



SABIC AGRI-NUTRIENTS COMPANY AND ITS SUBSIDIARIES

(A SAUDI JOINT STOCK COMPANY)

INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE THREE-MONTH AND NINE-MONTH PERIODS ENDED 30 SEPTEMBER 2024
AND INDEPENDENT AUDITOR'S REVIEW REPORT

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Report on review of interim condensed consolidated financial statements

To the shareholders of SABIC Agri-Nutrients Company
(A Saudi Joint Stock Company)

Introduction

We have reviewed the accompanying interim condensed consolidated statement of financial position of SABIC Agri-Nutrients Company (the “Company”) and its subsidiaries (collectively referred to as the “Group”) as of 30 September 2024 and the related condensed consolidated statements of income and other comprehensive income for the three-month and nine-month periods then ended and the interim condensed consolidated statements of changes in equity and cash flows for the nine-month period then ended and other explanatory notes. Management is responsible for the preparation and presentation of these interim condensed consolidated financial statements in accordance with International Accounting Standard 34 - “Interim Financial Reporting” (IAS 34), as endorsed in the Kingdom of Saudi Arabia. Our responsibility is to express a conclusion on these interim condensed consolidated financial statements based on our review.

Scope of review

We conducted our review in accordance with International Standard on Review Engagements 2410, “Review of interim financial information performed by the independent auditor of the entity”, as endorsed in the Kingdom of Saudi Arabia. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing, as endorsed in the Kingdom of Saudi Arabia, and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim condensed consolidated financial statements are not prepared, in all material respects, in accordance with IAS 34, as endorsed in the Kingdom of Saudi Arabia.

PricewaterhouseCoopers

Bader I. Benmohareb
License Number 471



29 October 2024

Interim condensed consolidated statement of financial position

(All amounts in Saudi Riyals '000 unless otherwise stated)

		As at 30 September 2024 (Unaudited)	As at 31 December 2023 (Audited)
	Notes		
ASSETS			
Non-current assets:			
Property, plant and equipment		8,081,518	8,303,217
Right-of-use assets		181,178	210,692
Intangible assets		56,324	63,218
Investment in an associate and a joint venture	5	2,158,356	2,251,635
Investment in equity instruments	6	405,244	361,114
Other assets and receivables		441,135	410,667
Total non-current assets		11,323,755	11,600,543
Current assets:			
Inventories		719,779	688,476
Other assets and receivables		344,707	344,852
Advance income tax		37,796	54,707
Trade receivables	7	1,590,919	1,566,606
Short-term investments		7,485,925	6,806,302
Cash and cash equivalents		3,282,203	4,242,043
Total current assets		13,461,329	13,702,986
Total assets		24,785,084	25,303,529
EQUITY AND LIABILITIES			
Equity			
Share capital		4,760,354	4,760,354
Share premium		3,998,485	3,998,485
Statutory reserve	1	-	1,428,106
Other reserves		342,899	424,684
Retained earnings		9,522,155	7,130,671
Equity attributable to the equity holders of the parent		18,623,893	17,742,300
Non-controlling interest		1,097,006	1,057,008
Total equity		19,720,899	18,799,308
Liabilities			
Non-current liabilities:			
Lease liabilities		165,940	197,329
Employee benefits	8	1,173,602	1,099,462
Derivative financial instruments	9	1,421,250	1,440,000
Deferred tax liabilities		50,299	56,256
Total non-current liabilities		2,811,091	2,793,047

The accompanying notes from 1 to 17 form an integral part of these interim condensed consolidated financial statements.

Interim condensed consolidated statement of financial position (continued)

(All amounts in Saudi Riyals '000 unless otherwise stated)

	Notes	As at 30 September 2024 (Unaudited)	As at 31 December 2023 (Audited)
Current liabilities:			
Current portion of employee benefits	8	161,328	152,876
Current portion of lease liabilities		19,363	14,699
Trade payables		873,092	710,805
Other liabilities		723,525	766,685
Dividends payable	16	215,835	1,697,135
Zakat payable		259,951	368,974
Total current liabilities		2,253,094	3,711,174
Total liabilities		5,064,185	6,504,221
Total equity and liabilities		24,785,084	25,303,529



Designated Member
Abdulaziz H. Al- Habdan



Chief Executive Officer
Fahad M. Al-Battar



General Manager Finance
Ayed Habib Al-Haider

The accompanying notes from 1 to 17 form an integral part of these interim condensed consolidated financial statements.

