,174,145,289	24,372,701,503	1,898,493,263	991,996,582	59,437,336,637

## 6.3 Geographical segment

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

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

	Notes	Phosphate	Aluminium	Precious and base metals	Corporate	Total
<b>31 December 2021</b>						
<b>International</b>						
Indian subcontinent		6,286,359,079	-	-	-	6,286,359,079
Japan		-	1,273,464,252	-	-	1,273,464,252
United States of America		1,462,593,549	1,253,049,848	7,154,407	-	2,722,797,804
Europe		20,375,077	2,719,130,905	1,942,428,101	-	4,681,934,083
Australia		642,615,591	-	341,683,051	-	984,298,642
Brazil		1,639,810,582	-	-	-	1,639,810,582
Africa		2,466,500,197	112,683,074	-	-	2,579,183,271
GCC		-	1,281,953,573	-	-	1,281,953,573
Others		1,628,606,153	878,650,420	5,252,527	-	2,512,509,100
<b>Sub-total</b>		14,146,860,228	7,518,932,072	2,296,518,086	-	23,962,310,386
<b>Domestic</b>		435,757,164	2,370,938,559	-	-	2,806,695,723
<b>Total</b>	6.2,7	14,582,617,392	9,889,870,631	2,296,518,086	-	26,769,006,109

### 6.3 Geographical segment (continued)

	Notes	Phosphate	Aluminium	Precious and base metals	Corporate	Total
<b>31 December 2020</b>						
<b>International</b>						
Indian subcontinent		4,207,482,019	-	-	-	4,207,482,019
Japan		-	660,147,548	-	-	660,147,548
United States of America		433,218,651	1,196,380,041	9,827,165	-	1,639,425,857
Europe		34,382,727	1,901,529,667	1,477,984,320	-	3,413,896,714
Australia		227,331,420	-	1,246,757,656	-	1,474,089,076
Brazil		992,509,310	-	-	-	992,509,310
Africa		1,543,369,114	71,336,361	-	-	1,614,705,475
GCC		-	1,063,680,341	-	-	1,063,680,341
Others		979,709,530	887,823,077	493,996	-	1,868,026,603
<b>Sub-total</b>		<b>8,418,002,771</b>	<b>5,780,897,035</b>	<b>2,735,063,137</b>	<b>-</b>	<b>16,933,962,943</b>
<b>Domestic</b>		<b>245,174,751</b>	<b>1,400,685,567</b>	<b>-</b>	<b>-</b>	<b>1,645,860,318</b>
<b>Total</b>	<b>6.2,7</b>	<b>8,663,177,522</b>	<b>7,181,582,602</b>	<b>2,735,063,137</b>	<b>-</b>	<b>18,579,823,261</b>

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

	Phosphate	Aluminium	Precious and base metals	Corporate	Total
<b>31 December 2021</b>					
<b>Customer No. 1 - Europe</b>	<b>-</b>	<b>-</b>	<b>1,942,428,101</b>	<b>-</b>	<b>1,942,428,101</b>
<b>Customer No. 2 - Indian subcontinent</b>	<b>1,470,000,000</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,470,000,000</b>
<b>Customer No. 3 - Spain</b>	<b>-</b>	<b>1,354,007,841</b>	<b>-</b>	<b>-</b>	<b>1,354,007,841</b>
<b>31 December 2020</b>					
Customer No. 1 – Europe	-	-	1,477,984,320	-	1,477,984,320
Customer No. 2 – Spain	-	943,449,656	-	-	943,449,656
Customer No. 3 – Indian subcontinent	885,495,000	-	-	-	885,495,000

### 6.3 Geographical segment (continued)

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

	Notes	Phosphate	Aluminium	Precious and base metals	Corporate	Total
<b>31 December 2021</b>						
Ammonia phosphate fertilizer and ammonia		<b>13,920,050,588</b>	-	-	-	<b>13,920,050,588</b>
Low grade bauxite, caustic calcined magnesia, dead burned magnesia and monolithic		<b>155,257,111</b>	-	-	-	<b>155,257,111</b>
Primary aluminium		-	<b>5,647,953,222</b>	-	-	<b>5,647,953,222</b>
Alumina		-	<b>394,786,441</b>	-	-	<b>394,786,441</b>
Flat rolled products		-	<b>3,847,100,818</b>	-	-	<b>3,847,100,818</b>
Gold		-	-	<b>2,296,518,086</b>	-	<b>2,296,518,086</b>
Infrastructure (rendering of services)		<b>14,850</b>	<b>30,150</b>	-	-	<b>45,000</b>
Others		<b>507,294,843</b>	-	-	-	<b>507,294,843</b>
<b>Total</b>	<b>6.2,7</b>	<b>14,582,617,392</b>	<b>9,889,870,631</b>	<b>2,296,518,086</b>	<b>-</b>	<b>26,769,006,109</b>

	Phosphate	Aluminium	Precious and base metals	Corporate	Total
<b>31 December 2020</b>					
Ammonia phosphate fertilizer and ammonia	8,268,031,054	-	-	-	8,268,031,054
Low grade bauxite, caustic calcined magnesia, dead burned magnesia and monolithic	126,973,505	-	-	-	126,973,505
Primary aluminium	-	3,946,780,616	-	-	3,946,780,616
Alumina	-	259,975,312	-	-	259,975,312
Flat rolled products	-	2,974,794,012	-	-	2,974,794,012
Gold	-	-	2,735,063,137	-	2,735,063,137
Infrastructure (rendering of services)	16,088	32,662	-	-	48,750
Others	268,156,875	-	-	-	268,156,875
<b>Total</b>	<b>6.2,7</b>	<b>8,663,177,522</b>	<b>7,181,582,602</b>	<b>2,735,063,137</b>	<b>18,579,823,261</b>

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

## 7. Sales

	Notes	Year ended 31 December 2021	Year ended 31 December 2020
<b>Phosphate segment</b>			
<b>Ammonia phosphate fertilizer and ammonia</b>			
▪ Sale of goods		13,155,318,121	8,016,898,805
Movement in provisional product prices during the year		95,135,284	(89,564,807)
		13,250,453,405	7,927,333,998
▪ Rendering of transportation services		669,597,183	340,697,056
		13,920,050,588	8,268,031,054
<b>Industrial minerals</b>			
▪ Sale of goods		149,581,870	124,819,487
▪ Rendering of transportation services		5,675,241	2,154,018
		155,257,111	126,973,505
<b>Sub-total</b>		<b>14,075,307,699</b>	<b>8,395,004,559</b>
<b>Aluminium segment</b>			
<b>Primary aluminium</b>			
▪ Sale of goods		5,604,626,141	3,934,592,058
Movement in provisional product prices during the year		6,919,338	799,439
		5,611,545,479	3,935,391,497
▪ Rendering of transportation services		36,407,743	11,389,119
		5,647,953,222	3,946,780,616
<b>Alumina</b>			
▪ Sale of goods		394,786,441	259,975,312
Flat rolled products			
▪ Sale of goods		3,835,054,093	2,960,258,244
▪ Rendering of transportation services		12,046,725	14,535,768
		3,847,100,818	2,974,794,012
<b>Sub-total</b>		<b>9,889,840,481</b>	<b>7,181,549,940</b>
<b>Precious and base metals segment</b>			
<b>Gold</b>			
▪ Sale of goods		2,299,344,998	2,723,985,614
Movement in provisional product prices during the year		(2,826,912)	11,077,523
<b>Sub-total</b>		<b>2,296,518,086</b>	<b>2,735,063,137</b>
<b>Infrastructure</b>			
Rendering of services		45,000	48,750
<b>Others</b>			
		507,294,843	268,156,875
<b>Total</b>	6.2,6.3,7.1	<b>26,769,006,109</b>	<b>18,579,823,261</b>

### 7.1 Timing of revenue recognition

	Notes	Year ended 31 December 2021	Year ended 31 December 2020
<b>At a point in time</b>			
▪ sale of goods		26,043,232,220	18,210,998,550
▪ rendering of services		498,789	48,750
<b>Sub-total</b>		<b>26,043,731,009</b>	<b>18,211,047,300</b>
<b>Over a period of time</b>			
▪ rendering of transportation and personnel services		725,275,100	368,775,961
<b>Total</b>	7	<b>26,769,006,109</b>	<b>18,579,823,261</b>
<b>Gold sales analysis</b>			
Quantity of gold ounces (Oz) sold		340,353	412,768
Average realized price per ounce (Oz) in:			
US\$		1,799	1,767
Saudi Riyals (equivalent)		6,747	6,626

### 7.2 Contract balances

	Notes	31 December 2021	31 December 2020	1 January 2020
Trade receivables	27	4,403,789,046	2,452,508,107	2,415,698,560
Contract liabilities	40	20,228,891	27,615,435	22,693,500

No material changes were noted to contract liabilities balance.

Set out below is the amount of revenue recognised from:

	Notes	31 December 2021	31 December 2020
Amounts included in contract liabilities at the beginning of the year		27,615,435	22,693,500
Performance obligations satisfied in previous years		-	-

## 8. Cost of sales

	Notes	Year ended 31 December 2021	Year ended 31 December 2020
Salaries and staff related benefits		1,709,530,269	1,741,879,609
Contracted services		1,631,705,005	1,641,636,579
Repairs and maintenance		84,080,107	190,022,676
Consumables		905,472,424	907,496,266
Overheads		868,616,889	840,884,509
Raw material and utilities consumed		7,367,304,013	5,039,350,796
Sale of by-products	8.1	(108,653,640)	(84,295,807)
Obsolete spare parts written-off	26	-	4,073,406
Allowance / (Reversal of allowance) for inventory obsolescence, net	26.1	8,840,663	4,268,051
Severance fees	43	222,692,578	207,197,069
<b>Total cash operating costs</b>		<b>12,689,588,308</b>	<b>10,492,513,154</b>
Depreciation of mine properties	16.1	705,743,639	883,432,499
Mine properties written-off	16	133,158,805	-
Depreciation of property, plant and equipment	17.1	3,577,056,528	3,614,294,332
Plant and equipment written-off	17	183,263,439	-
Depreciation of right-of-use assets	18.1	210,763,733	239,045,431
Amortisation of intangible assets	20.1	24,621,290	26,051,833
<b>Total operating costs</b>		<b>17,524,195,742</b>	<b>15,255,337,249</b>
(Increase) / decrease in inventory	24,26	(633,584,594)	388,715,294
<b>Total cost of goods sold</b>		<b>16,890,611,148</b>	<b>15,644,052,543</b>
Cost of rendering transportation services		723,726,890	368,775,961
<b>Total</b>		<b>17,614,338,038</b>	<b>16,012,828,504</b>

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

Zinc		44,833,316	42,102,976
Copper		48,285,688	27,327,696
Silver		15,534,636	14,865,135
<b>Total</b>	8	<b>108,653,640</b>	<b>84,295,807</b>

## 9. Selling, marketing and logistic expenses

	Notes	Year ended 31 December 2021	Year ended 31 December 2020
Salaries and staff related benefits		41,124,894	39,435,691
Contracted services		8,569,693	6,205,161
Freight and overheads		241,931,050	235,510,764
Warehouse and storage		30,407,697	28,292,885
Consumables		1,177,872	821,177
Marketing fees and deductibles		206,559,152	172,901,393
Other selling expenses		56,707,454	27,183,449
<b>Total</b>		<b>586,477,812</b>	<b>510,350,520</b>

## 10. General and administrative expenses

	Notes	Year ended 31 December 2021	Year ended 31 December 2020
Salaries and staff related benefits		338,100,541	371,308,694
Contracted services		352,461,052	332,746,609
Overheads and other		204,847,392	245,536,063
Consumables		3,886,818	11,284,588
Repair parts		4,451,832	13,612,556
Depreciation of property, plant and equipment	17.1	66,771,021	37,713,117
Depreciation of right-of-use assets	18.1	10,551,011	832,429
Amortisation of intangible assets	20.1	20,681,376	18,059,258
ECL allowance on trade and other receivables	27.1	3,381,709	1,764,743
<b>Total</b>		<b>1,005,132,752</b>	<b>1,032,858,057</b>

## 11. Exploration and technical services expenses

	Notes	Year ended 31 December 2021	Year ended 31 December 2020
Salaries and staff related benefits		24,554,030	26,532,571
Contracted services		113,208,031	175,603,696
Overheads and other		7,959,819	4,168,125
Consumables		2,473,453	4,117,391
Repair parts		436,260	552,040
Depreciation of property, plant and equipment	17.1	664,215	2,099,902
Amortisation of intangible assets	20.1	117,764	117,764
<b>Total</b>		<b>149,413,572</b>	<b>213,191,489</b>

## 12. Income from time deposits

	Notes	Year ended 31 December 2021	Year ended 31 December 2020
Income from time deposits – measured at amortised cost	6.2	48,561,521	72,439,718

## 13. Finance cost

	Notes	Year ended 31 December 2021	Year ended 31 December 2020
Public Investment Fund		130,471,931	319,861,330
Saudi Riyal procurement		-	38,812,868
Commercial		26,207,482	105,353,311
US Dollar procurement		-	5,033,856
Wakala		44,612,263	50,874,184
Saudi Industrial Development Fund		113,187,989	101,884,331
Public Pension Agency		114,221,193	62,789,632
Riyal Murabaha facility		467,632,155	553,090,943
Sukuk facility		78,927,213	111,237,347
Revolving credit facility		18,750,000	18,739,583
Others		23,083,241	35,591,726
<b>Sub-total</b>		<b>1,017,093,467</b>	<b>1,403,269,111</b>
Amortization of revolving loan transaction cost	24	14,250,000	14,250,000
Amortization of transaction cost on long-term borrowings	35.12	123,755,051	161,141,438
Accretion of provision for mine decommissioning obligations	36.1,36.2, 36.3,36.4	14,096,558	20,404,118
Accretion of finance cost under lease liabilities	37.2	50,513,938	55,451,071
Derivative interest	38	130,161,265	93,187,934
Finance cost on employees' end of service termination benefits obligation	39.1	18,367,230	25,022,136
<b>Sub-total</b>	<b>6.2,13.1</b>	<b>1,368,237,509</b>	<b>1,772,725,808</b>
Less: Borrowing cost / amortization of transaction cost capitalised as part of qualifying assets in capital work-in-progress during the year	13.1	(161,625,514)	(110,480,158)
<b>Total</b>		<b>1,206,611,995</b>	<b>1,662,245,650</b>

### 13.1 Summary of finance cost

	Notes	Year ended 31 December 2021	Year ended 31 December 2020
Expensed during the year	13	1,206,611,995	1,662,245,650
Borrowing cost capitalised as part of qualifying assets in capital work-in-progress during the year	13,19	149,872,511	99,256,052
Amortization of transaction cost capitalized as part of qualifying assets in capital work-in-progress during the year	19, 35.12	11,753,003	11,224,106
<b>Total</b>		<b>1,368,237,509</b>	<b>1,772,725,808</b>

### 14. Other income / (expenses), net

	Notes	Year ended 31 December 2021	Year ended 31 December 2020
Loss on derecognition of property, plant and equipment	17	(482,678)	(12,632,519)
Adjustment to mine closure provision	36.1	-	797,101
Gain / (loss) on exchange difference, net	46.1.1	(63,254,995)	(122,763,792)
Gain from supply of power to Saudi Ports Authority and RCJY		2,426,150	1,823,170
Others, net		1,991,906	19,691,265
<b>Total</b>	6.2	<b>(59,319,617)</b>	<b>(113,084,775)</b>

### 15. Earnings / (loss) per ordinary share

	Notes	Year ended 31 December 2021	Year ended 31 December 2020
Earnings / (loss) attributable to ordinary shareholders of the parent company		5,227,700,464	(208,980,874)
Weighted average number of ordinary shares used as the denominator in calculating basic and diluted earnings / (loss) per share	30	1,230,591,146	1,230,591,146
Basic and diluted earnings / (loss) per ordinary share from continuing operations		4.25	(0.17)

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



Ma'aden Phosphate Complex - Wa'ad Al Shamal Minerals Industrial City

## 16. Mine properties

Operating mines												
	Notes	Exploration and evaluation assets	Mines under construction	Fixed plant and heap leaching	Mine infrastructure / buildings	Civil works	Heavy equipment	Others	Mine closure and rehabilitation provision	Stripping activity asset	Mining capital work-in-progress	Total
<b>Cost</b>												
1 January 2020		224,382,540	-	6,788,061,370	2,411,124,130	1,819,562,708	380,544,877	476,387,022	325,103,754	470,220,428	829,042,432	13,724,429,261
Additions during the year		43,511,866	-	-	-	-	-	-	-	115,269,790	1,247,327,966	1,406,109,622
Transfers within mine properties		-	-	149,012,860	26,721,512	5,078,200	34,530,361	4,847,701	-	-	(220,190,634)	-
Transfer to property, plant and equipment	17	-	-	-	-	-	-	-	-	-	(1,079,365)	(1,079,365)
Transfer from capital work-in-progress	19	-	-	21,148,981	-	-	-	-	-	-	45,729,859	66,878,840
Transfer to intangible assets	20	-	-	-	-	-	-	-	-	-	(589,195)	(589,195)
Increase in mine closure and rehabilitation provision	36.2	-	-	-	-	-	-	-	50,137,913	-	-	50,137,913
Adjustments		-	-	-	-	(11,200,000)	-	(137,000)	-	-	-	(11,337,000)
31 December 2020		267,894,406	-	6,958,223,211	2,437,845,642	1,813,440,908	415,075,238	481,097,723	375,241,667	585,490,218	1,900,241,063	15,234,550,076
Additions during the year		160,898,501	1,405,111,961	-	2,388,372	-	-	-	-	75,230,068	121,919,223	1,765,548,125
Transfers within mine properties		-	1,561,677,087	14,785,629	30,326,911	-	3,554,072	4,616,771	-	-	(1,614,960,470)	-
Transfer to intangible assets	20	-	-	-	-	-	-	-	-	-	(518,124)	(518,124)
Transfer from capital work-in-progress	19	-	-	-	95,840	-	-	-	-	-	-	95,840
Increase in mine closure and rehabilitation provision	36.2	-	-	-	-	-	-	-	90,905,155	-	-	90,905,155
Written-off during the year*		-	-	(154,912,010)	-	-	-	-	-	(18,704,693)	-	(173,616,703)
Adjustments		-	-	(8,123,846)	-	-	-	(638,438)	-	-	-	(8,762,284)
<b>31 December 2021</b>		<b>428,792,907</b>	<b>2,966,789,048</b>	<b>6,809,972,984</b>	<b>2,470,656,765</b>	<b>1,813,440,908</b>	<b>418,629,310</b>	<b>485,076,056</b>	<b>466,146,822</b>	<b>642,015,593</b>	<b>406,681,692</b>	<b>16,908,202,085</b>



## 16 Mine properties (continued)

Operating mines												
Notes	Exploration and evaluation assets	Mines under construction	Fixed plant and heap leaching	Mine infrastructure / buildings	Civil works	Heavy equipment	Others	Mine closure and rehabilitation provision	Stripping activity asset	Mining capital work-in-progress	Total	
<b>Accumulated depreciation</b>												
1 January 2020		-	-	2,017,937,529	853,192,101	113,370,733	202,680,804	270,766,872	60,561,374	160,590,017	-	3,679,099,430
Charge for the year	16.1	-	-	434,635,804	156,276,064	68,257,735	45,742,073	40,212,112	12,229,173	126,079,538	-	883,432,499
Adjustments		-	-	-	-	-	-	(137,000)	-	-	-	(137,000)
31 December 2020		-	-	2,452,573,333	1,009,468,165	181,628,468	248,422,877	310,841,984	72,790,547	286,669,555	-	4,562,394,929
Charge for the year	16.1	-	-	385,920,600	115,583,526	69,083,152	32,117,417	36,947,896	15,058,420	51,032,628	-	705,743,639
Written-off during the year*		-	-	(21,753,205)	-	-	-	-	(18,704,693)	-	-	(40,457,898)
Adjustments		-	-	(8,260,575)	-	-	115,502	258,969	-	-	-	(7,886,104)
<b>31 December 2021</b>		-	-	<b>2,808,480,153</b>	<b>1,125,051,691</b>	<b>250,711,620</b>	<b>280,655,796</b>	<b>348,048,849</b>	<b>87,848,967</b>	<b>318,997,490</b>	-	<b>5,219,794,566</b>
<b>Net book value as at</b>												
31 December 2020	6.2	267,894,406	-	4,505,649,878	1,428,377,477	1,631,812,440	166,652,361	170,255,739	302,451,120	298,820,663	1,900,241,063	10,672,155,147
<b>31 December 2021</b>	<b>6.2</b>	<b>428,792,907</b>	<b>2,966,789,048</b>	<b>4,001,492,831</b>	<b>1,345,605,074</b>	<b>1,562,729,288</b>	<b>137,973,514</b>	<b>137,027,207</b>	<b>378,297,855</b>	<b>323,018,103</b>	<b>406,681,692</b>	<b>11,688,407,519</b>

\*During the year, the Group has written-off mine properties having carrying amount of SAR 133.2 million. These assets written-off, relating to phosphate segment, are attributable to Beneficiation plant at MWSPC. These represented redundant assets which needed to be completely replaced during the year due to certain performance issues. The write-off loss was recognized and included in the cost of sales in the consolidated statement of profit or loss and other comprehensive income for the year ended 31 December 2021.