Interim condensed consolidated statement of income and other comprehensive income

(All amounts in Saudi Riyals '000 unless otherwise stated)

	Notes	For the three-month period ended 30 September (Unaudited)		For the nine-month period ended 30 September (Unaudited)	
		2024	2023	2024	2023
Revenue	11, 14	2,850,070	2,672,288	8,043,650	8,061,400
Cost of sales		(1,777,768)	(1,446,604)	(5,081,348)	(4,766,721)
Gross profit		1,072,302	1,225,684	2,962,302	3,294,679
Selling and distribution expenses		(96,253)	(71,116)	(267,399)	(213,111)
General and administration expenses		(162,993)	(132,089)	(418,102)	(393,132)
Research and development expenses		(23,348)	(19,635)	(56,252)	(50,103)
Expected credit loss allowance (ECL)		(975)	(804)	519	(1,883)
Other operating income (expense)		1,031	6,632	(23,311)	6,937
Income from operations		789,764	1,008,672	2,197,757	2,643,387
Share of results from an associate and a joint venture	5	31,591	60,557	116,724	131,452
Finance income		144,036	125,374	452,911	426,481
Finance costs		(16,763)	(17,648)	(50,384)	(61,869)
Income before zakat and income tax		948,628	1,176,955	2,717,008	3,139,451
Zakat expense	10	(93,176)	(68,331)	(229,583)	(263,970)
Income tax expense	10	(12,426)	(11,008)	(28,364)	(36,508)
Deferred tax expense	10	6,556	(820)	5,954	(2,370)
Net income for the period		849,582	1,096,796	2,465,015	2,836,603
Attributable to:					
- Equity holders of the Parent		826,515	1,049,484	2,372,734	2,681,089
- Non-controlling interests		23,067	47,312	92,281	155,514
		849,582	1,096,796	2,465,015	2,836,603

Earnings per share (Saudi Riyals)

Basic and diluted earnings per share from net income attributable to the equity holders of the Parent

12	1.74	2.20	4.98	5.63
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The accompanying notes from 1 to 17 form an integral part of these interim condensed consolidated financial statements.

Interim condensed consolidated statement of income and other comprehensive income (continued)

(All amounts in Saudi Riyals '000 unless otherwise stated)

	Notes	For the three-month period ended 30 September (Unaudited)		For the nine-month period ended 30 September (Unaudited)	
		2024	2023	2024	2023
Net income for the period		849,582	1,096,796	2,465,015	2,836,603
Other comprehensive income (OCI)					
<i>Items that will not be reclassified to statement of income:</i>					
- Net gain (loss) on fair value of equity investments	6	50,299	(55,519)	44,130	-
- Re-measurement (loss) gain on defined benefit plans	8	(72,691)	68,064	(82,799)	68,911
- Deferred tax impact on OCI	10	7	(6)	2	(6)
<i>Items that will be reclassified to statement of income:</i>					
- Share of other comprehensive loss of joint venture		-	-	(42,867)	-
- Exchange difference on translation of foreign investment		(128)	2,922	(259)	8,266
Other comprehensive (loss) income for the period		(22,513)	15,461	(81,793)	77,171
Total comprehensive income for the period		827,069	1,112,257	2,383,222	2,913,774
Attributable to:					
- Equity holders of the Parent		804,030	1,064,951	2,290,949	2,758,235
- Non-controlling interests		23,039	47,306	92,273	155,539
		827,069	1,112,257	2,383,222	2,913,774



Designated Member
Abdulaziz H. Al- Habdan



Chief Executive Officer
Fahad M. Al-Battar



General Manager Finance
Ayed Habib Al-Haider

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Interim condensed consolidated statement of changes in equity

(All amounts in Saudi Riyals '000 unless otherwise stated)