## 16 Mine properties (continued)

### Initial recognition at cost

#### Exploration and evaluation asset

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

#### Mines under construction

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

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

#### Mine closure and rehabilitation provision

Mine closure and rehabilitation provision includes the following restoration activities:

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

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

## 16 Mine properties (continued)

### Operating mines

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

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

### Stripping activity asset

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

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

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

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

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

## 16 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 the producing mine and put into use, from which point onwards it is being depleted.

### Depreciation and impairment

#### Exploration and evaluation assets

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

#### Mines under construction

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

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

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

### Mining capital work-in-progress

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

## 16.1 Allocation of depreciation charge for the year to:

	Notes	Year ended 31 December 2021	Year ended 31 December 2020
<b>Expensed through profit or loss</b>			
Cost of sales	8,16	705,743,639	883,432,499

## 16.2 Mining properties pledged as security

Mine properties with a net book value at 31 December 2021 of SAR 4,199,041,808 (31 December 2020: SAR 4,616,711,558) are pledged as security to lenders under the Common Term Agreements (Note 35.13).



Ma'aden Gold Plant - Balgha

## 17. Property, plant and equipment

Non-mining assets											
	Notes	Land	Civil works	Buildings	Heavy equipment	Other equipment	Fixed plant	Office equipment	Furniture and fittings	Motor vehicles	Total
<b>Cost</b>											
1 January 2020		61,550,000	12,036,878,752	16,787,572,094	1,090,338,483	2,873,728,408	46,855,975,413	101,817,404	90,426,780	42,420,393	79,940,707,727
Additions during the year		-	-	3,561,562	-	3,422,131	173,773,307	1,402,024	842,524	2,271,494	185,273,042
Transfer from mine properties during the year	16	-	-	-	-	-	1,079,365	-	-	-	1,079,365
Transfer from capital work-in-progress during the year	19	-	30,598,962	29,930,145	1,087,587	197,756,011	628,729,292	11,555,541	917,043	-	900,574,581
Written-off during the year		-	-	-	-	(194,122,316)	-	-	-	-	(194,122,316)
Foreign currency translation adjustments		-	-	(31,893,735)	-	(2,352)	(3,091,118)	(95,940)	(400,725)	(121,298)	(35,605,168)
Adjustments		-	(12,174,732)	(9,707,517)	-	(3,574,724)	(751,373)	(356,215)	(982,145)	(228,532)	(27,775,238)
31 December 2020		61,550,000	12,055,302,982	16,779,462,549	1,091,426,070	2,877,207,158	47,655,714,886	114,322,814	90,803,477	44,342,057	80,770,131,993
Additions during the year		-	-	5,514,923	(8,989,445)	622,408	426,136,612	2,097,992	689,140	4,997,974	431,069,604
Transfer from capital work-in-progress during the year	19	-	206,873,777	24,611,167	-	93,129,861	119,648,705	3,897,995	-	-	448,161,505
Written-off during the year*		-	-	-	-	(57,295,815)	(989,378,608)	-	-	-	(1,046,674,423)
Foreign currency translation adjustments		-	-	11,665,293	-	(45,842)	2,125,562	(136,465)	22,688	1,041,069	14,672,305
Adjustments		-	-	1,095,245	-	(3,321,573)	(9,932,490)	263,142	33,003	(1,789,503)	(13,652,176)
<b>31 December 2021</b>		<b>61,550,000</b>	<b>12,262,176,759</b>	<b>16,822,349,177</b>	<b>1,082,436,625</b>	<b>2,910,296,197</b>	<b>47,204,314,667</b>	<b>120,445,478</b>	<b>91,548,308</b>	<b>48,591,597</b>	<b>80,603,708,808</b>

## 17 Property, plant and equipment (continued)

Non-mining assets											
	Notes	Land	Civil works	Buildings	Heavy equipment	Other equipment	Fixed plant	Office equipment	Furniture and fittings	Motor vehicles	Total
<b>Accumulated depreciation</b>											
1 January 2020		-	1,213,309,687	1,919,707,694	150,801,596	1,086,625,522	10,903,465,181	66,557,584	66,241,546	37,560,261	15,444,269,071
Charge for the year	17.1	-	382,497,710	481,139,687	78,670,602	338,286,091	2,352,371,197	12,138,117	6,746,230	2,257,717	3,654,107,351
Written-off during the year		-	-	-	-	(194,122,316)	-	-	-	-	(194,122,316)
Foreign currency translation adjustments		-	-	(2,514,105)	-	(260,501)	(1,391,081)	(130,508)	(288,446)	(477,026)	(5,061,667)
Adjustment		-	(5,088,952)	(3,769,316)	-	(3,413,924)	(320,213)	(201,610)	(619,565)	(130,905)	(13,544,485)
31 December 2020		-	1,590,718,445	2,394,563,960	229,472,198	1,227,114,872	13,254,125,084	78,363,583	72,079,765	39,210,047	18,885,647,954
Charge for the year	17.1	-	382,324,286	481,540,850	69,180,294	308,288,998	2,384,698,529	10,535,923	5,793,616	2,129,268	3,644,491,764
Written-off during the year*		-	-	-	-	(57,295,815)	(806,115,169)	-	-	-	(863,410,984)
Foreign currency translation adjustments		-	-	2,544,236	-	162,941	(609,204)	(267,574)	(125,865)	928,364	2,632,898
Adjustment		-	-	(3,709,817)	-	(134,114)	(7,368)	(199,237)	(401,684)	(1,209,758)	(5,661,978)
<b>31 December 2021</b>		-	<b>1,973,042,731</b>	<b>2,874,939,229</b>	<b>298,652,492</b>	<b>1,478,136,882</b>	<b>14,832,091,872</b>	<b>88,432,695</b>	<b>77,345,832</b>	<b>41,057,921</b>	<b>21,663,699,654</b>
<b>Net book value</b>											
31 December 2020	6.2	61,550,000	10,464,584,537	14,384,898,589	861,953,872	1,650,092,286	34,401,589,802	35,959,231	18,723,712	5,132,010	61,884,484,039
<b>31 December 2021</b>	6.2	<b>61,550,000</b>	<b>10,289,134,028</b>	<b>13,947,409,948</b>	<b>783,784,133</b>	<b>1,432,159,315</b>	<b>32,372,222,795</b>	<b>32,012,783</b>	<b>14,202,476</b>	<b>7,533,676</b>	<b>58,940,009,154</b>

\*During the year, the Group has written-off property, plant and equipment having carrying amount of SAR 183.2 million. These assets written-off, relating to phosphate segment, are attributable to assets relating to:

- a) Ammonia plant at MPC having carrying amount of SAR 40.5 million. The Ammonia plant was damaged by a limited fire which was fully controlled. The damaged parts of the Ammonia plant were damaged beyond repair and were written down to their recoverable value of Nil.

The Group is in process of filing claims with the insurance company to recover the loss due to the fire incident as mentioned above. The matter is under discussion with the insurance company and management believes that a favourable outcome is probable.

### Continued

However, the contingent asset has not been recognised as a receivable at 31 December 2021 as receipt of the amount is dependent on the outcome of the insurance claim process.

- b) Sulphuric Acid plant at MWSPC having carrying amount of SAR 142.7 million. These represented redundant assets which needed to be completely replaced during the year due to certain performance issues.

The write-off loss was recognized and included in the cost of sales in the consolidated statement of profit or loss and other comprehensive income for the year ended 31 December 2021.

### 17.1 Allocation of depreciation charge for year to:

	Notes	Year ended 31 December 2021	Year ended 31 December 2020
<b>Expensed through profit or loss</b>			
Cost of sales	8	3,577,056,528	3,614,294,332
General and administrative expenses	10	66,771,021	37,713,117
Exploration and technical services expenses	11	664,215	2,099,902
<b>Total</b>	<b>17</b>	<b>3,644,491,764</b>	3,654,107,351

### 17.2 Property, plant and equipment pledged as security

Property, plant and equipment with a net book value at 31 December 2021 of SAR 19,840,569,857 (31 December 2020: SAR 20,990,652,045) are pledged as security to lenders under the Common Term Agreement (Note 35.13).

### 17.3 Impairment of rolling mill / automotive sheet and MWSPC CGUs

#### Impairment of rolling mill CGU

As at 31 December 2021, management of the company performed an impairment assessment of the rolling mill CGU due to lower than budgeted results. The methodology used by management for the impairment assessment is the discounted cash flow analysis. Key assumptions used in this analysis include:

- a pretax discount rate of 8.00% (31 December 2020: 9.10%) per annum which was calculated using a Capital Asset Pricing Model (CAPM) methodology;
- for the calculation of the terminal value, the Gordon Growth Method was adopted which included a growth rate assumption of 3.10% (31 December 2020: 3.10%) which has been estimated based on third party consultant's forecasts for the industry; and
- The sales growth in the forecast period has been estimated to be compound annual growth rate of 14.73% (31 December 2020: 8.33%).

Management concluded that the recoverable amount for the capital work-in-progress, property plant and equipment, right-of-use assets and intangible assets of the rolling mill CGU is higher than the carrying value of such assets. The estimated recoverable amount was based on approved five years business plan.

### 17.3 Impairment of rolling mill, automotive sheet and MWSPC CGUs (continued)

The calculation involved an in-depth review of each key element of rolling mill CGU income and costs (including sales volume and prices, operating costs and capital expenditure) and included a review of historical results and also a review of third party forecasts of the aluminium market prices.

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

	31 December 2021		31 December 2020	
	From	To	From	To
Discount rate	8.00%	11.25%	9.10%	9.95%
Sales growth	14.73%	10.90%	8.33%	8.21%

The above sensitivity analyses are based on a change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur, and changes in some of the assumptions may be correlated. Due to certain sensitive variables, as explained above, no reversal of impairment was made as of 31 December 2021.

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

#### Impairment of automotive sheet CGU

As at 31 December 2021, management of the company performed an impairment assessment of the automotive sheet CGU due to lower than budgeted results. The methodology used by management for the impairment assessment is the discounted cash flow analysis. Key assumptions used in this analysis include:

- a pretax discount rate of 8.00% (31 December 2020: 9.1%) per annum which was calculated using a Capital Asset Pricing Model (CAPM) methodology;
- for the calculation of the terminal value, the Gordon Growth Method was adopted which included a growth rate assumption of 3.10% (31 December 2020: 3.10%) which has been estimated based on third party consultant's forecasts for the industry; and
- The sales growth in the forecast period has been estimated to be compound annual growth rate of 17.00% (31 December 2020: 15.00%).

Management concluded that the recoverable amount for the capital work-in-progress, property plant and equipment, right-of-use assets and intangible assets

### 17.3 Impairment of rolling mill, automotive sheet and MWSPC CGUs (continued)

of automotive sheet CGU is higher than carrying value of such assets. The estimated recoverable amount was based on approved five years business plan. The calculation involved an in-depth review of each key element of automotive sheet CGU income and costs (including sales volume and prices, operating costs and capital expenditure) and included a review of historical results and also a review of third-party forecasts of the aluminium automotive market.

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

	31 December 2021		31 December 2020	
	From	To	From	To
Discount rate	8.00%	13.56%	9.10%	11.88%
Sales growth	17.00	9.00%	11.00%	6.00%

The above sensitivity analyses are based on a change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur, and changes in some of the assumptions may be correlated. Due to certain sensitive variables, as explained above, no reversal of impairment was made as of 31 December 2021.

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

#### Impairment of MWSPC CGU

As at 31 December 2021, management of the company performed an impairment assessment of the MWSPC CGU, due to lower than budgeted results. The impairment assessment resulted in no impairment. The value-in-use of MWSPC's assets, was based on a discounted cash flow analysis which utilized the most recent five-year approved business plan.

Key assumptions used in this analysis included:

- a pre-tax discount rate of 8.50% (31 December 2020: 8.80%) per annum which was calculated using a Capital Asset Pricing Model (CAPM) methodology;
- for the calculation of the terminal value, the Gordon Growth Method was adopted which included a growth rate of 4.00% (31 December 2020: 4.00%) which has been estimated based on third party consultant's forecasts for the industry; and
- Commodities prices – which have been estimated based on third parties' forecasts for the industry.

### 17.3 Impairment of rolling mill, automotive sheet and MWSPC CGUs (continued)

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

The recoverable value of this CGU would equal its carrying amount if the following key assumption was to change as follows:

	31 December 2021		31 December 2020	
	From	To	From	To
Discount rate	8.50%	11.50%	8.80%	11.12%

Further, a decrease of 13.63% (31 December 2020: 14%) in the commodities prices will result in the recoverable value of the CGU to be equal to its carrying amount.

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.



Ma'aden Gold Plant - Balgha

## 18. Right-of-use assets

	Notes	Heavy equipment	Fixed plant	Motor vehicles	Land	Infra-structure	Vessels	Total
<b>Cost</b>								
1 January 2020		1,013,109,348	118,507,565	120,676,336	115,700,908	298,946,244	122,842,371	1,789,782,772
Additions during the year	37.1,37.2	126,149,757	33,882,268	22,563,395	882,825	370,735	108,071,852	291,920,832
Adjustments		-	-	(8,334,277)	(276,095)	-	-	(8,610,372)
31 December 2020		1,139,259,105	152,389,833	134,905,454	116,307,638	299,316,979	230,914,223	2,073,093,232
Additions during the year	37.1,37.2	17,940,758	32,424,879	69,375,082	4,007,651	-	-	123,748,370
Adjustments		(25,329,038)	-	(27,438,626)	-	-	-	(52,767,664)
<b>31 December 2021</b>		<b>1,131,870,825</b>	<b>184,814,712</b>	<b>176,841,910</b>	<b>120,315,289</b>	<b>299,316,979</b>	<b>230,914,223</b>	<b>2,144,073,938</b>
<b>Accumulated depreciation</b>								
1 January 2020		66,427,971	102,249,558	48,003,683	5,846,201	102,806,502	47,709,003	373,042,918
Charge for the year	18.1	77,680,055	26,893,779	43,622,573	6,084,633	8,852,260	76,744,560	239,877,860
Adjustments		-	-	(3,535,965)	(66,263)	-	-	(3,602,228)
31 December 2020		144,108,026	129,143,337	88,090,291	11,864,571	111,658,762	124,453,563	609,318,550
Charge for the year	18.1	81,773,153	23,822,868	38,087,470	7,415,618	8,784,914	61,430,721	221,314,744
Adjustments		(19,946,094)	-	(23,619,715)	-	-	-	(43,565,809)
<b>31 December 2021</b>		<b>205,935,085</b>	<b>152,966,205</b>	<b>102,558,046</b>	<b>19,280,189</b>	<b>120,443,676</b>	<b>185,884,284</b>	<b>787,067,485</b>
<b>Net book value</b>								
31 December 2020	6.2	995,151,079	23,246,496	46,815,163	104,443,067	187,658,217	106,460,660	1,463,774,682
<b>31 December 2021</b>	<b>6.2</b>	<b>925,935,740</b>	<b>31,848,507</b>	<b>74,283,864</b>	<b>101,035,100</b>	<b>178,873,303</b>	<b>45,029,939</b>	<b>1,357,006,453</b>

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



### 18.1 Allocation of depreciation charge for the year to:

	Notes	Year ended 31 December 2021	Year ended 31 December 2020
<b>Expensed through profit or loss</b>			
Cost of sales	8	<b>210,763,733</b>	239,045,431
General and administrative expenses	10	<b>10,551,011</b>	832,429
<b>Total</b>	18	<b>221,314,744</b>	239,877,860



## 19. Capital work-in-progress

	Notes	Non-mining assets		Total
		Property, plant and equipment	Ammonia project 3	
1 January 2020		1,806,954,133	940,621,217	2,747,575,350
Additions during the year		962,844,111	1,933,137,065	2,895,981,176
Transfer to mine properties	16	(66,878,840)	-	(66,878,840)
Transfer to property, plant and equipment	17	(900,574,581)	-	(900,574,581)
Transfer to intangible assets	20	(4,771,611)	-	(4,771,611)
Foreign currency translation adjustments		(4,455,956)	-	(4,455,956)
31 December 2020	6.2	1,793,117,256	2,873,758,282	4,666,875,538
Additions during the year		1,520,843,837	889,004,133	2,409,847,970
Transfer to mine properties	16	(95,840)	-	(95,840)
Transfer to property, plant and equipment	17	(448,161,505)	-	(448,161,505)
Transfer to intangible assets	20	(12,445,075)	-	(12,445,075)
Foreign currency translation adjustments		291,664	-	291,664
<b>31 December 2021</b>	<b>6.2</b>	<b>2,853,550,337</b>	<b>3,762,762,415</b>	<b>6,616,312,752</b>

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

	Notes	Year ended 31 December 2021	Year ended 31 December 2020
Net borrowing cost attributable to qualifying assets, using a capitalization rate ranging from 1.92% to 4.23% per annum (31 December 2020: 2.6% to 3.55% per annum)	13.1	<b>149,872,511</b>	99,256,052
Amortization of transaction cost on long-term borrowings	13.1, 35.12	<b>11,753,003</b>	11,224,106
<b>Total</b>		<b>161,625,514</b>	110,480,158

### 19.1 Capital work-in-progress pledged as security

At 31 December 2021, the net book value of SAR 1,721,051,594 (31 December 2020: SAR 795,377,798) are pledged as security to the lenders (Note 35.13).

## 20. Intangible assets and goodwill

	Notes	Internally developed software	Technical development	Software and licenses	Goodwill	Customer relationships	Non-core contracts	Total
<b>Cost</b>								
1 January 2020		24,369,462	17,705,112	259,011,492	159,465,843	75,375,000	10,500,000	546,426,909
Additions during the year		-	-	1,046,254	-	-	-	1,046,254
Transfer from mine properties during the year	16	-	-	589,195	-	-	-	589,195
Transfer from capital work-in-progress during the year	19	-	-	4,771,611	-	-	-	4,771,611
31 December 2020		24,369,462	17,705,112	265,418,552	159,465,843	75,375,000	10,500,000	552,833,969
Additions during the year		-	-	1,111,223	-	-	-	1,111,223
Transfer from mine properties during the year	16	-	-	518,124	-	-	-	518,124
Transfer from capital work-in-progress during the year	19	-	524,563	11,920,512	-	-	-	12,445,075
Adjustments		(11,988,681)	-	(23,929,635)	-	-	-	(35,918,316)
<b>31 December 2021</b>		<b>12,380,781</b>	<b>18,229,675</b>	<b>255,038,776</b>	<b>159,465,843</b>	<b>75,375,000</b>	<b>10,500,000</b>	<b>530,990,075</b>
<b>Accumulated amortisation</b>								
1 January 2020		22,608,870	12,899,440	150,586,692	-	3,140,625	1,093,750	190,329,377
Charge for the year	20.1	1,686,038	2,402,835	29,977,482	-	7,537,500	2,625,000	44,228,855
31 December 2020		24,294,908	15,302,275	180,564,174	-	10,678,125	3,718,750	234,558,232
Charge for the year	20.1	74,554	2,583,776	32,599,600	-	7,537,500	2,625,000	45,420,430
Adjustments		(11,988,681)	-	(23,929,635)	-	-	-	(35,918,316)
<b>31 December 2021</b>		<b>12,380,781</b>	<b>17,886,051</b>	<b>189,234,139</b>	<b>-</b>	<b>18,215,625</b>	<b>6,343,750</b>	<b>244,060,346</b>
<b>Net book value</b>								
31 December 2020	6.2	74,554	2,402,837	84,854,378	159,465,843	64,696,875	6,781,250	318,275,737
<b>31 December 2021</b>	6.2	<b>-</b>	<b>343,624</b>	<b>65,804,637</b>	<b>159,465,843</b>	<b>57,159,375</b>	<b>4,156,250</b>	<b>286,929,729</b>

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

## 20.1 Allocation of amortisation charge for the year to:

	Notes	Year ended 31 December 2021	Year ended 31 December 2020
<b>Expensed through profit or loss</b>			
Cost of sales	8	24,621,290	26,051,833
General and administrative expenses	10	20,681,376	18,059,258
Exploration and technical services expenses	11	117,764	117,764
<b>Total</b>	20	<b>45,420,430</b>	44,228,855

## 20.2 Goodwill

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

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

Key assumptions	%
Discount rate	25.89
Average EBITDA margin	8.00

### Discount rate

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

### Average EBITDA margin

The average EBITDA margins of 8.00% was estimated in the forecast period.

### Sensitivity analysis

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

	31 December 2021		31 December 2020	
	From	To	From	To
Discount rate	25.89%	35.03%	29.73%	33.43%
Average EBITDA margin	8.00%	6.33%	9.80%	8.44%

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

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

## 21. Investment in joint ventures

	Notes	31 December 2021	31 December 2020
MBCC	21.1.3	960,145,336	936,472,926
SAMAPCO	21.2.3	248,372,000	90,158,000
<b>Total</b>	6.2	<b>1,208,517,336</b>	1,026,630,926

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

## 21 Investment in joint ventures (continued)

### Summarised financial information related to joint ventures

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

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

### 21.1 MBCC

#### 21.1.1 Summarised statement of profit or loss and other comprehensive income

	Notes	Year ended 31 December 2021	Year ended 31 December 2020
Sales and other operating revenues		2,221,308,238	1,448,539,137
Finance cost		(1,761,716)	(1,100,429)
Depreciation and amortization		(185,259,222)	(170,946,903)
Other expenses		(572,744,344)	(526,032,571)
<b>Profit before zakat, severance fees and income tax</b>		<b>1,461,542,956</b>	<b>750,459,234</b>
Severance fees		(151,110,607)	(72,821,090)
Zakat and income tax		(161,153,630)	(82,549,610)
<b>Profit for the year from continuing operations</b>		<b>1,149,278,719</b>	<b>595,088,534</b>
Other comprehensive loss		(1,670,038)	(1,212,462)
<b>Total comprehensive income</b>		<b>1,147,608,681</b>	<b>593,876,072</b>
Group's share of profit for the year	21.1.3	570,132,429	297,488,430
Group share of other comprehensive loss	21.1.3	(835,019)	(673,590)
<b>Group's share of total comprehensive income for the year *</b>		<b>569,297,410</b>	<b>296,814,840</b>

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

### 21.1.2 Summarised statement of financial position

	Notes	31 December 2021	31 December 2020
<b>Assets</b>			
<b>Non-current assets</b>		<b>1,592,248,031</b>	1,691,614,374
<b>Current assets</b>			
Other current assets		537,949,403	245,939,322
Cash and cash equivalents		318,885,119	267,661,929
<b>Total assets</b>		<b>2,449,082,553</b>	<b>2,205,215,625</b>
<b>Liabilities</b>			
<b>Non-current liabilities</b>		<b>116,154,392</b>	126,316,544
<b>Current liabilities</b>		<b>392,176,088</b>	194,505,690
<b>Total liabilities</b>		<b>508,330,480</b>	<b>320,822,234</b>
<b>Net assets</b>		<b>1,940,752,073</b>	<b>1,884,393,391</b>
Group's proportionate ownership %		50%	50%
<b>Group's proportionate ownership share in net assets</b>	21.1.3	<b>960,145,336</b>	<b>936,472,926</b>

### 21.1.3 Reconciliation to carrying amounts

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

	Notes	31 December 2021	31 December 2020
Shares at cost	51	202,482,646	202,482,646
Other component of equity		-	-
<b>Total equity contribution</b>		<b>202,482,646</b>	<b>202,482,646</b>
Share of the accumulated profit		1,303,287,690	733,990,280
<b>Sub-total</b>		<b>1,505,770,336</b>	<b>936,472,926</b>
Dividend received during the year		(545,625,000)	-
<b>Carrying value of investment</b>	21, 21.1.2	<b>960,145,336</b>	<b>936,472,926</b>

### 21.1.3 Reconciliation to carrying amounts (continued)

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

	Notes	Year ended 31 December 2021	Year ended 31 December 2020
1 January		733,990,280	437,403,108
Share in net profit	6.2	570,132,429	297,260,762
Current year	21.1.1	569,997,711	297,488,430
Prior year catch up adjustment		134,718	(227,668)
Share in other comprehensive loss for the year	21.1.1	(835,019)	(673,590)
<b>31 December</b>		<b>1,303,287,690</b>	<b>733,990,280</b>

## 21.2 SAMAPCO

### 21.2.1 Summarised statement of profit or loss and other comprehensive loss

	Notes	Year ended 31 December 2021	Year ended 31 December 2020
Sales and other operating revenues		1,143,262,000	496,766,000
Finance cost		(57,629,000)	(76,203,000)
Depreciation and amortization		(115,184,000)	(121,315,000)
Other expenses		(636,571,000)	(466,352,000)
<b>Profit / (loss) before zakat and severance fees</b>		<b>333,878,000</b>	<b>(167,104,000)</b>
Zakat and severance fees		(17,450,000)	-
<b>Profit / (loss) for the year from continuing operations</b>		<b>316,428,000</b>	<b>(167,104,000)</b>
Other comprehensive loss		-	-
<b>Total comprehensive income / (loss)</b>		<b>316,428,000</b>	<b>(167,104,000)</b>
<b>Group's share of total comprehensive income / (loss) for the year *</b>	21.2.3	<b>158,214,000</b>	<b>(83,552,000)</b>

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

### 21.2.2 Summarised statement of financial position

	Notes	31 December 2021	31 December 2020
<b>Assets</b>			
<b>Non-current assets</b>		<b>2,267,675,000</b>	<b>2,334,972,000</b>
<b>Current assets</b>			
Other current assets		529,967,000	322,098,000
Cash and cash equivalents		121,889,000	56,713,000
<b>Total assets</b>		<b>2,919,531,000</b>	<b>2,713,783,000</b>
<b>Liabilities</b>			
<b>Non-current liabilities</b>			
Long-term borrowings		2,006,528,000	2,083,718,000
Other non-current liabilities		78,996,000	53,467,000
<b>Current liabilities</b>			
Current portion of long-term borrowings		79,200,000	74,156,000
Other current liabilities		197,754,000	261,062,000
<b>Total liabilities</b>		<b>2,362,478,000</b>	<b>2,472,403,000</b>
<b>Net assets</b>		<b>557,053,000</b>	<b>241,380,000</b>
<b>Group's proportionate ownership %</b>		<b>50%</b>	<b>50%</b>
<b>Group's proportionate ownership share in net assets</b>	21.2.3	<b>248,372,000</b>	<b>90,158,000</b>

### 21.2.3 Reconciliation to carrying amounts

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

	Notes	31 December 2021	31 December 2020
Shares at cost	51	450,000,000	450,000,000
Total share of the accumulated loss		(201,628,000)	(359,842,000)
<b>Carrying value of investment</b>	21, 21.2.2	<b>248,372,000</b>	<b>90,158,000</b>

## 21.2.2 Summarised statement of financial position (continued)

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

	Notes	Year ended 31 December 2021	Year ended 31 December 2020
1 January		(359,842,000)	(259,992,000)
Share in net income / (loss) for the year	6.2	158,214,000	(99,850,000)
Current year	21.2.1	158,214,000	(83,552,000)
Prior year catch up adjustment		-	(16,298,000)
<b>31 December</b>		<b>(201,628,000)</b>	<b>(359,842,000)</b>

## 22. Deferred tax

### 22.1 Income tax

	Notes	Year ended 31 December 2021	Year ended 31 December 2020
Deferred income tax		(57,480,235)	9,274,118
Deferred tax assets credited to the consolidated statement of profit or loss	22.2	19,693,419	166,159,066
Deferred tax liabilities debited to the consolidated statement of profit or loss	22.3	(77,173,654)	(156,884,948)
Current income tax	42.5	(101,000,641)	(466,409)
<b>Total income tax</b>		<b>(158,480,876)</b>	<b>8,807,709</b>

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

## 22.2 Deferred tax assets

The balance comprises temporary differences attributable to:

	Notes	31 December 2021	31 December 2020
Tax losses		777,162,930	779,822,917
Allowance for obsolete and slow moving spare parts and consumable materials		5,771,407	3,055,252
Property, plant and equipment, capital work-in-progress and intangible assets		28,755	10,920
Provision for decommissioning, site rehabilitation and dismantling obligations		6,466,433	5,332,143
Employees' end of service termination benefits obligation		16,026,755	14,504,975
Provision for research and development and others		5,313,818	1,499,514
Foreign currency translation movement		13,826,093	677,051
<b>Total deferred tax assets</b>		<b>824,596,191</b>	<b>804,902,772</b>

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

	Notes	Year ended 31 December 2021	Year ended 31 December 2020
1 January		804,902,772	638,743,706
Credited to the consolidated statement of profit or loss during year	22.1	19,693,419	166,159,066
Foreign currency translation movement credited to the consolidated statement of other comprehensive income during the year		-	-
<b>31 December</b>		<b>824,596,191</b>	<b>804,902,772</b>

### 22.3 Deferred tax liabilities

The balance comprises temporary differences attributable to:

	Notes	31 December 2021	31 December 2020
Property, plant and equipment, capital work-in-progress and intangible assets		1,047,205,022	971,455,742

## 22.3 Deferred tax liabilities (continued)

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

	Notes	Year ended 31 December 2021	Year ended 31 December 2020
1 January		971,455,742	841,232,652
Debited to the consolidated statement of profit or loss during the year	22.1	77,173,654	156,884,948
Foreign currency translation movement credited to the consolidated statement of other comprehensive income during the year		(1,424,374)	(26,661,858)
<b>31 December</b>		<b>1,047,205,022</b>	<b>971,455,742</b>

## 23. Other investments

	Notes	31 December 2021	31 December 2020
1 January		38,390,000	43,185,000
Settlement during the year		(1,159,000)	(4,795,000)
<b>31 December</b>	<b>48</b>	<b>37,231,000</b>	<b>38,390,000</b>
Less: Current portion of other investments		-	(4,925,000)
<b>Non-current portion of other investments</b>		<b>37,231,000</b>	<b>33,465,000</b>

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

## 24. Other non-current assets

	Notes	31 December 2021	31 December 2020
<b>Revolving loan transaction cost</b>			
1 January		28,500,000	42,750,000
Amortization of revolving loan transaction cost during the year	13	(14,250,000)	(14,250,000)
<b>31 December</b>		<b>14,250,000</b>	<b>28,500,000</b>
Less: Current portion of revolving loan transaction cost	25	(14,250,000)	(14,250,000)
<b>Sub-total</b>		<b>-</b>	<b>14,250,000</b>
Stockpile of mined ore		563,075,671	440,462,782
Less: Current portion of stockpile of mined ore	26	(405,666,566)	(367,532,126)
<b>Sub-total</b>		<b>157,409,105</b>	<b>72,930,656</b>
Employees' home ownership program receivables		867,588,962	930,876,130
Less: Repaid during the year		(47,270,358)	(63,287,168)
		820,318,604	867,588,962
Less: Current portion of employees' home ownership program receivables	27	(69,774,278)	(64,767,340)
<b>Sub-total</b>		<b>750,544,326</b>	<b>802,821,622</b>
Home ownership program – furniture loan		2,294,948	7,056,629
Others		29,514,540	36,893,175
<b>Total</b>		<b>939,762,919</b>	<b>933,952,082</b>

## 25. Advances and prepayments

	Notes	31 December 2021	31 December 2020
Advances to contractors		172,849,421	200,639,517
Advances to employees		13,633,927	21,725,211
Prepaid rent		13,426,589	13,293,385
Prepaid insurance		36,683,978	37,781,859
Current portion of revolving loan transaction cost	24	14,250,000	14,250,000
Other prepayments		43,157,116	16,452,435
<b>Total</b>		<b>294,001,031</b>	<b>304,142,407</b>

## 26. Inventories

	Notes	31 December 2021	31 December 2020
<b>Saleable inventory</b>			
Finished goods – ready for sale		2,019,942,537	1,522,024,170
Cost of finished goods		2,021,169,900	1,554,340,850
Less: Inventory written-off to net realizable value		(1,227,363)	(32,316,680)
Work-in-process		828,011,060	814,751,755
Cost of work-in-process		828,011,060	815,052,836
Less: Inventory written-off to net realizable value		-	(301,081)
Current portion of stockpile of mined ore		405,666,566	367,532,126
Cost of stockpile of mined ore	24	405,666,566	367,532,126
Less: Inventory written-off to net realizable value		-	-
By-products		1,934,335	2,140,302
<b>Sub-total</b>	8	<b>3,255,554,498</b>	<b>2,706,448,353</b>
<b>Consumable inventory</b>			
Spare parts and consumables materials			
1 January		2,430,256,273	2,014,197,915
Net (consumption) / additions during the year		(66,396,711)	416,058,358
<b>31 December</b>		<b>2,363,859,562</b>	<b>2,430,256,273</b>
Obsolete spare parts written-off	8	-	(4,073,406)
Allowance for obsolete and slow-moving spare parts and consumable materials	26.1	(106,211,788)	(97,371,125)
		<b>2,257,647,774</b>	<b>2,328,811,742</b>
Raw materials		1,318,407,426	897,124,230
<b>Sub-total</b>		<b>3,576,055,200</b>	<b>3,225,935,972</b>
<b>Total</b>		<b>6,831,609,698</b>	<b>5,932,384,325</b>

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

	Notes	Year ended 31 December 2021	Year ended 31 December 2020
1 January		97,371,125	93,103,074
Provision for allowance for obsolescence, net	8	8,840,663	4,268,051
<b>31 December</b>	5.2,26	<b>106,211,788</b>	<b>97,371,125</b>

## 27. Trade and other receivables

	Notes	31 December 2021	31 December 2020
<b>Trade receivables</b>			
Other third party receivables		3,614,724,467	2,092,975,860
Less: ECL allowance	27.1	(24,461,554)	(21,079,845)
		<b>3,590,262,913</b>	<b>2,071,896,015</b>
Due from SABIC	44.2	346,275,319	152,334,433
Due from The Mosaic Company	44.2	199,951,194	65,732,053
Due from Kaiser Aluminum Warrick LLC (formerly known as 'Alcoa Warrick LLC')	44.2	-	67,943,908
<b>Sub-total</b>	46.1,3,46.2	<b>4,403,789,046</b>	<b>2,452,508,107</b>
Due from MBCC	44.2	283,627	86
Due from Saudi Aramco	44.2	456,407,732	225,549,220
Due from Saudi Ports Authority		1,601,144	1,113,027
Current portion of employees' home ownership program receivables	24	69,774,278	64,767,340
VAT receivable from regulatory authorities		186,944,523	150,478,310
Other		87,333,922	84,187,722
<b>Total</b>	48	<b>5,206,134,272</b>	<b>2,978,603,812</b>

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

### 27.1 Movement in ECL allowance

	Notes	Year ended 31 December 2021	Year ended 31 December 2020
1 January		21,079,845	22,158,030
Increase in allowance for expected credit losses	10	3,381,709	1,764,743
Trade receivables recovered during the year		-	(2,842,928)
<b>31 December</b>	27,46.2	<b>24,461,554</b>	<b>21,079,845</b>



## 28. Time deposits

	Notes	31 December 2021	31 December 2020
Time deposits with original maturities of more than three months and less than a year at the date of acquisition	46.3,47	970,000,000	1,465,000,000
Less: ECL allowance	28.1	(2,201,194)	(2,201,194)
		967,798,806	1,462,798,806
Investment income receivable		3,541,411	3,522,586
<b>Total</b>	48	<b>971,340,217</b>	<b>1,466,321,392</b>

Time deposits yield financial income at prevailing market prices.