	Attributable to equity holders of the Parent						Non-controlling interest	Grand total
	Share capital	Share premium	Statutory reserve	Other reserves	Retained earnings	Total		
As at 1 January 2023 (audited)	4,760,354	3,998,485	1,428,106	505,073	9,201,968	19,893,986	1,075,991	20,969,977
Net income for the period	-	-	-	-	2,681,089	2,681,089	155,514	2,836,603
Other comprehensive income for the period	-	-	-	77,146	-	77,146	25	77,171
Total comprehensive income for the period	-	-	-	77,146	2,681,089	2,758,235	155,539	2,913,774
Change in fair value of derivative financial instrument	-	-	-	-	127,500	127,500	-	127,500
<i>Transactions with owners in their capacity as owners</i>								
Income tax reimbursed	-	-	-	-	-	-	104,907	104,907
Dividends (note 16)	-	-	-	-	(5,236,390)	(5,236,390)	(290,000)	(5,526,390)
As at 30 September 2023 (unaudited)	4,760,354	3,998,485	1,428,106	582,219	6,774,167	17,543,331	1,046,437	18,589,768
As at 1 January 2024 (audited)	4,760,354	3,998,485	1,428,106	424,684	7,130,671	17,742,300	1,057,008	18,799,308
Net income for the period	-	-	-	-	2,372,734	2,372,734	92,281	2,465,015
Other comprehensive loss for the period	-	-	-	(81,785)	-	(81,785)	(8)	(81,793)
Total comprehensive income for the period	-	-	-	(81,785)	2,372,734	2,290,949	92,273	2,383,222
Transfer from statutory reserve (note 1)	-	-	(1,428,106)	-	1,428,106	-	-	-
Change in fair value of derivative financial instrument	-	-	-	-	18,750	18,750	-	18,750
<i>Transactions with owners in their capacity as owners</i>								
Income tax reimbursed	-	-	-	-	-	-	57,725	57,725
Dividends (note 16)	-	-	-	-	(1,428,106)	(1,428,106)	(110,000)	(1,538,106)
As at 30 September 2024 (unaudited)	4,760,354	3,998,485	-	342,899	9,522,155	18,623,893	1,097,006	19,720,899



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Chief Executive Officer
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General Manager Finance
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The accompanying notes from 1 to 17 form an integral part of these interim condensed consolidated financial statements.

Interim condensed consolidated statement of cash flows

(All amounts in Saudi Riyals '000 unless otherwise stated)

	Note	For the nine-month period ended 30 September (Unaudited)	
		2024	2023
Operating activities:			
Income before zakat and income tax		2,717,008	3,139,451
<i>Adjustments to reconcile income before zakat and income tax to net cash from operating activities:</i>			
- Depreciation of property, plant and equipment		673,470	642,256
- Depreciation of right-of-use assets		17,572	19,081
- Amortization of intangible assets		8,079	8,061
- Employees' benefits charge		42,842	51,635
- Share of results of an associate and a joint venture	5	(116,724)	(131,452)
- Provision for slow moving and obsolete inventories		823	(40,871)
- Loss on disposal of property, plant and equipment		490	6,048
- Expected credit loss allowance (ECL)		(519)	1,883
- Finance income		(452,911)	(426,481)
- Finance costs		50,384	61,869
		2,940,514	3,331,480
<i>Change in operating assets and liabilities:</i>			
Inventories		(35,553)	40,507
Trade receivables		(23,794)	612,825
Other assets and receivables		60,633	27,753
Current portion of employee benefits		8,452	(1,391)
Trade payables		162,287	(70,247)
Other current liabilities		(48,660)	(97,283)
Cash from operations		3,063,879	3,843,644
Employees' benefits paid		(60,644)	(29,275)
Finance income received		197,392	371,329
Finance costs paid		(9,989)	(24,968)
Zakat and income tax paid		(346,513)	(498,711)
Net cash generated from operating activities		2,844,125	3,662,019

The accompanying notes from 1 to 17 form an integral part of these interim condensed consolidated financial statements.

Interim condensed consolidated statement of cash flows (continued)

(All amounts in Saudi Riyals '000 unless otherwise stated)

For the nine-month period ended 30 September
(Unaudited)

	2024	2023
Investing activities:		
Purchase of property, plant and equipment	(475,701)	(743,477)
Investment in a joint venture	-	(1,207,684)
Dividends received from an associate	75,000	-
Short term investments - placements	(4,932,300)	(8,464,174)
Short term investments - proceeds	4,500,000	5,148,000
Net cash used in investing activities	(833,001)	(5,267,335)
Financing activities:		
Lease payments	(14,783)	(8,206)
Dividends paid to shareholders	(2,851,681)	(5,212,061)
Dividends paid to non-controlling interest	(104,500)	(274,349)
Net cash used in financing activities	(2,970,964)	(5,494,616)
Net decrease in cash and cash equivalents	(959,840)	(7,099,932)
Cash and cash equivalents at the beginning of the period	4,242,043	8,618,127
Cash and cash equivalents at the end of the period	3,282,203	1,518,195

Significant non-cash transactions:

For the nine-month period ended 30 September
(Unaudited)

	2024	2023
Dividends receivable from a joint venture against other assets and receivables	91,877	-
Employee benefits transferred from related parties	31,251	-
Transfer of intangible assets and property, plant and equipment to other assets and receivables	25,682	74,834
Change in fair value of derivative financial instruments recognised against retained earnings	18,750	127,500
Right of use assets reversed against corresponding lease liability	11,941	-



Designated Member

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Chief Executive Officer

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General Manager Finance

Ayed Habib Al-Haider

The accompanying notes from 1 to 17 form an integral part of these interim condensed consolidated financial statements.