### 28.1 Movement in ECL allowance

	Notes	Year ended 31 December 2021	Year ended 31 December 2020
<b>1 January</b>	46.2	<b>2,201,194</b>	2,201,194
Increase in allowance for expected credit losses	10,46.2	-	-
<b>31 December</b>	28	<b>2,201,194</b>	2,201,194

## 29. Cash and cash equivalents

	Notes	31 December 2021	31 December 2020
<b>Unrestricted</b>			
Time deposits with original maturities equal to or less than three months at the date of acquisition		3,320,433,331	2,013,825,369
Cash and bank balances		4,637,530,087	2,097,245,543
<b>Sub-total</b>	46.3,47	<b>7,957,963,418</b>	4,111,070,912
<b>Restricted</b>			
Cash and bank balances	39.2	177,867,864	135,142,606
<b>Total</b>	48	<b>8,135,831,282</b>	4,246,213,518

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

## 30. Share capital

	Notes	31 December 2021	31 December 2020
<b>Authorized, issued and fully paid</b>			
1,168,478,261	Ordinary shares with a nominal value of SAR 10 per share	11,684,782,610	11,684,782,610
62,112,885	Ordinary shares with a nominal value of SAR 10 per share, following the conversion of long-term borrowing into equity	35.2 621,128,850	621,128,850
<b>1,230,591,146</b>	<b>Total</b>	1,15 <b>12,305,911,460</b>	12,305,911,460

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

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

## 31. Share premium

	Notes	31 December 2021	31 December 2020
525,000,000	Ordinary shares with a nominal value of SAR 10 per share, issued at a premium of SAR 10 per share	5,250,000,000	5,250,000,000
243,478,261	Ordinary shares with a nominal value of SAR 10 per share, issued at a premium of SAR 13 per share, net of transaction cost	3,141,351,697	3,141,351,697
62,112,885	Ordinary shares with a nominal value of SAR 10 per share, issued at a premium of SAR 38.08 per share following the conversion of long-term borrowing into equity	35.2 2,365,258,650	2,365,258,650
	Less: Transaction cost	(17,420,308)	(17,420,308)
	Net increase in share premium	2,347,838,342	2,347,838,342
<b>830,591,146</b>	<b>Total</b>	<b>10,739,190,039</b>	10,739,190,039

## 32. Transfer of net income

	31 December 2021	31 December 2020
1 January	1,054,251,439	1,054,251,439
Transfer of 10% of net profit for the year	522,770,046	-
<b>31 December</b>	<b>1,577,021,485</b>	1,054,251,439

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

## 33. Retained earnings and reserves

### 33.1 Other reserves

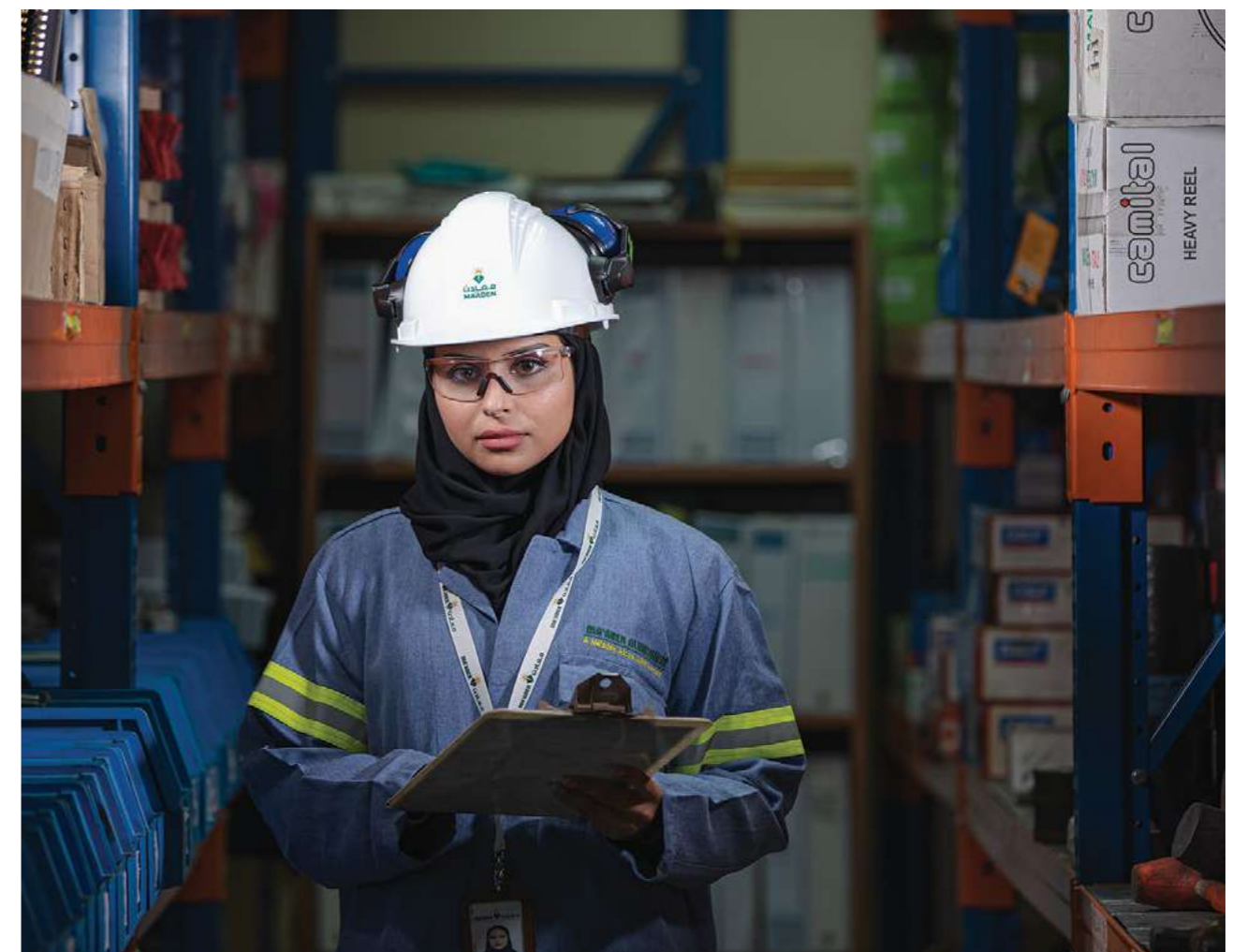
Notes	31 December 2021	31 December 2020
<b>Attributable to ordinary shareholders of the parent company</b>		
Loss on exchange differences on translation	60,787,901	66,970,756
Non-controlling interest put option	41,852,921	99,415,016
Share of other non-distributable reserves	8,189,290	8,189,290
<b>Sub-total</b>	<b>110,830,112</b>	174,575,062
<b>Attributable to non-controlling interest</b>		
Loss on exchange differences on translation	11,943,199	11,818,368
Share of other non-distributable reserves	1,445,169	1,445,169
<b>Sub-total</b>	<b>13,388,368</b>	13,263,537
<b>Total</b>	<b>124,218,480</b>	187,838,599

### 33.2 Retained earnings and reserve

Retained earnings and reserve includes accumulated losses on cash flow hedge reserve attributable to ordinary shareholders of the parent company amounting to SAR 152,019,271 (31 December 2020: SAR 290,870,310). Further details are explained in Note 38 of these consolidated financial statements.

## 34. Non-controlling interest

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



### 34.1 Summarized statement of financial position

Non-controlling % interest in	Note	MAC 25.1% (Note 2.7)	MBAC 25.1% (Note 2.8)	MPC 30% (Note 2.9)	MWSPC 40% (Note 2.10)	Meridian 7.5% (Note 2.5)	Total
<b>31 December 2021</b>							
Non-current assets		15,896,427,378	11,630,732,720	12,859,640,882	25,029,397,973	369,734,828	65,785,933,781
Current assets		4,748,359,607	1,815,063,875	4,350,650,601	3,845,043,464	1,747,321,818	16,506,439,365
<b>Total assets</b>		<b>20,644,786,985</b>	<b>13,445,796,595</b>	<b>17,210,291,483</b>	<b>28,874,441,437</b>	<b>2,117,056,646</b>	<b>82,292,373,146</b>
Non-current liabilities		11,218,749,021	7,623,691,017	5,527,829,022	18,583,127,510	223,630,196	43,177,026,766
Current liabilities		2,567,032,012	1,022,372,691	2,852,987,490	3,069,919,853	1,549,828,174	11,062,140,220
<b>Total liabilities</b>		<b>13,785,781,033</b>	<b>8,646,063,708</b>	<b>8,380,816,512</b>	<b>21,653,047,363</b>	<b>1,773,458,370</b>	<b>54,239,166,986</b>
<b>Net assets of the subsidiary company</b>		<b>6,859,005,952</b>	<b>4,799,732,887</b>	<b>8,829,474,971</b>	<b>7,221,394,074</b>	<b>343,598,276</b>	<b>28,053,206,160</b>
Share of net assets		1,721,610,494	1,204,732,955	2,648,842,491	2,888,557,630	25,769,870	8,489,513,440
Zakat and income tax impact		(125,602,950)	(31,159,856)	-	(15,712,313)	-	(172,475,119)
Net impact of non-controlling interest acquired through business combination		-	-	-	-	278,715	278,715
<b>Net assets attributable to non-controlling interest</b>	<b>34.4</b>	<b>1,596,007,544</b>	<b>1,173,573,099</b>	<b>2,648,842,491</b>	<b>2,872,845,317</b>	<b>26,048,585</b>	<b>8,317,317,036</b>
<b>31 December 2020</b>							
Non-current assets		16,695,727,091	11,999,431,912	13,422,518,964	25,556,255,972	307,707,356	67,981,641,295
Current assets		2,619,391,465	1,505,294,148	3,093,114,604	2,201,530,080	1,320,362,303	10,739,692,600
<b>Total assets</b>		<b>19,315,118,556</b>	<b>13,504,726,060</b>	<b>16,515,633,568</b>	<b>27,757,786,052</b>	<b>1,628,069,659</b>	<b>78,721,333,895</b>
Non-current liabilities		12,114,242,013	7,947,749,276	7,688,460,572	19,006,778,514	143,146,794	46,900,377,169
Current liabilities		2,131,342,601	848,164,021	1,762,428,102	2,446,227,851	1,194,481,638	8,382,644,213
<b>Total liabilities</b>		<b>14,245,584,614</b>	<b>8,795,913,297</b>	<b>9,450,888,674</b>	<b>21,453,006,365</b>	<b>1,337,628,432</b>	<b>55,283,021,382</b>
<b>Net assets of the subsidiary company</b>		<b>5,069,533,942</b>	<b>4,708,812,763</b>	<b>7,064,744,894</b>	<b>6,304,779,687</b>	<b>290,441,227</b>	<b>23,438,312,513</b>
Share of net assets		1,272,453,020	1,181,912,004	2,119,423,468	2,521,911,875	43,566,184	7,139,266,551
Zakat and income tax impact		(78,431,914)	(27,054,825)	-	13,794,614	-	(91,692,125)
Net impact of non-controlling interest acquired through business combination		-	-	-	-	557,429	557,429
<b>Net assets attributable to non-controlling interest</b>	<b>34.4</b>	<b>1,194,021,106</b>	<b>1,154,857,179</b>	<b>2,119,423,468</b>	<b>2,535,706,489</b>	<b>44,123,613</b>	<b>7,048,131,855</b>

### 34.2 Summarized statement of profit or loss and other comprehensive income

Non-controlling % interest in	Note	MAC 25.1% (Note 2.7)	MBAC 25.1% (Note 2.8)	MPC 30% (Note 2.9)	MWSPC 40% (Note 2.10)	Meridian 7.5% (Note 2.5)	Total
<b>For the year ended 31 December 2021</b>							
Sales		9,362,901,708	2,271,087,793	6,567,318,257	6,161,429,626	1,984,529,133	26,347,266,517
Profit before zakat and income tax for the year		1,790,057,275	71,740,447	1,824,760,625	1,015,465,319	52,798,822	4,754,822,488
Zakat and income tax for the year		(131,318,592)	(29,518,775)	(55,735,743)	(97,004,766)	(5,699,782)	(319,277,658)
Other comprehensive income for the year:							
Cash flow hedge – changes in fair value and transfer to profit / (loss), net	38	136,590,251	48,791,643	-	-	-	185,381,894
Loss attributable to the re-measurements of employees' end of service termination benefits obligation		(5,856,924)	(93,191)	(4,294,805)	(1,846,166)	-	(12,091,086)
Gain on exchange differences on translation		-	-	-	-	6,058,024	6,058,024
<b>Total comprehensive loss for the year</b>		<b>1,789,472,010</b>	<b>90,920,124</b>	<b>1,764,730,077</b>	<b>916,614,387</b>	<b>53,157,064</b>	<b>4,614,893,662</b>
<b>Total comprehensive income attributable to non-controlling interest:</b>							
Share of profit before zakat and income tax for the year		449,304,376	18,006,852	547,428,188	406,186,128	11,467,881	1,432,393,425
Share of zakat and income tax for the year		(80,132,003)	(11,514,243)	(16,720,723)	(68,308,834)	(2,053,121)	(178,728,924)
Share of profit for the year		369,172,373	6,492,609	530,707,465	337,877,294	9,414,760	1,253,664,501
Share of other comprehensive income for the year:							
Cash flow hedge – changes in fair value and transfer to profit / (loss), net	38	34,284,153	12,246,702	-	-	-	46,530,855
Loss attributable to the re-measurements of employees' end of service termination benefits obligation		(1,470,088)	(23,391)	(1,288,442)	(738,466)	-	(3,520,387)
Loss on exchange differences on translation		-	-	-	-	(124,831)	(124,831)
<b>Total</b>	<b>34.3</b>	<b>401,986,438</b>	<b>18,715,920</b>	<b>529,419,023</b>	<b>337,138,828</b>	<b>9,289,929</b>	<b>1,296,550,138</b>

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

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

### 34.3 Summarized cash flows

Non-controlling % interest in	MAC 25.1% (Note 2.7)	MBAC 25.1% (Note 2.8)	MPC 30% (Note 2.9)	MWSPC 40% (Note 2.10)	Meridian 15% (Note 2.5)
<b>For the year ended 31 December 2021</b>					
Cash flows from operating activities	1,831,740,936	678,707,743	2,604,967,002	2,280,655,893	(127,745,691)
Cash flows from investing activities	(188,306,915)	233,024,398	(1,419,038,568)	(995,506,757)	(49,836,806)
Cash flows from financing activities	(811,936,990)	(416,320,233)	(1,479,173,599)	(377,590,219)	493,886,387
<b>Net increase (decrease) in the cash and cash equivalents</b>	<b>831,497,031</b>	<b>495,411,908</b>	<b>(293,245,165)</b>	<b>907,558,917</b>	<b>316,303,890</b>
<b>For the year ended 31 December 2020</b>					
Cash flows from operating activities	742,332,935	449,076,183	1,232,140,500	276,228,878	54,629,869
Cash flows from investing activities	(306,635,912)	(393,806,881)	138,812,969	(203,852,627)	(54,889,943)
Cash flows from financing activities	(33,569,635)	(292,708,936)	(785,545,508)	(158,885,155)	35,958,259
<b>Net increase (decrease) in the cash and cash equivalents</b>	<b>402,127,388</b>	<b>(237,439,634)</b>	<b>585,407,961</b>	<b>(86,508,904)</b>	<b>35,698,185</b>

### 34.4 Movement of non-controlling interest

Non-controlling % interest in	Note	MAC 25.1% (Note 2.7)	MBAC 25.1% (Note 2.8)	MPC 30% (Note 2.9)	MWSPC 40% (Note 2.10)	Meridian 15% (Note 2.5)	Total
1 January 2020		1,259,402,933	1,253,575,848	2,131,060,040	3,038,885,313	54,465,859	7,737,389,993
Share of total comprehensive loss for the year	34.2	(65,381,827)	(98,718,669)	(11,636,572)	(503,178,824)	(10,342,246)	(689,258,138)
31 December 2020	34.1	1,194,021,106	1,154,857,179	2,119,423,468	2,535,706,489	44,123,613	7,048,131,855
Share of total comprehensive income for the year	34.2	401,986,438	18,715,920	529,419,023	337,138,828	9,289,929	1,296,550,138
Acquisition during the year	40.2	-	-	-	-	(27,364,957)	(27,364,957)
<b>31 December 2021</b>	<b>34.1</b>	<b>1,596,007,544</b>	<b>1,173,573,099</b>	<b>2,648,842,491</b>	<b>2,872,845,317</b>	<b>26,048,585</b>	<b>8,317,317,036</b>

### 35. Long-term borrowings

	Note	31 December 2021	31 December 2020
Total borrowings	6.2,35.9	<b>46,718,537,742</b>	48,173,473,109
Accrued finance cost		<b>125,546,870</b>	128,258,797
<b>Sub-total</b>	<b>46.3,48</b>	<b>46,844,084,612</b>	48,301,731,906
Less: Current portion of borrowings	35.9	<b>(4,250,806,238)</b>	(2,977,199,180)
Less: Accrued finance cost		<b>(125,546,870)</b>	(128,258,797)
<b>Sub-total - current portion of borrowings shown under current liabilities</b>		<b>(4,376,353,108)</b>	(3,105,457,977)
<b>Non-current portion of long-term borrowings</b>	<b>35.9</b>	<b>42,467,731,504</b>	45,196,273,929

#### 35.1 Facilities approved

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

### 35.1 Facilities approved (Continued)

The facilities granted to the Group comprise of the following as at 31 December 2021:

	MAC agreement signed on 30 Nov. 2010 and restructured on 14 Dec. 2017	MRC agreement signed on 30 Nov. 2010 and restructured on 19 Dec. 2019	MBAC agreement signed on 27 Nov. 2011 and restructured on 16 Jul. 2018	MWSPC agreement signed on 30 Jun. 2014 and restructured on 20 Jun. 2020	Ma'aden agreement signed on 18 Dec. 2012 and renewed on 18 Dec. 2017	MGBM agreements signed on 24 Mar. 2015, 26 Jul. 2015 and 7 Jun. 2021	MIC agreement signed on 30 Dec. 2015	MPC agreements signed on 25 Feb. 2016 and 20 Feb. 2018	MFC agreement signed on 8 Dec 2021	Total
Public Investment Fund ("PIF")	4,275,375,000	-	3,506,250,000	-	-	-	-	-	-	7,781,625,000
Public Pension Agency ("PPA")	-	-	-	6,599,903,363	-	-	-	-	-	6,599,903,363
<b>Islamic and commercial banks</b>										
Commercial	1,503,750,000	-	-	-	-	-	-	-	-	1,503,750,000
Murabaha	-	1,312,500,000	4,025,000,000	6,808,496,298	-	-	-	-	-	12,145,996,298
Wakala	-	-	220,000,000	1,900,000,000	-	-	-	-	-	2,120,000,000
<b>Sub-total</b>	<b>1,503,750,000</b>	<b>1,312,500,000</b>	<b>4,245,000,000</b>	<b>8,708,496,298</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>15,769,746,298</b>
Saudi Industrial Development Fund ("SIDF")	-	600,000,000	-	4,000,000,000	-	2,579,000,000	-	-	1,200,000,000	8,379,000,000
Riyal Murabaha facility	5,178,750,000	-	-	-	-	-	1,000,000,000	11,493,750,000	-	17,672,500,000
Riyal Murabaha facility (a working capital facility)	-	-	750,000,000	-	-	-	-	-	-	750,000,000
<b>Sub-total</b>	<b>10,957,875,000</b>	<b>1,912,500,000</b>	<b>8,501,250,000</b>	<b>19,308,399,661</b>	<b>-</b>	<b>2,579,000,000</b>	<b>1,000,000,000</b>	<b>11,493,750,000</b>	<b>1,200,000,000</b>	<b>56,952,774,661</b>
Syndicated Revolving Credit Facility Agreement	-	-	-	-	7,500,000,000	-	-	-	-	7,500,000,000
HSBC Saudi Arabia – as agent for sukuk facility participants	-	-	-	-	-	-	-	3,500,000,000	-	3,500,000,000
<b>Total facilities granted</b>	<b>10,957,875,000</b>	<b>1,912,500,000</b>	<b>8,501,250,000</b>	<b>19,308,399,661</b>	<b>7,500,000,000</b>	<b>2,579,000,000</b>	<b>1,000,000,000</b>	<b>14,993,750,000</b>	<b>1,200,000,000</b>	<b>67,952,774,661</b>

### 35.1 Facilities approved (Continued)

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

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

The MFAs imposed certain conditions and special covenants which include:

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

- restriction on dividend distribution to shareholders.