Notes to the interim condensed consolidated financial statements

(All amounts in Saudi Riyals '000 unless otherwise stated)

1. Corporate information

SABIC Agri-Nutrients Company ("the Company"), is a Saudi Joint Stock Company incorporated under Royal Decree Number M/13 dated 11 Jumada' I 1385H (corresponding to 7 September 1965). The Company was initially registered in the city of Dammam with commercial registration number 2050001841 dated 1 Dhul al-Hijjah 1385H (corresponding to 24 March 1966), and later on the Company's head office was shifted to Jubail Industrial City with commercial registration number 2055002359 dated 29 Shawwal 1411H (corresponding to 14 May 1991). The previous commercial registration was converted to a branch and then cancelled in 2013.

The shareholders of the Company in their Annual General Meeting on 12 Ramadan 1443H (corresponding to 13 April 2022) decided to change the registered office of the Company from Jubail to Riyadh. Effective 20 Dhul Hijjah 1443H (corresponding to 19 July 2022), the registered office of the Company was changed to P.O Box 13244, Airport Branch Road, Qurtubah District, Riyadh Kingdom of Saudi Arabia ("KSA").

The Company and its subsidiaries (collectively the "Group") are mainly engaged in the production, conversion, manufacturing, and trade of agri-nutrients and chemical products. Also, the Company is engaged in the marketing of agri-nutrients products of all types inside and outside KSA.

According to the newly enacted Companies law and its implementing regulations effective in KSA starting 26 Jumada' II 1444H (corresponding to 19 January 2023), the mandatory statutory reserve requirement was abolished. In pursuant to this change, during the three-month period ended 30 June 2024, the General Assembly in its extraordinary meeting held on 19 Shawwal 1445H (corresponding to 28 April 2024) resolved to amend the Company's By-laws to exclude the requirement to maintain a statutory reserve and to transfer the existing balance to retained earnings. Accordingly, the statutory reserve balance amounting to Saudi Riyals 1.4 billion was transferred to retained earnings.

During the three-month and nine-month periods ended 30 September 2024, the Group's financial performance was particularly affected by increase in feedstock prices by Saudi Arabian Oil Company ("Saudi Aramco") that resulted in an increase of Saudi Riyals 76.3 million and Saudi Riyals 217.6 million, respectively, in the Group's cost of sales.

During the three-month period ended 30 September 2024, the Company received approval from the Ministry of Energy for allocation of feedstock to build a new plant in Jubail Industrial City. The plant will add 1.2 million metric tonne of Blue (low carbon) Ammonia and 1.1 million metric tonne of Urea and specialized Agri-Nutrients products to the Company's current production capacity.

The interim condensed consolidated financial statements of the Group for the three-month and nine-month periods ended 30 September 2024 were authorised for issue by the Board of Directors of the Company on 21 Rabi' Al-Akhar 1446H (corresponding to 24 October 2024).

The Company has the following subsidiaries, associate and joint venture as at 30 September 2024 and as at 31 December 2023:

Name	Relationship	Country of incorporation	Principal activities	% Shareholding (direct and indirect)
National Chemical Fertiliser Company ("Ibn Al-Baytar")	Subsidiary	KSA	Agri-nutrients	100
SABIC Agri-Nutrients Investments Company ("SANIC")	Subsidiary	KSA	Agri-nutrients	100
Al-Jubail Fertiliser Company ("Al-Bayroni")	Subsidiary	KSA	Agri-nutrients and petrochemicals	50
Gulf Petrochemical Industries ("GPIC")	Associate	Bahrain	Agri-nutrients	33.33
ETG Inputs Holdco Limited and its subsidiaries (EIHL)	Joint Venture	UAE	Agri-nutrients	49

The Company also holds 3.87% equity interest in Arabian Industrial Fibers Company (Ibn Rushd) and 1.69% equity interest in Yanbu National Petrochemicals Company (Yansab).

Notes to the interim condensed consolidated financial statements (continued)

(All amounts in Saudi Riyals '000 unless otherwise stated)

2. Basis of preparation

These interim condensed consolidated financial statements for the three-month and nine-month periods ended 30 September 2024 have been prepared in accordance with International Accounting Standard 34 'Interim Financial Reporting' ("IAS 34"), as endorsed in the Kingdom of Saudi Arabia and other standards and pronouncements that are endorsed by the Saudi Organization for Chartered and Professional Accountants ("SOCPA").

The interim condensed consolidated financial statements do not include all the information and disclosures required in the annual consolidated financial statements, and should be read in conjunction with the Group's annual consolidated financial statements for the year ended 31 December 2023 ("Last Annual Financial Statements"). However, changes in accounting policies, if any and selected explanatory notes are included to explain events and transactions that are significant for understanding the changes in the Group's consolidated financial position and performance since the Last Annual Financial Statements. An interim period is considered as an integral part of the whole fiscal year, however, the results of operations for the interim periods may not be a fair indication of the results of the full year operations.

The interim condensed consolidated financial statements are prepared under the historical cost convention using the accruals basis of accounting, except for the measurement at fair value of certain financial assets through the interim condensed consolidated statement of income and other comprehensive income and derivative financial instruments through retained earnings. Further, post-employment benefits are measured at the present value of the defined benefit obligation using the projected unit credit method using actuarial calculations.

2.1 Summary of material accounting policies

The accounting policies adopted in the preparation of the interim condensed consolidated financial statements are consistent with those followed in preparing the Last Annual Financial Statements.

2.2 New standards, interpretations and amendments adopted by the Group

Amendments to IAS 1: Classification of Liabilities as Current or Non-current

The amendment published in 2020 and 2022 respectively, clarify that the classification of liabilities as current or non-current is based solely on a company's right to defer settlement for at least 12 months at the reporting date. The right needs to exist at the reporting date and must have substance. Only covenants with which a company must comply on or before the reporting date may affect this right. Covenants to be complied with after the reporting date do not affect the classification of a liability as current or non-current at the reporting date.

Amendment to IFRS 16: Lease liability in sale and leaseback

The amendments specify that, in measuring the lease liability subsequent to the sale and leaseback, the seller-lessee determines 'lease payments' and 'revised lease payments' in a way that does not result in the seller-lessee recognising any amount of the gain or loss that relates to the right of use that it retains. This could particularly impact sale and leaseback transactions where the lease payments include variable payments that do not depend on an index or a rate. The amendment does not have a material impact on the Group.

Amendments to IAS 7 and IFRS 7: Supplier finance arrangements

The International Accounting Standards Board ("IASB") has issued new disclosure requirements about supplier financing arrangements ("SFAs"), after feedback to an IFRS Interpretations Committee agenda decision highlighted that the information required by IAS 7 *Statement of Cash Flows* and IFRS 7 *Financial Instruments: Disclosures* falls short of meeting user information needs. The objective of the new disclosures is to provide information about SFAs that enables investors to assess the effects on an entity's liabilities, cash flows and the exposure to liquidity risk. The amendments do not have a material impact on the Group.

The Group has not early adopted any new standard, interpretation or amendment that have been issued but which are not yet effective.

3. Significant accounting judgements, estimates and assumptions

The preparation of the Group's interim condensed consolidated financial statements requires management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and accompanying disclosures, and the disclosure of contingent liabilities. The accounting estimates and assumptions used in the preparation of these interim condensed consolidated financial statements are consistent with those used in the preparation of the Last Annual Financial Statements.

Notes to the interim condensed consolidated financial statements (continued)

(All amounts in Saudi Riyals '000 unless otherwise stated)

4. Fair value measurement

The Group has the following financial instruments which are measured at fair value:

	As at 30 September 2024				As at 31 December 2023			
	Level I	Level II	Level III	Total	Level I	Level II	Level III	Total
Financial assets								
Investment in quoted equity instruments	405,244	-	-	405,244	361,114	-	-	361,114
Trade receivables	-	-	622,463	622,463	-	-	527,845	527,845
Total	405,244	-	622,463	1,027,707	361,114	-	527,845	888,959
Financial liabilities								
Derivative financial instruments	-	-	1,421,250	1,421,250	-	-	1,440,000	1,440,000
Total	-	-	1,421,250	1,421,250	-	-	1,440,000	1,440,000

The classification methodology used in this disclosure is in line with the annual consolidated financial statements. There were no transfers between Level I, Level II or Level III during the nine-month period ended 30 September 2024.

Description	Valuation technique	Significant non-observable input	2024	2023
Derivative financial instruments	Market approach	Put options and forward contracts		
		- Equity value to EBITDA multiple	5.50	5.37
		- Dividend to EBITDA %	43.40%	38.61%
		- Discount rate	10.00%	10.50%

The Group assessed that the fair value of trade receivables (carried at amortized cost), short-term investments, cash and cash equivalents, trade payables and other financial assets and financial liabilities approximate their carrying amounts largely due to the short-term maturities of these instruments.