The SFA imposed certain conditions and special covenants which include:

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

#### MAC facility

Facility agents:

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

#### MRC facility

Facility agents:

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

### 35.1 Facilities approved (Continued)

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

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

#### MBAC facility

Facility agents:

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

#### MWSPC facility

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

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



### 35.1 Facilities approved (Continued)

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

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

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

#### Facility agents:

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

### 35.1 Facilities approved (Continued)

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

#### Syndicated revolving credit facility

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

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

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

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

#### PIF facility

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

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

### 35.1 Facilities approved (Continued)

#### MGBM facility

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

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

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

- the limitation of the creation of additional liens and/or financing obligations by the company, unless specifically allowed under the loan agreement,
- financial ratio maintenance,
- maximum capital expenditures allowed, and
- restriction on dividend distribution to shareholders.

#### MIC facility

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

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

The facility was drawn down on 17 February 2016.

### 35.1 Facilities approved (Continued)

#### MPC facility

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

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

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

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

#### MFC facility

The company entered into a secured loan arrangement with Saudi Industrial Development Fund ("SIDF). The facility granted to the company comprise of the following:

Date approved	Purpose	Facility approved
8 December 2021	To provide funding for the production facility of ammonia located in Ras Al-Khair Industrial City	1,200,000,000
<b>Total facilities granted</b>		<b>1,200,000,000</b>

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

- the limitation of the creation of additional liens and/or financing obligations by the company, unless specifically allowed under the loan agreement,
- financial ratio maintenance,
- maximum capital expenditures allowed and
- restriction on dividend distribution to shareholder.

### 35.2 Facilities utilized under the different CTAs

#### MAC facility – restructured on 14 December 2017

	31 December 2021	31 December 2020
Public Investment Fund (Note 44.2)	4,275,375,000	4,275,375,000
Less: Transaction cost balance at the year end	(30,616,380)	(34,725,524)
<b>Sub-total</b>	<b>4,244,758,620</b>	<b>4,240,649,476</b>

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

After the restructuring on 14 December 2017, the repayment of the loan will start on 31 March 2023, on a six monthly basis, starting at SAR 100 million and increasing over the term of the loan with the final repayment of SAR 1,219 million on 30 September 2031 (Note 35.10).

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

The upfront transaction cost incurred is amortized over the term of the loan and the amortization for the year amounted to SAR 4,109,144 (31 December 2020: SAR 4,105,175) (Note 35.12).

#### Islamic and commercial banks

Riyal Murabaha	5,178,750,000	5,178,750,000
Commercial – USD conventional	1,503,750,000	1,503,750,000
<b>Sub-total</b>	<b>6,682,500,000</b>	<b>6,682,500,000</b>
Less: Repaid during the year	(775,617,750)	-
<b>Sub-total</b>	<b>5,906,882,250</b>	<b>6,682,500,000</b>
Less: Transaction cost balance at the year end	(33,668,563)	(43,651,114)
<b>Sub-total</b>	<b>5,873,213,687</b>	<b>6,638,848,886</b>

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

### 35.2 Facilities utilized under the different CTAs (Continued)

The repayment of the loan drawn on Islamic Murabaha Riyal started from 31 March 2021, on a six monthly basis starting at SAR 259 million and increasing over the term of the loan with the final repayment of SAR 1,812 million on 30 September 2027 (Note 35.10).

The repayment of the loan drawn on Dollar Conventional facility started from 31 March 2021, on a six monthly basis starting at SAR 129 million and increasing over the term of the loan with the final repayment of SAR 601 million on 30 September 2024 (Note 35.10).

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

The upfront transaction cost incurred is amortized over the term of the loan and the amortization for the year amounted to SAR 9,982,551 (31 December 2020: SAR 9,967,322) (Note 35.12).

<b>Total MAC borrowings (Note 35.9)</b>	<b>10,117,972,307</b>	<b>10,879,498,362</b>
---	-----------------------	-----------------------

#### MRC facility

	31 December 2021	31 December 2020
<b>Islamic and commercial banks – restructured on 19 December 2019</b>		
Riyal procurement	1,312,500,000	1,312,500,000
Less: Repaid during the year	(78,750,000)	-
<b>Sub-total</b>	<b>1,233,750,000</b>	<b>1,312,500,000</b>
Less: Transaction cost balance at the year end	(8,621,477)	(9,889,479)
<b>Sub-total</b>	<b>1,225,128,523</b>	<b>1,302,610,521</b>

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

The repayment of the loan started from June 2021, starting at SAR 39 million and increasing over the term of the loan with the final repayment of SAR 263 million on June 2032 (Note 35.10).

The transaction cost incurred on obtaining the loan amounted to SAR 11,156,250 has been netted-off with the loan balance and is amortized over the term of the loan. The amortization for the year amounted to SAR 1,268,002 (31 December 2020: SAR 1,266,771) (Note 35.12).

### 35.2 Facilities utilized under the different CTAs (Continued)

Saudi Industrial Development Fund	225,000,000	275,000,000
Less: Repaid during the year	(100,000,000)	(50,000,000)
<b>Sub-total</b>	<b>125,000,000</b>	<b>225,000,000</b>
Less: Transaction cost balance at the year end	(1,388,419)	(4,362,969)
<b>Sub-total</b>	<b>123,611,581</b>	<b>220,637,031</b>

Repayment of the SIDF facility started from 25 January 2016, starting at SAR 25 million and increasing over the term of the loan with the final repayment of SAR 62.5 million on 19 July 2021 (Note 35.10).

The upfront transaction cost incurred is amortized over the term of the loan and the amortization for the year amounted to SAR 2,974,550 (31 December 2020: SAR 3,759,413) (Note 35.12).

<b>Total MRC borrowings (Note 35.9)</b>	<b>1,348,740,104</b>	<b>1,523,247,552</b>
---	----------------------	----------------------

### MBAC facility – restructured on 16 July 2018

	31 December 2021	31 December 2020
Public Investment Fund (Note 44.2)	3,291,316,875	3,431,917,500
Less: Repaid during the year	(139,198,125)	(140,600,625)
<b>Sub-total</b>	<b>3,152,118,750</b>	<b>3,291,316,875</b>
Less: Transaction cost balance at the year end	(89,233,940)	(98,242,623)
<b>Sub-total</b>	<b>3,062,884,810</b>	<b>3,193,074,252</b>

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

After the restructuring on 16 July 2018, the repayment of the loan started on 30 June 2019, on a six monthly basis, starting at SAR 74.3 million and increasing over the term of the loan with the final repayment of SAR 392.7 million on 31 July 2031 (Note 35.10).

The upfront transaction cost incurred is amortized over the term of the loan and the amortization for the year amounted to SAR 9,008,683 (31 December 2020: SAR 9,394,059) (Note 35.12).

### 35.2 Facilities utilized under the different CTAs (Continued)

Islamic and commercial banks		
Riyal Murabaha	3,827,524,500	3,957,063,500
Riyal Wakala	211,266,000	216,766,000
<b>Sub-total</b>	<b>4,038,790,500</b>	<b>4,173,829,500</b>
Less: Repaid during the year	(259,263,000)	(135,039,000)
<b>Sub-total</b>	<b>3,779,527,500</b>	<b>4,038,790,500</b>
Less: Transaction cost balance at the year end	(23,426,053)	(28,087,009)
<b>Sub-total</b>	<b>3,756,101,447</b>	<b>4,010,703,491</b>

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

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

The upfront transaction cost incurred is amortized over the term of the loan and the amortization for the year amounted to SAR 4,660,956 (31 December 2020: SAR 4,818,603) (Note 35.12).

<b>Sub-total carried forward</b>	<b>6,818,986,257</b>	<b>7,203,777,743</b>
----------------------------------	----------------------	----------------------

	31 December 2021	31 December 2020
<b>Balance brought forward</b>	<b>6,818,986,257</b>	<b>7,203,777,743</b>
Riyal Murabaha facility (a working capital facility)	346,693,750	346,693,750
Less: Transaction cost balance at the year end	(1,363,149)	(2,043,857)
<b>Sub-total</b>	<b>345,330,601</b>	<b>344,649,893</b>

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

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

### 35.2 Facilities utilized under the different CTAs (Continued)

The repayment of Murabaha facility will be due in January 2024 (Note 35.10).

The upfront transaction cost incurred amounting to SAR 2,941,000 is amortized over the term of the loan and the amortization for the year amounted to SAR 680,708 (31 December 2020: SAR 448,864) (Note 35.12).

<b>Total MBAC borrowings (Note 35.9)</b>	<b>7,164,316,858</b>	7,548,427,636
--	----------------------	---------------

#### MWSPC facility

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

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

The repayment of the principal amount of loan will be in 24 installments on a six monthly basis starting from 30 June 2019. The repayments are starting at SAR 112.5 million and increasing over the term of the loan with the final repayment of SAR 606 million on 31 December 2030 (Note 35.10).

The upfront transaction cost incurred is amortized over the term of the loan and the amortization for the year amounted to Nil (31 December 2020: SAR 3,322,220) (Note 35.12).

#### Loan transferred to PPA

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

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

### 35.2 Facilities utilized under the different CTAs (Continued)

Public Pension Agency ("PPA") (Note 44.2)	<b>6,599,903,363</b>	6,599,903,363
Less: Transaction cost balance at the year end	<b>(40,763,842)</b>	(54,228,793)
<b>Sub-total</b>	<b>6,559,139,521</b>	6,545,674,570

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

The repayment of the principal amount of loan will be in 27 installments on a six monthly basis starting from 30 June 2022. The repayments are starting at SAR 112.5 million and increasing over the term of the loan with the final repayment of SAR 379 million on 30 June 2035 (Note 35.10).

The transaction cost incurred on transfer of the loan amounted to SAR 56,099,179 and has been netted-off with the loan balance which is amortized over the term of the loan and the amortization for the year amounted to SAR 13,464,951 (31 December 2020: SAR 1,870,386) (Note 35.12).

<b>Sub-total carried forward</b>	<b>6,559,139,521</b>	6,545,674,570
----------------------------------	----------------------	---------------

	31 December 2021	31 December 2020
<b>Balance brought forward</b>	<b>6,559,139,521</b>	6,545,674,570
<b>Islamic and commercial banks</b>		
Dollar procurement	-	293,738,779
Saudi Riyal procurement	-	2,177,078,304
Commercial	-	5,001,234,430
Wakala	-	1,236,444,786
<b>Sub-total</b>	<b>-</b>	<b>8,708,496,299</b>
Less: Repaid during the year	-	(8,708,496,299)
<b>Sub-total</b>	<b>-</b>	<b>-</b>

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

The repayment of the principal amounts of loans before restructuring started from 30 June 2019. The repayments were starting at SAR 171 million and increasing over the term of the loan with the final repayment of SAR 809 million on 31 December 2030 (Note 35.10).

### 35.2 Facilities utilized under the different CTAs (Continued)

The upfront transaction cost incurred is amortized over the term of the loan and the amortization for the year amounted to Nil (31 December 2020: SAR 2,490,308) (Note 35.12).

Islamic and commercial banks restructured on 20 June 2020		
Riyad Bank - as agent for the Murabaha facility	6,808,496,299	6,808,496,299
Riyad Bank - as agent for the Wakala facility	1,900,000,000	1,900,000,000
<b>Sub-total</b>	<b>8,708,496,299</b>	<b>8,708,496,299</b>
<b>Less: Transaction cost balance at the year end</b>	<b>(54,923,757)</b>	<b>(76,004,738)</b>
<b>Sub-total</b>	<b>8,653,572,542</b>	<b>8,632,491,561</b>

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

The rate of commission on the principal amount of the loan drawdown and outstanding for each commission period on all the Saudi Riyal facilities is SIBOR plus a margin (mark-up in case of Wakala facilities) of 1.20% for Murabaha facility and 1.55% for Wakala facility.

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

The transaction cost incurred on obtaining the loan amounted to SAR 78,376,467 and has been netted-off with the loan balance which is amortized over the term of the loan and the amortization for the year amounted to SAR 21,080,981 (31 December 2020: SAR 2,371,729) (Note 35.12).

Sub-total carried forward		
	31 December 2021	31 December 2020
<b>Balance brought forward</b>	<b>15,212,712,063</b>	<b>15,178,166,131</b>
Saudi Industrial Development Fund	3,795,000,000	3,795,000,000
Less: Repaid during the year	(350,000,000)	-
<b>Sub-total</b>	<b>3,445,000,000</b>	<b>3,795,000,000</b>
Less: Transaction cost balance at the year end	(208,971,176)	(241,552,862)
<b>Sub-total</b>	<b>3,236,028,824</b>	<b>3,553,447,138</b>

### 35.2 Facilities utilized under the different CTAs (Continued)

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 amounts of loans started from 22 December 2018. The repayments are starting at SAR 60 million and increasing over the term of the loan (Note 35.10).

After the restructuring on 20 June 2020, the repayment of the loan started from May 2021, on a six monthly basis, starting at SAR 175 million and increasing over the term of the loan with the final repayment of SAR 55 million in August 2031 (Note 35.10).

The upfront transaction cost incurred is amortized over the term of the loan and the amortization for the year amounted to SAR 32,581,686 (31 December 2020: SAR 34,890,424) (Note 35.12).

<b>Total MWSPC borrowings (Note 35.9)</b>	<b>18,448,740,887</b>	<b>18,731,613,269</b>
---	-----------------------	-----------------------

### 35.3 Syndicated revolving credit facility

#### Ma'aden facility

	31 December 2021	31 December 2020
Syndicated revolving credit facility (Note 35.10 and 46.3)	-	-

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

### 35.4 Facility utilized under the different CTA's

#### MGBM facility

	31 December 2021	31 December 2020
<b>As Suq mine</b>		
Saudi Industrial Development Fund	68,000,000	96,000,000
Less: Repaid during the year	(32,000,000)	(28,000,000)
<b>Sub-total</b>	<b>36,000,000</b>	<b>68,000,000</b>
Less: Transaction cost balance at the year end	(359,662)	(1,301,807)
<b>Sub-total</b>	<b>35,640,338</b>	<b>66,698,193</b>

### 35.4 Facility utilized under the different CTA's (Continued)

The repayment of this loan started on 20 July 2016, on a six monthly basis, starting at SAR 8 million and increasing over the term of the loan with the final repayment of SAR 18 million on 9 November 2022 (Note 35.10).

The upfront transaction cost incurred is amortized over the term of the loan and the amortization for the year amounted to SAR 942,145 (31 December 2020: SAR 1,416,991) (Note 35.12).

<b>Ad-Duwayhi mine and water pipeline</b>		
Saudi Industrial Development Fund	590,000,000	760,000,000
Less: Repaid during the year	(190,000,000)	(170,000,000)
<b>Sub-total</b>	<b>400,000,000</b>	<b>590,000,000</b>
Less: Transaction cost balance at the year end	(6,160,715)	(13,543,640)
<b>Sub-total</b>	<b>393,839,285</b>	<b>576,456,360</b>

The repayment of this loan started on 9 July 2017, on a six monthly basis, starting at SAR 60 million and increasing over the term of the loan with the final repayment of SAR 100 million on 30 October 2023 (Note 35.10).

The upfront transaction cost incurred is amortized over the term of the loan and the amortization for the year amounted to SAR 7,382,925 (31 December 2020: SAR 9,807,115) (Note 35.12).

<b>Mansourah-Massarrah</b>		
Saudi Industrial Development Fund	941,160,000	-
Less: Transaction cost balance at the year end	(59,316,067)	-
<b>Sub-total</b>	<b>881,843,933</b>	<b>-</b>

The repayment of this loan will start on 24 April 2024, on a six monthly basis, starting at SAR 30 million and increasing over the term of the loan with the final repayment of SAR 95 million on 24 July 2032 (Note 35.10).

The transaction cost incurred on obtaining the loan amounted to SAR 62,744,000 and has been netted-off with the loan balance which is amortized over the term of the loan and the amortization for the year amounted to SAR 3,427,933 (31 December 2020: Nil) (Note 35.12).

<b>Total MGBM borrowings (Note 35.9)</b>	<b>1,311,323,556</b>	<b>643,154,553</b>
--	----------------------	--------------------

### 38.5 Facilities utilized under the different MFAs

#### MIC facility

	31 December 2021	31 December 2020
HSBC Saudi Arabia Limited – as agent for the Murabaha facility participants	649,000,000	727,000,000
Less: Repaid during the year	(78,000,000)	(78,000,000)
<b>Sub-total</b>	<b>571,000,000</b>	<b>649,000,000</b>
Less: Transaction cost balance at the year end	(4,000,000)	(5,000,000)
	<b>567,000,000</b>	<b>644,000,000</b>

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

The repayment of the principal amount of the loan started from 30 December 2016, in equal principal repayments of SAR 39 million, on a semi-annual over a 10 year period with the final principal repayment of SAR 298 million on 30 December 2025 (Note 35.10).