The key movements during the nine-month period ended 30 September 2024 in Level III fair values of financial assets was Saudi Riyals 38.5 million (30 September 2023: Saudi Riyals 37.2 million) and financial liabilities was Saudi Riyals 18.8 million (30 September 2023: Saudi Riyals 127.5 million) related to fair value gain of derivative financial instruments.

A change in the significant non-observable inputs would result in a change in the value of the derivative financial instruments as follows:

	Change in the significant non-observable inputs		Derivative financial instruments value	
			As at 30 September 2024	
	From	To	From	To
Increase equity value to EBITDA multiple by 10%	5.50	6.10	1,421,250	1,627,500
Decrease equity value to EBITDA multiple by 10%	5.50	5.00	1,421,250	1,216,875
High range of Dividend to EBITDA %	43.40%	47.80%	1,421,250	1,344,375
Low range of Dividend to EBITDA %	43.40%	39.10%	1,421,250	1,500,000
Increase discount rate by 1%	10.00%	11.00%	1,421,250	1,445,625
Decrease discount rate by 1%	10.00%	9.00%	1,421,250	1,398,750

Notes to the interim condensed consolidated financial statements (continued)

(All amounts in Saudi Riyals '000 unless otherwise stated)

5. Investment in an associate and a joint venture

The table below outlines the Group's investments in an associate and a joint venture:

Name of investee	Note	Relationship	Ownership	As at	As at
				30 September 2024 (Unaudited))	31 December 2023 (Audited)
GPIC	5.1	Associate	33.33%	977,960	985,413
EIHL	5.2	Joint venture	49.00%	1,180,396	1,266,222
Closing balance				2,158,356	2,251,635

The table below outlines the Group's share of results from an associate and a joint venture:

	Three-month period ended 30 September (Unaudited)		Nine-month period ended 30 September (Unaudited)	
	2024	2023	2024	2023
GPIC	29,467	29,589	67,806	81,169
EIHL	2,124	30,968	48,918	50,283
Total share of results:	31,591	60,557	116,724	131,452

5.1 Investment in an associate

GPIC is incorporated in the Kingdom of Bahrain and is engaged in manufacturing and exporting of ammonia, urea and methanol products. Investment in an associate is accounted for using the equity method. The Company does not have control over the associate. The movement of investment in an associate is as follows:

	For the period ended 30 September 2024 (Unaudited)	For the year ended 31 December 2023 (Audited)
Balance at the beginning of the period/ year	985,413	869,901
Share of results	67,806	109,790
Dividends received	(75,000)	-
Exchange difference on translation of foreign investment	(259)	5,722
Closing balance	977,960	985,413

5.2 Investment in a joint venture

EIHL is incorporated in Dubai, United Arab Emirates. EIHL is a group of companies engaged in the trading, processing and distribution of agri-nutrient products.

On 10 April 2023, SANIC completed the acquisition of 49% shareholding in EIHL in terms of getting the regulatory approvals in compliance with the terms and conditions of the Share Purchase Agreement ("SPA") for a total consideration of Saudi Riyals 1,207.7 million.

During the three-month period ended 30 June 2024, based on the conclusion of purchase price allocation ("PPA") analysis that was conducted to determine the fair value of the acquired investment, it was concluded that the Group's share of residual goodwill for its 49% shareholding amounts to Saudi Riyals 415.8 million. Goodwill represents the excess of the purchase price over the fair value of identifiable net assets acquired; it is the value of factors such as brand reputation, customer relationships, and intellectual property that are not separately identifiable. Goodwill is not separately recognised, but forms part of the carrying amount of the investment in the joint venture.

The movement of investment in a joint venture is as follows:

	For the period ended 30 September 2024 (Unaudited)	For the year ended 31 December 2023 (Audited)
Balance at the beginning of the period/ year	1,266,222	-
Acquired on 10 April 2023	-	1,207,684
Share of results	48,918	58,538
Dividends	(91,877)	-
Movement on OCI	(42,867)	-
Closing balance	1,180,396	1,266,222

Notes to the interim condensed consolidated financial statements (continued)

(All amounts in Saudi Riyals '000 unless otherwise stated)

6. Investment in equity instruments

	For the period ended 30 September 2024 (Unaudited)		For the year ended 31 December 2023 (Audited)	
	Local-quoted	Local-unquoted	Local-quoted	Local-unquoted
Cost:				
At the beginning and end of the period/year	94,905	77,363	94,905	77,363
Fair value reserve of financial assets at FVOCI:				
At the beginning of the period/year	266,209	(77,363)	299,900	(77,363)
Change in the fair value reserve during the period/year	44,130	-	(33,691)	-
At the end of the period/year	310,339	(77,363)	266,209	(77,363)
Carrying amount	405,244	-	361,114	-

Quoted investments represent 1.69% (31 December 2023: 1.69%) shares held in Yanbu National Petrochemical Company (Yansab), a listed entity on Tadawul.