The upfront transaction cost incurred is amortized over the term of the loan and the amortization for the year amounted to SAR 1,000,000 (31 December 2020: SAR 1,000,000) (Note 35.12).

<b>Total MIC borrowings (Note 35.9)</b>	<b>567,000,000</b>	<b>644,000,000</b>
---	--------------------	--------------------

#### MPC facility

	31 December 2021	31 December 2020
Riyad Bank – as agent for the Murabaha facility participants	4,425,661,763	5,163,272,057
Less: Repaid during the year	(1,437,610,294)	(737,610,294)
<b>Sub-total</b>	<b>2,988,051,469</b>	<b>4,425,661,763</b>
Less: Transaction cost balance at the year end	(8,856,793)	(19,353,733)
	<b>2,979,194,676</b>	<b>4,406,308,030</b>

### 35.5 Facilities utilized under the different MFAs (Continued)

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

The repayment of this loan started from 25 February 2017, starting at SAR 575 million and increasing over the term of the loan with the final repayment of SAR 3,448 million on 25 February 2023 (Note 35.10).

The upfront transaction cost balance is amortized over the term of the loan and the amortization for the year amounted to SAR 10,496,940 (31 December 2020: SAR 11,994,057) (Note 35.12).

<b>Total MPC borrowings (Note 35.9)</b>	<b>2,979,194,676</b>	4,406,308,030
---	----------------------	---------------

### 35.6 Facility utilized under SFA

#### MPC facility

	31 December 2021	31 December 2020
HSBC Saudi Arabia – as agent for the sukuk facility	3,500,000,000	3,500,000,000
Less: Transaction cost balance at the year end	(2,237,623)	(2,930,519)
	<b>3,497,762,377</b>	3,497,069,481

The rate of commission on the principal amount of the loan drawdown and outstanding for each commission period, is in the range of SIBOR plus 1.35% per annum

The one-time repayment of this loan will be on 20 February 2025 (Note 35.10).

The upfront transaction cost balance is amortized over the term of the loan and the amortization for the year amounted to SAR 692,896 (31 December 2020: SAR 662,439) (Note 35.12).

<b>Total MPC borrowings (Note 35.9)</b>	<b>3,497,762,377</b>	3,497,069,481
---	----------------------	---------------

### 35.7 MFC facility

	31 December 2021	31 December 2020
<b>Ammonia plant</b>		
Saudi Industrial Development Fund	600,000,000	-
Less: Transaction cost balance at the year end	(48,000,000)	-
	<b>552,000,000</b>	-

The repayment of this loan will start on 24 April 2024, on a six monthly basis, starting at SAR 40 million and increasing over the term of the loan with the final repayment of SAR 160 million on 18 February 2030 (Note 35.10).

The transaction cost incurred on obtaining the loan amounted to SAR 48,000,000 and has been netted-off with the loan balance which is amortized over the term of the loan and the amortization for the year amounted to Nil (31 December 2020: Nil) (Note 35.12).

<b>Total MFC borrowings (Note 35.9)</b>	<b>552,000,000</b>	-
---	--------------------	---

### 35.8 Meridian

	31 December 2021	31 December 2020
Commercial banks	684,552,302	136,383,866
Bank overdraft and other facilities	46,934,675	163,770,360
<b>Total borrowings (Note 35.9)</b>	<b>731,486,977</b>	300,154,226



### 35.9 Total borrowings

	Notes	31 December 2021	31 December 2020
<b>Facilities utilized under:</b>			
<b>CTAs:</b>			
MAC – restructured on 14 December 2017	35.2	10,182,257,250	10,957,875,000
MRC – restructured on 19 December 2019	35.2	1,358,750,000	1,537,500,000
MBAC – restructured on 16 July 2018	35.2	7,278,340,000	7,676,801,125
MWSPC	35.2	18,753,399,662	19,103,399,662
MGBM facility	35.4	1,377,160,000	658,000,000
<b>MFAs:</b>			
MIC	35.5	571,000,000	649,000,000
MPC	35.5	2,988,051,469	4,425,661,763
<b>SFA:</b>			
MPC	35.6	3,500,000,000	3,500,000,000
MFC Facility	35.7	600,000,000	-
Meridian	35.8	731,486,977	300,154,226
<b>Sub-total</b>	46.1.2, 47	<b>47,340,445,358</b>	48,808,391,776
Less: Transaction cost balance at the year end		(621,907,616)	(634,918,667)
<b>Sub-total</b>	35	<b>46,718,537,742</b>	48,173,473,109
<b>Less: Current portion of borrowings shown under current liabilities</b>			
MAC		775,617,749	775,617,750
MRC		203,750,000	178,750,000
MBAC		340,883,625	398,461,125
MWSPC		599,626,000	350,000,000
MGBM		236,000,000	222,000,000
MIC		78,000,000	78,000,000
MPC		1,475,220,588	737,610,294
Meridian		541,708,276	236,760,011
<b>Sub-total</b>	35,47	<b>4,250,806,238</b>	2,977,199,180
<b>Long-term portion of borrowings</b>	<b>35,47</b>	<b>42,467,731,504</b>	45,196,273,929

### 35.10 Maturity profile of long-term borrowings

	31 December 2021	31 December 2020
2021	-	2,977,199,180
2022	4,250,806,235	3,772,492,174
2023	4,014,811,916	4,525,033,215
2024	3,106,919,415	2,979,861,415
2025	6,224,048,024	6,061,304,024
2026	2,746,105,976	2,527,675,976
2027 thereafter	26,997,753,792	25,964,825,792
<b>Total</b>	<b>47,340,445,358</b>	48,808,391,776

### 35.11 Facilities' currency denomination

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

	31 December 2021 (US\$)	31 December 2020 (US\$)
Public Investment Fund (US\$)	1,980,665,000	2,017,784,500
Public Pension Agency (US\$)	1,759,974,230	1,759,974,230
<b>Islamic and commercial banks</b>		
Commercial (US\$)	527,331,794	481,041,127
Wakala (SAR)	560,446,400	563,004,267
Murabaha (SAR)	4,012,593,280	4,217,272,213
<b>Sub-total</b>	<b>5,100,371,474</b>	5,261,317,607
Saudi Industrial Development Fund (SAR)	1,479,242,667	1,247,466,667
Murabaha facility (SAR)	853,080,392	1,193,243,137
Murabaha facility (USD)	425,000,000	510,000,000
Sukuk facility (SAR)	933,333,333	933,333,333
Riyal Murabaha facility (a working capital facility) (SAR)	92,451,667	92,451,667
<b>Total</b>	<b>12,624,118,763</b>	13,015,571,141

### 35.12 Amortization of transaction cost

	Notes	Year ended 31 December 2021	Year ended 31 December 2020
<b>CTAs:</b>			
MAC – restructured on 14 December 2017	35.2	14,091,695	14,072,497
MRC – restructured on 19 December 2019	35.2	4,242,552	5,026,184
MBAC – restructured on 16 July 2018	35.2	14,350,347	14,661,526
MWSPC	35.2	67,127,618	102,500,629
MGBM facility	35.4	11,753,003	11,224,106
<b>MFAs:</b>			
MIC	35.5	1,000,000	1,000,000
MPC	35.5	10,496,940	11,994,057
<b>SFA:</b>			
MPC	35.6	692,896	662,439
<b>Sub-total</b>	13	<b>123,755,051</b>	161,141,438
<b>Less: Capitalised as part of capital work-in-progress</b>			
MGBM	13.1,19	(11,753,003)	(11,224,106)
<b>Total charged to finance cost</b>		<b>112,002,048</b>	149,917,332

### 35.13 Security

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

	Notes	31 December 2021	31 December 2020
Mine properties	16.2	4,199,041,808	4,616,711,558
Property, plant and equipment	17.2	19,840,569,857	20,990,652,045
Capital work-in-progress	19.1	1,721,051,594	795,377,798
<b>Total</b>		<b>25,760,663,259</b>	26,402,741,401

## 36. Provision for decommissioning, site rehabilitation and dismantling obligations

	Notes	31 December 2021	31 December 2020
Gold mines	36.1	192,406,348	180,629,247
Bauxite mine	36.2	197,205,076	140,928,037
Phosphate mines	36.3	231,216,648	194,444,458
Low grade bauxite, kaolin and magnesite mines	36.4	5,014,086	4,838,703
<b>Total</b>		<b>625,842,158</b>	520,840,445

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

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

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

### 36.1 Gold mines

	Notes	As Suq mine	Mahad mine	Ad Duwayhi mine	Al-Amar mine	Sukhaybarat mine	Bulghah mine	Total
1 January 2020		14,842,227	27,065,518	22,599,377	13,903,448	21,191,616	20,952,634	120,554,820
Increase arising from passage of time during the year	13	1,395,946	2,104,942	2,045,423	1,283,875	2,202,781	2,160,696	11,193,663
Reversal during the year credited to other income	14	-	(797,101)	-	-	-	-	(797,101)
(Decrease) / increase in provision during the year	16	(227,195)	1,623,920	32,704,977	4,421,182	(2,728,083)	13,883,064	49,677,865
31 December 2020	36	16,010,978	29,997,279	57,349,777	19,608,505	20,666,314	36,996,394	180,629,247
Increase arising from passage of time during the year	13	290,106	402,361	1,116,203	298,333	569,473	1,019,460	3,695,936
Increase / (decrease) in provision during the year	16	3,668,516	(3,904,381)	895,396	(5,766)	2,840,106	4,587,294	8,081,165
Reclassifications during the year		(1,868,093)	1,868,093	-	-	-	-	-
<b>31 December 2021</b>	<b>36</b>	<b>18,101,507</b>	<b>28,363,352</b>	<b>59,361,376</b>	<b>19,901,072</b>	<b>24,075,893</b>	<b>42,603,148</b>	<b>192,406,348</b>
Commenced commercial production in		2014	1988	2016	2008	1991	2001	
Expected closure date in		2026	2024	2030	2026	2038	2042	

### 36.2 Bauxite mine

	Notes	Al-Ba'itha mine
1 January 2020		122,222,998
Increase arising from passage of time during the year	13	4,060,447
Increase in provision during the year	16	14,644,592
31 December 2020	36	140,928,037
Increase arising from passage of time during the year	13	4,054,825
Increase in provision during the year	16	52,222,214
<b>31 December 2021</b>	<b>36</b>	<b>197,205,076</b>
Commenced commercial production in		2014
Expected closure date in		2063

### 36.3 Phosphate mines

	Notes	Al-Jalamid mine	Al-Khabra mine	Total
1 January 2020		77,082,576	126,580,117	203,662,693
Increase arising from passage of time during the year	13	2,580,294	2,386,015	4,966,309
Increase / (decrease) in provision during the year	16	8,138,723	(22,323,267)	(14,184,544)
31 December 2020	36	87,801,593	106,642,865	194,444,458
Increase arising from passage of time during the year	13	2,325,458	3,844,956	6,170,414
Increase in provision during the year	16	11,760,933	18,840,843	30,601,776
<b>31 December 2021</b>	<b>36</b>	<b>101,887,984</b>	<b>129,328,664</b>	<b>231,216,648</b>
Commenced commercial production in		2008	2017	
Expected closure date in		2045	2045	

### 36.4 Low grade bauxite, kaolin and magnesite mines

	Notes	Az-Zabirah mine	Al-Ghazallah mine	Madinah plants	Total
1 January 2020		2,019,998	92,539	2,542,467	4,655,004
Increase arising from passage of time during the year	13	78,576	3,933	101,190	183,699
31 December 2020	36	2,098,574	96,472	2,643,657	4,838,703
Increase arising from passage of time during the year	13	74,833	4,100	96,450	175,383
<b>31 December 2021</b>	<b>36</b>	<b>2,173,407</b>	<b>100,572</b>	<b>2,740,107</b>	<b>5,014,086</b>
Commenced commercial production in		2008	2011	2011	
Expected closure date in		2036	2057	2041	

### 37. Lease liabilities

	Notes	31 December 2021	31 December 2020
Future minimum lease payments	37.1	1,988,636,248	2,127,852,382
Less: Future finance cost not yet due	37.2	(744,755,525)	(790,682,746)
Net present value of minimum lease payments	6.2, 46.3,48	1,243,880,723	1,337,169,636
Less: Current portion of lease liabilities shown under current liabilities		(134,897,879)	(163,555,939)
<b>Long-term portion of lease liability</b>		<b>1,108,982,844</b>	<b>1,173,613,697</b>

#### Maturity profile

Minimum lease payments falling due during the following years:

2021	-	244,127,649
2022	212,374,805	149,371,305
2023	130,227,136	101,948,306
2024	97,846,379	85,126,949
2025	65,387,902	85,376,519
2026	58,999,239	58,999,239
2027 thereafter	1,423,800,787	1,402,902,415
<b>Total</b>	<b>1,988,636,248</b>	<b>2,127,852,382</b>

#### 37.1 Movement in future minimum lease payments:

	Notes	Year ended 31 December 2021	Year ended 31 December 2020
1 January		2,127,852,382	2,092,572,575
Additions during the year	18	128,675,633	312,464,966
Payments during the year		(258,420,689)	(271,919,778)
Adjustment		(9,471,078)	(5,265,381)
<b>31 December</b>	<b>37</b>	<b>1,988,636,248</b>	<b>2,127,852,382</b>

### 37.2 Movement in future finance cost:

	Notes	Year ended 31 December 2021	Year ended 31 December 2020
1 January		(790,682,746)	(825,972,265)
Accretion of future finance cost during the year	13	50,513,938	55,451,071
Additions during the year	18	(4,927,263)	(20,544,134)
Adjustment		340,546	382,582
<b>31 December</b>	37	<b>(744,755,525)</b>	(790,682,746)

The future minimum lease payments have been discounted, using an effective interest rate of approximately 2.4% to 4% per annum, to its present value.

## 38. Derivative financial instruments

	Notes	Year ended 31 December 2021	Year ended 31 December 2020
1 January		425,875,705	236,723,783
Net accrued derivative interest		(11,227,429)	26,641,843
Accrual during the year	13	130,161,265	93,187,934
Paid during the year		(141,388,694)	(66,546,091)
(Gain) / loss in fair value of hedge instrument	34.2	(185,381,894)	162,510,079
<b>31 December</b>	46.3	<b>229,266,382</b>	425,875,705

(Gain) / loss in fair value of hedge instrument is attributable to:

	Notes	Year ended 31 December 2021	Year ended 31 December 2020
Ordinary shareholders of the parent company		(138,851,039)	121,720,049
Non-controlling interest	34.2	(46,530,855)	40,790,030
<b>Total</b>		<b>(185,381,894)</b>	162,510,079

### 38 Derivative financial instruments (Continued)

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

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

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

Effective date	Maturity date	Notional amount	Weighted average hedge rate for the year	
			SIBOR	LIBOR
1 October 2018	29 September 2023	1,820,250,000	-	3.02%
1 April 2019	1 April 2024	1,800,000,000	3.78%	-
30 June 2019	28 June 2024	1,227,187,500	-	2.23%
<b>Total notional hedge exposure (Note 46.1.2)</b>		<b>4,847,437,500</b>		

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

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

	31 December 2021	31 December 2020
Carrying amount (liability)	229,266,382	425,875,705
Notional amount	4,847,437,500	4,847,437,500
Hedge ratio	1:1	1:1
(Gain) / loss in value of hedge item used to determine hedge effectiveness	(185,381,894)	162,510,079

### 38 Derivative financial instruments (Continued)

#### Accumulated loss in fair value of outstanding hedging instruments

	Year ended 31 December 2021	Year ended 31 December 2020
1 January	388,344,874	225,834,795
Change in fair value of hedging instrument recognized in OCI	(55,220,629)	255,698,013
Transferred from OCI to profit / (loss)	(130,161,265)	(93,187,934)
Changes in fair value and transfer to profit / (loss), net	(185,381,894)	162,510,079
<b>31 December</b>	<b>202,962,980</b>	<b>388,344,874</b>

## 39. Employees' benefits

	Notes	31 December 2021	31 December 2020
Employees' end of service termination benefits obligation	39.1	788,818,088	708,307,551
Employees' savings plan	39.2	177,867,864	135,142,606
<b>Total</b>		<b>966,685,952</b>	<b>843,450,157</b>

### 39.1 Employees' end of service termination benefits obligation

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

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

### 39 Employees' benefits (Continued)

#### Amounts recognized in the consolidated statement of financial position

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

	Notes	Year ended 31 December 2021	Year ended 31 December 2020
1 January		708,307,551	625,553,417
Total amount recognised in profit or loss		104,258,757	108,514,281
Current service cost		85,891,527	83,492,145
Finance cost	13	18,367,230	25,022,136
Loss attributable to the re-measurements of employees' end of service termination benefits obligation	39.1.1	24,092,359	12,196,393
Loss from change in financial assumptions		-	14,282,101
Experience gains		24,092,359	(2,085,708)
Settlements		(47,840,579)	(37,956,540)
<b>31 December</b>	39	<b>788,818,088</b>	<b>708,307,551</b>

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

	Notes	Year ended 31 December 2021	Year ended 31 December 2020
Re-measurement loss debited in other comprehensive income during the year*	39.1	24,092,359	12,196,393

#### \* Re-measurement loss debited in other comprehensive income during the year is attributable to:

	Notes	Year ended 31 December 2021	Year ended 31 December 2020
Shareholders of the parent company		20,571,972	9,591,478
Non-controlling interest	34.2,34.4	3,520,387	2,604,915
<b>Total</b>		<b>24,092,359</b>	<b>12,196,393</b>

### 39 Employees' benefits (Continued)

#### Significant actuarial assumptions

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

	31 December 2021	31 December 2020
Discount rate	2.70%	2.60%
Salary increase rate	2.70%	2.60%
Mortality rate	A80 table	A80 table
Withdrawal rate	5.51%	6%

#### Sensitivity analysis

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

	Sensitivity level % increase	Increase / (decrease) in termination benefit obligation	Sensitivity level % decrease	Increase / (decrease) in termination benefit obligation
<b>31 December 2021</b>				
Discount rate	1%	(90,031,874)	1%	108,931,286
Salary increase rate	1%	107,775,980	1%	(90,836,799)
Mortality rate	10%	(134,709)	10%	135,109
Withdrawal rate	10%	(1,873,966)	10%	1,943,953
<b>31 December 2020</b>				
Discount rate	1%	(81,191,682)	1%	98,406,287
Salary increase rate	1%	97,360,682	1%	(81,917,665)
Mortality rate	10%	(129,851)	10%	130,232
Withdrawal rate	10%	(1,881,142)	10%	1,953,464

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

### 39 Employees' benefits (Continued)

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

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

The weighted average duration of the employees' end of service termination benefits obligation is 12.87 years. The expected maturity analysis of undiscounted employees' end of service termination benefits obligation is as follows:

	31 December 2021	31 December 2020
2021	-	55,924,924
2022	56,190,074	27,250,477
2023	29,143,790	27,248,439
2024	30,398,630	25,399,893
2025	34,582,683	32,114,004
2026	29,985,928	29,985,928
2027 and thereafter	960,735,238	813,926,216
<b>Total</b>	<b>1,141,036,343</b>	<b>1,011,849,881</b>

### 39.2 Employees' savings plan

	Notes	Year ended 31 December 2021	Year ended 31 December 2020
1 January		135,142,606	96,845,788
Contribution for the year		69,658,567	77,512,639
Withdrawals during the year		(26,933,309)	(39,215,821)
<b>31 December</b>	29,39	<b>177,867,864</b>	135,142,606

## 40. Projects, trade and other payables

Notes	Year ended 31 December 2021	Year ended 31 December 2020
<b>Non-current portion</b>		
Gross retention withheld from progress payments	546,619,176	577,764,617
Less: Current portion of retention payable (see below)	(546,619,176)	(577,764,617)
<b>Present value of long-term portion of retention payable</b>	-	-
Non-refundable contributions	40.1	91,902,460
Non-controlling interest put option	40.2	41,852,921
<b>Sub-total</b>	<b>133,755,381</b>	<b>171,555,104</b>
<b>Current portion</b>		
Payable to non-controlling interest	40.2	23,330,755
Current portion of retention payable (see above)	546,619,176	577,764,617
Projects	1,070,336,494	1,224,639,110
Trade	1,540,041,721	1,878,627,004
Advances from customers	7.2	20,228,891
Rebate payable to customers	77,954,934	81,782,400
Other	158,805,880	56,330,422
<b>Sub-total</b>	<b>3,437,317,851</b>	<b>3,846,758,988</b>
<b>Total</b>	<b>3,571,073,232</b>	<b>4,018,314,092</b>

### 40.1 Movement in non-refundable contributions

Notes	Year ended 31 December 2021	Year ended 31 December 2020
1 January	72,140,088	90,373,425
1% deduction from certain contractor's progress payments	34,150,072	3,149,511
Payments made to community support project	(14,387,700)	(21,382,848)
<b>31 December</b>	<b>91,902,460</b>	<b>72,140,088</b>

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

### 40.2 Non-controlling interest Put options

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

Notes	Year ended 31 December 2021	Year ended 31 December 2020
1 January	99,415,016	78,900,805
Settlement during the year	34.4	(36,637,841)
Revaluation (gain) / loss	(20,924,254)	20,514,211
<b>31 December</b>	<b>41,852,921</b>	<b>99,415,016</b>

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

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

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

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

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



#### 40.2 Non-controlling interest Put options (Continued)

During the year, the Group has completed first and second tranche and acquired additional 3.75% against each tranche from the non-controlling equity holders of Meridian. On 13 October 2021 and 6 December 2021, acquisition of additional cumulative 7.5% of Meridian was completed after obtaining all the necessary regulatory and legal approvals. For the remaining tranches, the Group has estimated the fair value of liability using the probabilities of un-discounted cash outflow scenarios in the range of SAR 50.3 million to SAR 60.4 million at the exercise of the option. A pre-tax discount rate of 25.9% has been used for redemptions values based on the options. This is a level 3 fair valuation as per IFRS 13.

## 41. Accrued expenses

	Notes	31 December 2021	31 December 2020
Projects		420,753,813	606,982,747
Trade		3,546,135,673	1,672,444,802
Employees		295,880,614	295,366,668
Accrued expenses – Alcoa Corporation	44.1,44.2	4,906,661	25,161,307
Accrued expenses – The Mosaic Company	44.1,44.2	4,778,129	3,246,533
<b>Total</b>	46.3,48	<b>4,272,454,890</b>	2,603,202,057

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

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

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

## 42. Zakat and income tax payable

	Notes	31 December 2021	31 December 2020
Zakat payable	42.2	249,299,461	193,192,048
Income tax payable	42.5	98,554,116	11,311,475
<b>Total</b>		<b>347,853,577</b>	204,503,523

### 42.1 Components of zakat base

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

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

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

### 42.2 Zakat payable

	Notes	Year ended 31 December 2021	Year ended 31 December 2020
1 January		193,192,048	256,524,753
Provision for zakat		284,774,432	161,279,813
Current year	42.3	256,451,249	137,999,463
Prior year under provision		28,323,183	23,280,350
Paid during year to the authorities	42.4	(228,667,019)	(224,612,518)
<b>31 December</b>	42	<b>249,299,461</b>	193,192,048

#### 42.3 Provision for zakat consists of:

	Notes	Year ended 31 December 2021	Year ended 31 December 2020
Saudi Arabian Mining Company		31,483,462	9,500,000
Ma'aden Gold and Base Metals Company	43.2	17,191,313	19,318,054
Industrial Minerals Company		5,155,479	3,983,740
Ma'aden Infrastructure Company		4,960,782	3,154,099
Ma'aden Fertilizer Company		181,388	23,305
Ma'aden Marketing and Distribution Company		695,316	-
Ma'aden Phosphate Company		55,352,457	32,176,761
Ma'aden Wa'ad Al-Shamal Phosphate Company		35,869,915	-
Ma'aden Aluminium Company		51,186,589	17,096,969
Ma'aden Rolling Company		36,370,016	35,700,126
Ma'aden Bauxite and Alumina Company		18,004,532	17,046,409
<b>Total</b>	42.2	<b>256,451,249</b>	137,999,463

#### 42.4 Status of final assessments

The Company and its wholly owned subsidiaries have diligently filed their consolidated zakat returns up to 31 December 2020 and has received provisional certificates for the same. The Company and its wholly owned subsidiaries has finalized its assessments with ZATCA up to 31 December 2013.

The ZATCA has issued revised assessments for the years ended 31 December 2014 through 2018 with an additional zakat liability of approximately SAR 63.2 million. The Company has filed an appeal against the ZATCA's revised assessments with the General Secretariat of Tax Committees ("GSTC") and GSTC's review is awaited.

In respect of zakat returns for the years 2019 and 2020, the ZATCA's review is in-progress.

In respect of partly owned subsidiaries, comprising of Saudi and foreign shareholders, zakat and income tax returns have been filed from the date of incorporation (see Note 2) until 31 December 2020 and zakat and income tax certificates up to 31 December 2020 have been received. The assessments for partly owned subsidiaries has been finalized until 2017.

The ZATCA has issued revised assessments for the year 2018 for MAC, MBAC and MRC with an additional zakat and income tax liabilities of approximately SAR 18.7 million, SAR 34 million and SAR 9.7 million, respectively. MAC, MBAC and MRC have filed an appeal against the ZATCA's revised assessments with the GSTC for which GSTC's review is awaited. MWSPC is yet to be reviewed by the ZATCA for zakat and income tax.

#### 42.5 Income tax payable

	Notes	Year ended 31 December 2021	Year ended 31 December 2020
1 January		11,311,475	10,845,066
Income tax expense	22.1	101,000,641	466,409
Current year	42.6	101,000,641	6,543,689
Prior year over provision		-	(6,077,280)
Paid during the year to the authorities		(13,758,000)	-
<b>31 December</b>	42	<b>98,554,116</b>	11,311,475

#### 42.6 Provision for income tax consist of:

	Notes	Year ended 31 December 2021	Year ended 31 December 2020
Ma'aden Aluminium Company		63,379,517	6,543,689
Meridian		30,020,766	-
Ma'aden Wa'ad Al-Shamal Phosphate Company		7,600,358	-
<b>Total</b>	42.5	<b>101,000,641</b>	6,543,689

### 43. Severance fees payable

	Notes	Year ended 31 December 2021	Year ended 31 December 2020
1 January		210,793,374	124,505,948
Provision for severance fee made during the year	8	222,692,578	207,197,069
Current year charge	43.1	220,619,305	210,793,372
Prior year adjustment		2,073,273	(3,596,303)
Paid during year to the authorities		(212,714,446)	(120,909,643)
<b>31 December</b>		<b>220,771,506</b>	210,793,374

### 43 Severance fees payable (Continued)

In accordance with the Saudi Mining Investment Code based on the Royal Decree No. 140/M dated 19 Shawwal 1441H (corresponding to 11 June 2020), the Group is required to pay to the Government of Saudi Arabia severance fees, representing equivalent of 20% of hypothetical income in addition to a specified percentage of the net value of the minerals upon extraction effective from 1 January 2021 which supersedes the Royal Decree No. 47/M dated 20 Sha'aban 1425H (corresponding to 4 October 2004), which required the Company to pay to the Government of Saudi Arabia severance fee representing 25% of the annual net income per mining license or the equivalent of 20% of hypothetical income, whichever was lower.

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

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

#### 43.1 Provision for severance fees consists of:

	Notes	Year ended 31 December 2021	Year ended 31 December 2020
Gold mines	43.2	159,988,131	209,307,695
Phosphate ore	43.3	58,510,602	-
Low grade bauxite		1,275,276	945,714
Kaolin		-	362,406
Magnesia		414,260	136,679
Dead burned magnesia		431,036	32,906
Raw ore magnesia		-	7,972
<b>Total</b>	<b>43</b>	<b>220,619,305</b>	<b>210,793,372</b>

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

	Notes	Year ended 31 December 2021	Year ended 31 December 2020
Net value of minerals upon extraction for the year		216,295,077	-
1.5% Ad Valorem fee on extracted minerals for the year		3,244,426	-
Hypothetical income tax at 20% based on year's taxable net income		173,935,018	-
Provision for severance fees for the year		177,179,444	-
Net income from operating mines before zakat and severance fee for the year		-	945,367,909
25% of the year's net income as defined		-	236,341,977
Hypothetical income tax based on year's taxable net income		-	228,625,749
Provision based on the lower of the above two computations		-	228,625,749
Deduction of provision for zakat	42.3	(17,191,313)	(19,318,054)
<b>Net severance fee provision for the year</b>	<b>43.1</b>	<b>159,988,131</b>	<b>209,307,695</b>

#### 43.3 The provision for severance fees payable by phosphate ore is calculated as follows:

	Notes	Year ended 31 December 2021	Year ended 31 December 2020
Net value of minerals upon extraction for the year		249,892,171	-
4% Ad Valorem fee on extracted minerals for the year		9,995,687	-
Hypothetical income tax at 20% based on year's taxable net income		139,737,287	-
Provision for severance fees for the year		149,732,974	-
Net income from operating mines before zakat and severance fee for the year		-	(1,071,329,398)
25% of the year's net income as defined		-	(267,832,350)
Hypothetical income tax based on year's taxable net income		-	-
Provision based on the lower of the above two computations		-	-
Deduction of provision for zakat	42.3	(91,222,372)	(32,176,761)
<b>Net severance fee provision for the year</b>	<b>43.1</b>	<b>58,510,602</b>	<b>-</b>

## 44. Related party transactions and balances

### 44.1 Related party transactions

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

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

	Notes	Year ended 31 December 2021	Year ended 31 December 2020
Sales of MAC to Alcoa Inespal, S.A., in accordance with a shareholders off-take agreement, during the year		1,354,007,841	943,449,656
Sales of MPC through SABIC (a government controlled entity), in accordance with a marketing agreement, during the year		1,752,502,594	1,267,745,958
Sales of MWSPC through SABIC, in accordance with a marketing agreement, during the year		1,061,548,144	437,335,391
Sales of MWSPC through The Mosaic Company, in accordance with a marketing agreement, during the year		1,088,098,638	750,860,049
Cost of seconded employees, technology fee and other cost charged by Alcoa Corporation during the year	41	17,971,843	27,137,505
Cost of seconded employees, technology fee and other cost charged by The Mosaic Company during the year	41	21,791,496	45,255,332
Purchase of raw material from SAMAPCO (a joint venture)		245,513,006	186,885,165
Purchase of raw material supplies from Saudi Aramco (a government controlled entity)		1,336,077,917	593,604,687
MPC		590,975,370	300,929,326
MWSPC		745,102,547	292,675,361

### 44.2 Related party balances

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

	Notes	31 December 2021	31 December 2020
<b>Trade and other receivables due from:</b>			
<b>Non-controlling shareholders:</b>			
▪ SABIC in MPC - trade		304,793,700	123,416,016
▪ SABIC in MWSPC - trade		41,481,619	28,918,417
<b>Sub-total – trade receivables due from SABIC</b>	27	<b>346,275,319</b>	152,334,433
▪ The Mosaic Company in MWSPC - trade	27	199,951,194	65,732,053
<b>Sub-total – trade receivables due from non-controlling shareholders</b>		<b>546,226,513</b>	218,066,486
<b>Subsidiaries of a non-controlling shareholder:</b>			
▪ Alcoa Inespal, S.A. in MAC - trade	27	267,299,620	94,601,698
▪ Kaiser Aluminum Warrick LLC (formerly known as 'Alcoa Warrick LLC') in MRC - trade	27	-	67,943,908
<b>Sub-total – trade receivable due from Alcoa</b>		<b>267,299,620</b>	162,545,606
<b>A joint venture company:</b>			
▪ MBCC - other	27	283,627	86
<b>Parent company of a non-controlling shareholder:</b>			
▪ Rebate receivable from Saudi Aramco related to purchase of molten sulfur	27	456,407,732	225,549,220
<b>Total</b>		<b>1,270,217,492</b>	606,161,398

#### 44.2 Related party balances (Continued)

	Notes	31 December 2021	31 December 2020
<b>Long-term borrowings from PIF (a sovereign wealth fund of the Kingdom of Saudi Arabia), a 67.18% shareholder in Ma'aden</b>			
<b>Due to PIF for the financing of the:</b>			
MAC facility – restructured on 14 December 2017	35.2	4,275,375,000	4,275,375,000
MBAC facility – restructured on 16 July 2018	35.2	3,152,118,750	3,291,316,875
<b>Total</b>		<b>7,427,493,750</b>	<b>7,566,691,875</b>

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

	Notes	31 December 2021	31 December 2020
<b>Payable to the parent company (ultimate shareholder) of a non-controlling shareholder:</b>			
▪ Accrued expenses due to Alcoa Corporation in MAC, MRC and MBAC	41	4,906,661	25,161,307
<b>Payable to the parent company of a non-controlling shareholder:</b>			
▪ Payable to Saudi Aramco by MPC and MWSPC		13,172,127	68,876,566
<b>Payable to a non-controlling shareholder</b>			
▪ Accrued expenses due to The Mosaic Company in MWSPC	41	4,778,129	3,246,533
<b>Payable to a joint venture company:</b>			
▪ SAMAPCO - trade		152,871,187	10,312,397

#### 44.3 Key management personnel compensation

	Year ended 31 December 2021	Year ended 31 December 2020
Short-term employee benefits	29,386,332	25,852,077
Employees' end of service termination benefits	2,039,447	1,829,763
<b>Total</b>	<b>31,425,779</b>	<b>27,681,840</b>

## 45. Commitments and contingent liabilities

### 45.1 Capital commitments

	Year ended 31 December 2021	Year ended 31 December 2020
<b>Capital expenditure contracted for:</b>		
Property, plant and equipment	1,296,443,281	4,298,324,606

### 45.2 Guarantees

	31 December 2021	31 December 2020
Guarantee in favor of Saudi Aramco, for future diesel and gas feedstock supplies	124,470,244	111,520,244
Guarantee in favor of Ruwais Fertilizer Industries, LLC, for catalyst supply	3,174,883	-
Guarantee in favor of Saudi Aramco for future supply of molten sulfur	234,375,000	234,375,000
Guarantees in favor of Ministry of Industry and Mineral Resources, for future purified phosphoric acid, fuel and feed stocks supplies	262,500,000	262,500,000
Guarantee in favor of Saudi Ports Authority (a government controlled entity)	6,671,580	6,671,580
Guarantee in favor of Andritz SAS, for future supply of materials	7,997,939	16,383,897
Guarantee in favor of Mitsubishi Corporation, for future supply of materials	-	11,910,300
Others	2,202,494	4,535,286
<b>Total</b>	<b>641,392,140</b>	<b>647,896,307</b>

### 45.3 Letters of credit

	31 December 2021	31 December 2020
Sight letters of credit for purchasing equipment and materials	26,606,250	1,426,527
Letter of credit in favor of General Electric Global Services	-	3,375,000
<b>Total</b>	<b>26,606,250</b>	<b>4,801,527</b>

#### 45.4 Contingent liabilities

The Group has contingent liabilities from time to time with respect to certain disputed matters, including claims by and against contractors and lawsuits and arbitrations involving a variety of issues. These contingent liabilities arise out of the ordinary course of business. It is not anticipated that any material liabilities will be incurred as a result of these contingencies.

## 46. Financial risk management

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

- market risk
- credit risk and
- liquidity risk

#### 46.1 Market risk

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

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

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

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

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

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

#### 46.1.1 Foreign currency exchange risk

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

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

#### Foreign currency exposure

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

	31 December 2021	31 December 2020
Project, trade and other payables and accrued expenses	15,737,885	26,136,572

#### Amount recognised in consolidated financial statements

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

	Notes	Year ended 31 December 2021	Year ended 31 December 2020
Foreign exchange gain / (loss) included in other income / (expense), net	14	(63,254,995)	(122,763,792)

#### 46.1.1 Foreign currency exchange risk (Continued)

##### Foreign currency sensitivity analysis

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

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

	Year ended 31 December 2021	Year ended 31 December 2020
<b>SAR/ EURO exchange rate</b>		
▪ Increase by 10%	(1,160,529)	(1,320,642)
▪ decrease by 10%	1,160,529	1,320,642

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

#### 46.1.2 Interest rate risk

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

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

##### Cash flow hedge

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

	Notes	31 December 2021	31 December 2020
Notional amount hedged	38	4,847,437,500	4,847,437,500

#### 46.1.2 Interest rate risk (Continued)

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

	31 December 2021	31 December 2020
<b>Interest rate</b>		
▪ increase by 100 basis points	98,629,958	152,529,250
▪ decrease by 100 basis points	(98,629,958)	(152,529,250)

##### Interest rate exposure

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

	Notes	31 December 2021	31 December 2020
Fixed interest rate borrowings		5,547,160,000	4,678,000,000
Variable interest rate borrowings – repricing dates			
6 months or less		41,793,285,358	44,130,391,776
<b>Total</b>	35.9	<b>47,340,445,358</b>	48,808,391,776

##### Interest rate sensitivity analysis

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

	31 December 2021	31 December 2020
<b>Interest rate</b>		
▪ increase by 100 basis points	(440,171,081)	(882,987,961)
▪ decrease by 100 basis points	440,171,081	882,987,961

#### 46.1.2 Interest rate risk (Continued)

##### Transition from LIBOR to risk free rates

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

LIBOR reforms and expectation of cessation of LIBOR will impact the Group's current risk management strategy and possibly accounting for certain financial instruments. The Group has long-term borrowings of SAR 17,598,641,340 which are exposed to the impact of LIBOR as at 31 December 2021 (Note 35).

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

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

#### 46.1.3 Commodity price risk

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

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

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

##### Commodity price exposure

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

#### 46.1.3 Commodity price risk (Continued)

	Notes	31 December 2021	31 December 2020
<b>Trade receivables pertaining to:</b>			
Phosphate		2,568,274,671	1,315,441,992
Aluminium		1,576,077,540	952,932,316
Gold		259,436,835	184,133,799
<b>Total</b>	27	<b>4,403,789,046</b>	2,452,508,107

##### Policies and procedure to manage commodity price risk

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

##### Commodity price sensitivity analysis

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

	31 December 2021	31 December 2020
<b>Increase / (decrease) in phosphate prices</b>		
Increase of 10% in USD per tonne	181,066,724	99,082,383
Decrease of 10% in USD per tonne	(181,066,724)	(99,082,383)
<b>Increase / (decrease) in aluminium LME prices</b>		
Increase of 10% in USD per tonne	471,094,983	332,615,269
Decrease of 10% in USD per tonne	(471,094,983)	(332,615,269)
<b>Increase / (decrease) in gold prices</b>		
Increase of 10% in USD per oz	229,651,809	273,506,314
Decrease of 10% in USD per oz	(229,651,809)	(273,506,314)

##### Physical commodity contracts

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



## 46.2 Credit risk

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

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

	Notes	Category	31 December 2021	31 December 2020	Impairment model approach
<b>Financial assets class</b>					
Other investments	23	Amortised cost	37,231,000	38,390,000	General
Trade and other receivable (less VAT and employees' home ownership program receivables and trade receivables carried at FVTPL)	27	Amortised cost	1,976,050,098	1,307,332,184	Simplified
Trade receivables	27	FVTPL	2,973,365,373	1,456,025,978	Not applicable
Time deposits	28	Amortised cost	971,340,217	1,466,321,392	General
Cash and cash equivalents	29	Amortised cost	8,135,831,282	4,246,213,518	General
<b>Total</b>			<b>14,093,817,970</b>	<b>8,514,283,072</b>	

### ECL approaches

The Group uses staging criteria to determine the ECL on its financial instruments. Following are the stages which are being used by the Group 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	Other investments
1	Days past Due	0	0	0-14
2	External rating (where applicable)*	Investment Grade	Investment Grade	Investment Grade

## 46.2 Credit risk (Continued)

\*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 Group 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 Group uses "low credit risk" practical expedient for the following financial instruments categories:

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

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

Sr. no	Indicators	Cash and Cash equivalents	Time deposits	Other investments
1	Days past Due	1-6	1-6	15-29
2	External rating	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 Group 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 Group 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			

#### 46.2 Credit risk (Continued)

\* If the Group 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 Group applies stage-2 for ECL estimation.

Similarly, where the counterparty balance does not go beyond DPD of 90+, but the Group 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; and
- other information.

In this case, ECL would be applied as follows:

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

#### 46.2 Credit risk (Continued)

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

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 Group 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 Group does not have any history of write-offs. At 31 December 2021, 51% (31 December 2020: 53%) of the Groups 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. There are no significant concentrations of credit risk, whether through exposure to individual customers, specific industry sectors and/or regions.

#### Credit risk exposure

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

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

Cash and short-term investments are substantially placed with commercial banks with sound credit ratings. 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.

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

The Group considers the probability of default upon initial recognition of asset and whether there has been a significant increase in credit risk on an ongoing basis throughout each reporting period. To assess whether there is a significant increase in

#### 46.2 Credit risk (Continued)

credit risk the Group compares the risk of a default occurring on the asset as at the reporting date with the risk of default as at the date of initial recognition. 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 Group and changes in the operating results of the borrower

	Notes	Life time ECL not credit impaired	Life time ECL credit impaired	Total
Trade and other receivable (less VAT receivable and employees' home ownership program receivables)	27	2,000,511,652	-	2,000,511,652
Less: Allowance for expected credit losses				
Secured				
Unsecured	27.1	(24,461,554)	-	(24,461,554)
<b>Carrying amount</b>		<b>1,976,050,098</b>	<b>-</b>	<b>1,976,050,098</b>

	Notes	12 month ECL	Life time ECL not credit impaired	Life time ECL credit impaired	Total
Time deposits	28	970,000,000	-	-	970,000,000
Less: Credit loss allowance	28.1	(2,201,194)	-	-	(2,201,194)
<b>Carrying amount</b>		<b>967,798,806</b>	<b>-</b>	<b>-</b>	<b>967,798,806</b>

#### 46.2 Credit risk (Continued)

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

	Notes	Year ended 31 December 2021	Year ended 31 December 2020
1 January		<b>2,201,194</b>	2,201,194
Increase in allowance during the year		-	-
<b>31 December</b>	28.1	<b>2,201,194</b>	2,201,194

#### Trade receivables

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

	Notes	Year ended 31 December 2021	Year ended 31 December 2020
Neither past due nor impaired		<b>4,193,842,583</b>	2,385,762,918
Past due not impaired			
< 30 days		<b>184,889,990</b>	46,444,081
30-60 days		<b>17,543,769</b>	19,630,649
61-90 days		<b>4,712,145</b>	989
> 90 days, net of provision for impairment		<b>2,800,559</b>	669,470
<b>Total</b>	27	<b>4,403,789,046</b>	2,452,508,107

As of 31 December 2021 and 2020, the amount due from MBCC, Saudi Aramco and Saudi Ports Authority are neither past due and nor impaired.

### 46.3 Liquidity risk

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

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

	Notes	31 December 2021	31 December 2020
Time deposits	28	970,000,000	1,465,000,000
Unrestricted cash and cash equivalents	29	7,957,963,418	4,111,070,912
<b>Total</b>		<b>8,927,963,418</b>	<b>5,576,070,912</b>

#### Liquidity risk exposure

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

	Notes	31 December 2021	31 December 2020
<b>Floating rate</b>			
<b>Expiring beyond 1 year</b>			
▪ Syndicated revolving credit facility	35.1	7,500,000,000	7,500,000,000
▪ Other facilities (mainly for project financing)		403,306,250	403,306,250
<b>Fixed rate</b>			
▪ Expiring within 1 year		-	-
▪ Expiring beyond 1 year		600,000,000	-
<b>Total</b>		<b>8,503,306,250</b>	<b>7,903,306,250</b>

### 46.3 Liquidity risk (continued)

#### Maturities of financial liabilities

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

- all non-derivative financial liabilities and
- net and gross settled derivative financial instruments for which the contractual maturities are essential for an understanding of the timing of the cash flows.

The amounts disclosed in the table are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying balances as the impact of discounting is not significant.



Ma'aden Phosphate Complex - Wa'ad Al Shamal Minerals Industrial City

#### 46.3 Liquidity risk (continued)

Contractual maturities of financial liabilities	1st year	2nd year	3 - 5 years	Over 5 years	Total contractual cash flows	Carrying amount of liabilities
<b>Non-derivatives as at:</b>						
<b>31 December 2021</b>						
Long-term borrowing (Note 35)	5,228,830,204	5,149,308,237	15,194,479,583	29,615,691,512	55,188,309,536	46,844,084,612
Lease liabilities (Note 37)	212,374,805	130,227,136	222,233,520	1,423,800,787	1,988,636,248	1,243,880,723
Projects, trade and other payables – Less advances from customers (Note 40)	3,417,088,960	133,755,381	-	-	3,550,844,341	3,550,844,341
Accrued expenses (Note 41)	4,272,454,890	-	-	-	4,272,454,890	4,272,454,890
<b>Total</b>	<b>13,130,748,859</b>	<b>5,413,290,754</b>	<b>15,416,713,103</b>	<b>31,039,492,299</b>	<b>65,000,245,015</b>	<b>55,911,264,566</b>
<b>Derivatives as at:</b>						
<b>31 December 2021</b>						
Derivative financial instruments (Note 38)	<b>138,748,595</b>	<b>154,556,396</b>	<b>59,727,259</b>	-	<b>353,032,250</b>	<b>229,266,382</b>
<b>Derivatives as at:</b>						
<b>31 December 2021</b>						
Long-term borrowings (Note 35)	4,052,837,139	4,971,211,699	16,616,640,707	33,141,754,379	58,782,443,924	48,301,731,906
Lease liabilities (Note 37)	244,127,649	149,371,305	272,451,774	1,461,901,654	2,127,852,382	1,337,169,636
Projects, trade and other payables – Less advances from customers (Note 40)	3,819,143,553	171,555,104	-	-	3,990,698,657	3,990,698,657
Accrued expenses (Note 41)	2,603,202,057	-	-	-	2,603,202,057	2,603,202,057
<b>Total</b>	<b>10,719,310,398</b>	<b>5,292,138,108</b>	<b>16,889,092,481</b>	<b>34,603,656,033</b>	<b>67,504,197,020</b>	<b>56,232,802,256</b>
<b>Derivatives as at:</b>						
<b>31 December 2021</b>						
Derivative financial instruments (Note 38)	145,310,475	128,785,079	402,584,515	-	676,680,070	425,875,705

## 47. Capital management

### Risk management

The Group's objectives when managing capital are to

- safeguard their ability to continue as a going concern, so that they can continue to provide returns for shareholders and benefits for other stakeholders, and
- maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

The net debts of the Group are as follows:

	Notes	31 December 2021	31 December 2020
<b>Net debt</b>			
Time deposits	28	970,000,000	1,465,000,000
Unrestricted cash and cash equivalents	29	7,957,963,418	4,111,070,912
Long-term borrowings - payable within one year	35.9	(4,250,806,238)	(2,977,199,180)
Long-term borrowings - payable after one year	35.9	(43,089,639,120)	(45,831,192,596)
Lease liabilities - payable within one year	37	(212,374,805)	(244,127,649)
Lease liabilities - payable after one year	37	(1,776,261,443)	(1,883,724,733)
<b>Net debt</b>		<b>(40,401,118,188)</b>	<b>(45,360,173,246)</b>

#### 47 Capital management (continued)

##### Net debt reconciliation

The movement in net debt is as follows:

	Notes	Other assets		Liabilities from financing activities				Total
		Time deposits (Note 28)	Unrestricted cash and cash equivalents (Note 29)	Long-term borrowings - payable within one year (Note 35.9)	Long-term borrowings - payable after one year (Note 35.9)	lease liabilities - payable within one year (Note 37)	lease liabilities - payable after one year (Note 37)	
1 January 2020		3,159,175,000	3,508,050,288	(2,436,219,781)	(47,818,857,281)	(208,480,827)	(1,884,091,748)	(45,680,424,349)
Additions during the year	37.1	-	-	-	-	-	(312,464,966)	(312,464,966)
Adjustment	37.1	-	-	-	-	-	5,265,381	5,265,381
Cash flows for the year		(1,694,175,000)	603,020,624	(540,979,399)	1,987,664,685	(35,646,822)	307,566,600	627,450,688
31 December 2020		1,465,000,000	4,111,070,912	(2,977,199,180)	(45,831,192,596)	(244,127,649)	(1,883,724,733)	(45,360,173,246)
Additions during the year	37.1	-	-	-	-	-	(128,675,633)	(128,675,633)
Adjustment	37.1	-	-	-	-	-	53,055,696	53,055,696
Cash flows for the year		(495,000,000)	3,846,892,506	(1,273,607,058)	2,741,553,476	31,752,844	183,083,227	5,034,674,995
<b>31 December 2021</b>		<b>970,000,000</b>	<b>7,957,963,418</b>	<b>(4,250,806,238)</b>	<b>(43,089,639,120)</b>	<b>(212,374,805)</b>	<b>(1,776,261,443)</b>	<b>(40,401,118,188)</b>

Consistent with others in the industry, the Group monitors capital on the basis of the following gearing ratio:

“Long-term borrowings divided by total equity and long-term borrowings (as shown in the consolidated statement of financial position, including non-controlling interests).”

#### 47 Capital management (continued)

The gearing ratios, in accordance with the financial covenants pertaining to the long-term borrowings (Note 35.1), as at the end of the year were as follows:

	Notes	31 December 2021	31 December 2020
Long term borrowings	35	46,844,084,612	48,301,731,906
Total equity		43,968,571,499	37,299,769,740
Total equity and net debt		90,812,656,111	85,601,501,646
<b>Debt to equity ratio</b>		<b>0.52</b>	0.56

#### Loan covenants

As at 31 December 2021, MWSPC was in compliance with current ratio covenant of 1:1 and liabilities to tangible net worth ratio requirement of 3:1. During the quarterly reporting periods, MWSPC was not in compliance with SIDF covenants, however, SIDF issued a waiver letter to the Company whereby, the Company was exempted from the compliance of current ratio and liabilities to tangible net worth ratio for the year 2021.

## 48. Financial assets and financial liabilities

The Group holds the following classes of financial instruments:

	Notes	Amortised cost	FVTPL	Total
<b>Financial assets</b>				
<b>As at 31 December 2021</b>				
Other investments	23	37,231,000	-	37,231,000
Trade and other receivable (less VAT and employees' home ownership program receivables)	27	1,976,050,098	2,973,365,373	4,949,415,471
Time deposits	28	971,340,217	-	971,340,217
Cash and cash equivalents	29	8,135,831,282	-	8,135,831,282
<b>Total</b>		<b>11,120,452,597</b>	<b>2,973,365,373</b>	<b>14,093,817,970</b>

#### 48 Financial assets and financial liabilities (continued)

	Notes	Amortised cost	FVTPL	Total
<b>As at 31 December 2020</b>				
Other investments	23	38,390,000	-	38,390,000
Trade and other receivable (less VAT and employees' home ownership program receivables)	27	1,307,332,184	1,456,025,978	2,763,358,162
Time deposits	28	1,466,321,392	-	1,466,321,392
Cash and cash equivalents	29	4,246,213,518	-	4,246,213,518
<b>Total</b>		<b>7,058,257,094</b>	<b>1,456,025,978</b>	<b>8,514,283,072</b>

	Notes	Amortised cost	FVTPL	Total
<b>Financial liabilities</b>				
<b>As at 31 December 2021</b>				
Long-term borrowings	35	46,844,084,612	-	46,844,084,612
Lease liabilities	37	1,243,880,723	-	1,243,880,723
Derivative financial instruments	38	-	229,266,382	229,266,382
Projects, trade and other payables (less advances from customers)	40	3,508,991,420	41,852,921	3,550,844,341
Accrued expenses	41	4,272,454,890	-	4,272,454,890
<b>Total</b>		<b>55,869,411,645</b>	<b>271,119,303</b>	<b>56,140,530,948</b>

<b>As at 31 December 2020</b>				
Long-term borrowings	35	48,301,731,906	-	48,301,731,906
Lease liabilities	37	1,337,169,636	-	1,337,169,636
Derivative financial instruments	38	-	425,875,705	425,875,705
Projects, trade and other payables (less advances from customers)	40	3,891,283,641	99,415,016	3,990,698,657
Accrued expenses	41	2,603,202,057	-	2,603,202,057
<b>Total</b>		<b>56,133,387,240</b>	<b>525,290,721</b>	<b>56,658,677,961</b>

Long-term borrowings are initially recognised at their fair value (being proceeds received, net of eligible transaction costs incurred) if any. Subsequent to the initial recognition long-term borrowings are measured at amortised cost using the effective interest rate method. The fair value measurement hierarchy, on a non-recurring basis for liabilities, is Level 3 – significant unobservable inputs.

## 49. Fair value estimation

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

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

**Level 1** - inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the Group can access at the measurement date.

**Level 2** - inputs are inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.

**Level 3** - inputs are unobservable inputs for the asset or liability.

If the inputs used to measure the fair value of an asset or liability falls into different levels of the fair value hierarchy, then the fair value measurement is

categorized in its entirety in the same level of the fair value hierarchy as the lowest input level that is significant to the entire measurement.

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

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

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

	Notes	Level 1	Level 2	Level 3	Total
<b>As at 31 December 2021</b>					
<b>Financial assets</b>					
Trade receivables	48	-	2,973,365,373	-	2,973,365,373
<b>Financial liabilities</b>					
Derivative financial instruments	38	-	229,266,382	-	229,266,382
Projects, trade and other payables	40	-	-	41,852,921	41,852,921
		-	229,266,382	41,852,921	271,119,303

## 49 Fair value estimation (continued)

	Notes	Level 1	Level 2	Level 3	Total
<b>As at 31 December 2020</b>					
<b>Financial assets</b>					
Trade receivables	48	-	1,456,025,978	-	1,456,025,978
<b>Financial liabilities</b>					
Derivative financial instruments	38	-	425,875,705	-	425,875,705
Projects, trade and other payables	40	-	-	99,415,016	99,415,016
		-	425,875,705	99,415,016	525,290,721

There were no transfers between fair value levels during the year 2021 and 2020.

## 50. Events after the reporting date

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

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



## 51. Detailed information about the subsidiaries and joint ventures

Subsidiaries	Nature of business	Issued and paid-up share capital		Effective group interest %		Cost of investment by parent company	
		31 December 2021	31 December 2020	31 December 2021	31 December 2020	31 December 2021	31 December 2020
MGBM	Gold mining	867,000,000	867,000,000	100	100	867,000,000	867,000,000
MIC	Manage and develop infrastructure projects	500,000	500,000	100	100	500,000	500,000
IMC	Kaolin, low grade bauxite and magnesite mining	344,855,200	344,855,200	100	100	344,855,200	344,855,200
MFC	Phosphate mining and production of urea, phosphate and potassium fertilizer	1,000,000	1,000,000	100	100	1,000,000	1,000,000
MMDC	Phosphate fertilizer distribution	1,000,000	1,000,000	100	100	1,000,000	1,000,000
MRC	Aluminium sheets for can body and lids and automotive heat treated and non-heat treated sheet	2,477,371,807	2,477,371,807	100	100	2,477,371,807	2,477,371,807
MAC	Aluminium ingots, T-shape ingots, slabs and billets	6,573,750,000	6,573,750,000	74.9	74.9	4,923,738,750	4,923,738,750
MBAC	Bauxite mining and refining	4,828,464,412	4,828,464,412	74.9	74.9	3,616,519,845	3,616,519,845
MPC	Phosphate mining and fertilizer producer	6,208,480,000	6,208,480,000	70	70	4,345,936,000	4,345,936,000
MWSPC	Phosphate mining and fertilizer producer	7,942,501,875	7,942,501,875	60	60	4,765,501,125	4,765,501,125
<b>Sub-total</b>						<b>21,343,422,727</b>	<b>21,343,422,727</b>
<b>Joint ventures</b>							
SAMAPCO	Production of concentrated caustic soda and ethylene dichloride	900,000,000	900,000,000	50	50	450,000,000	450,000,000
MBCC	Production of copper and associated minerals	404,965,291	404,965,291	50	50	202,482,646	202,482,646
<b>Sub-total</b>						<b>652,482,646</b>	<b>652,482,646</b>
<b>Total</b>						<b>21,995,905,373</b>	<b>21,995,905,373</b>

All the subsidiaries and joint ventures listed above are incorporated in the Kingdom of Saudi Arabia except as mentioned in Note 2.