Unquoted investments represent 3.87% (31 December 2023: 3.87%) shares held in Arabian Industrial Fibers Company (Ibn Rushd), a subsidiary of SABIC. Both the investments are carried at fair value. Refer note 4.

7. Trade receivables

	As at 30 September 2024 (Unaudited)	As at 31 December 2023 (Audited)
Trade receivables	479,231	381,196
Trade receivables due from related parties (Note 13)	1,113,267	1,187,508
	1,592,498	1,568,704
Less: allowance for expected credit losses	(1,579)	(2,098)
	1,590,919	1,566,606

Trade receivables due from related parties include Saudi Riyals 622.5 million (31 December 2023: Saudi Riyals 527.8 million) carried at fair value. Refer note 4.

Notes to the interim condensed consolidated financial statements (continued)

(All amounts in Saudi Riyals '000 unless otherwise stated)

8. Employee benefits

	As at 30 September 2024 (Unaudited)	As at 31 December 2023 (Audited)
Defined benefit obligations (DBO)	1,173,602	1,099,462
Total defined benefit obligation presented under non-current liabilities	1,173,602	1,099,462
Employee savings plan	161,328	152,876
Total defined contribution plan presented under current liabilities	161,328	152,876

The following table represents the charge in the interim condensed consolidated statement of income and other comprehensive income:

	Nine-month period ended 30 September (Unaudited)	
	2024	2023
Current service cost	42,842	51,635
Interest cost	40,395	36,901
Re-measurement losses (gains) on defined benefit plans	82,799	(68,911)
	166,036	19,625

9. Derivative financial instruments

	For the period ended 30 September 2024 (Unaudited)	For the year ended 31 December 2023 (Audited)
At the beginning of the period/year	1,440,000	2,373,750
Change in fair value of derivative financial instruments	(18,750)	(933,750)
At the end of the period/year	1,421,250	1,440,000

A Joint venture (JV) Agreement dated 4 December 1979 was signed between SABIC and TFC for the joint ownership of Al-Bayroni. Upon acquisition of SANIC in 2021, the JV agreement was novated from SABIC to SANIC with effect from 29 December 2022. Hence, the rights and obligations in the JV agreement were transferred to SANIC during 2022 including the liability to acquire the remaining shares of Al-Bayroni upon termination of the JV agreement. The amount of the liability in the form of a forward contract transferred by SABIC amounting to Saudi Riyals 2.37 billion was recorded during 2022 as a non-current liability with adjustment in retained earnings. Subsequent changes in the fair value of the liability are recorded against the retained earnings. Refer Note 4.

10. Zakat and income tax payable

a) Zakat charge

	Nine-month period ended 30 September (Unaudited)	
	2024	2023
Provision for the period	250,792	185,656
Adjustments	(21,209)	78,314
	229,583	263,970

Notes to the interim condensed consolidated financial statements (continued)

(All amounts in Saudi Riyals '000 unless otherwise stated)

10. Zakat and income tax payable (continued)

b) Income tax charge

	Nine-month period ended 30 September (Unaudited)	
	2024	2023
Current tax		
Provision for the period	28,364	36,508
Deferred income tax		
Increase in deferred tax liabilities	(5,954)	2,370
Effect of deferred tax on OCI	(2)	6
Total income tax expense reported in the interim condensed consolidated statement of income and other comprehensive income	22,408	38,884

c) Status of assessments

The zakat and income tax assessment status of the Ibn Al-Baytar, SANIC, ad Al-Bayroni is the same as what was disclosed in the Last Annual Financial Statements, with the addition of submission of zakat and income tax returns and obtaining the certificates up to the year ended 31 December 2023.

During the quarter ended 31 March 2024, the Company received a final decision from the Tax Violation Dispute Appellate Committee ("TVDAC") for assessments relating to the years 2019 and 2020 in which the TVDAC accepted the Company's appeal for certain items. The decision from the TVDAC resulted in a reversal of zakat provision amounting to Saudi Riyals 21.2 million.

11. Revenue

	Three-month period ended 30 September (Unaudited)		Nine-month period ended 30 September (Unaudited)	
	2024	2023	2024	2023
Sales of goods revenue	2,714,323	2,582,535	7,722,626	7,772,286
Transportation services	135,747	89,753	321,024	289,114
	2,850,070	2,672,288	8,043,650	8,061,400

There is no revenue that has been recognized in 2024 from performance obligations partially satisfied in previous years. All unfulfilled remaining performance obligations as at 30 September 2024 are expected to be satisfied in the following period.

12. Earnings per share

Basic earnings per share is calculated by dividing the net income for the period attributable to ordinary equity holders of the Company by the weighted average number of ordinary shares outstanding during the period.

The following reflects the income and shares data used in the basic and diluted earnings per share computations:

	Three-month period ended 30 September (Unaudited)		Nine-month period ended 30 September (Unaudited)	
	2024	2023	2024	2023
Net income attributable to equity holders of the Parent (Saudi Riyals '000)	826,515	1,049,484	2,372,734	2,681,089
Weighted average number of ordinary shares ('000)	476,035	476,035	476,035	476,035
Basic and diluted earnings per share from net income attributable to equity holders of the Parent (Saudi Riyals)	1.74	2.20	4.98	5.63

There was no item of dilution affecting the weighted average number of ordinary shares.

Notes to the interim condensed consolidated financial statements (continued)

(All amounts in Saudi Riyals '000 unless otherwise stated)

13. Related party transactions and balances

Related parties represent the ultimate parent company, parent company, shareholders, associated companies, key management personnel of the Group and entities controlled, jointly controlled or significantly influenced by such parties. The following is the list of the major related parties of the Group:

Details	Nature of relationship
Saudi Aramco	Ultimate parent company
Aramco Trading Company	Subsidiary of Saudi Aramco
Saudi Basic Industries Corporation("SABIC")	Controlling shareholder and Parent Company
SABIC associates	Entities where SABIC has significant influence
SABIC affiliates	Entities where SABIC has control
TFC	Non-controlling interest in Al-Bayroni
ETG Agri Inputs FZE	Subsidiary of EIHL

The following table provides the total amount of significant transactions that have been entered into with related parties during the three-month and nine-month periods ended 30 September 2024 and 2023, as well as balances with related parties as of those dates:

	Sales to related parties	Purchases, shared services charges, T&I and other charges	Sales to related parties	Purchases, shared services charges, T&I and other charges
	For the three-month period ended 30 September 2024		For the nine-month period ended 30 September 2024	
SABIC	97,586	(98,393)	511,217	(439,505)
Saudi Aramco	-	(274,819)	-	(763,012)
SABIC associates	-	(861,091)	-	(2,241,737)
SABIC affiliates	1,361,034	(169,784)	4,493,517	(481,968)
ETG Agri Inputs FZE	198,184	(139)	352,977	(816)
	For the three-month period ended 30 September 2023		For the nine-month period ended 30 September 2023	
SABIC	159,261	(256,820)	513,792	(465,833)
Saudi Aramco	-	(186,776)	19	(530,136)
SABIC associates	-	(560,796)	-	(2,316,760)
SABIC affiliates	1,557,655	(120,509)	4,378,374	(374,278)
TFC	5,696	-	22,858	-
ETG Agri Inputs FZE	197,429	-	274,624	-

Notes to the interim condensed consolidated financial statements (continued)

(All amounts in Saudi Riyals '000 unless otherwise stated)

13. Related party transactions and balances (continued)

	As at 30 September 2024		As at 31 December 2023	
	Amounts owed by related parties	Amounts owed to related parties	Amounts owed by related parties	Amounts owed to related parties
SABIC	80,291	(162,138)	105,980	(143,275)
Saudi Aramco	-	(109,974)	-	(69,972)
SABIC associates	8,518	(533,807)	20,264	(414,142)
SABIC affiliates	840,865	(19,929)	831,972	(44,099)
ETG Agri Inputs FZE	183,593	-	229,292	-

Also see Note 16 for dividend distributions.

14. Segment information

For management purposes, the Group is organized into two Strategic Business Units ("SBUs"), a wholly owned manufacturing business, which based on its products is grouped into two reporting segments (Agri-nutrients and Petrochemicals). Products in the Agri-nutrients segment comprise Ammonia, Urea and Phosphate (DAP/ MAP) while products in the Petrochemicals segment comprise of 2-Ethyl Hexanol and Dioctyl Phthalate.

Based on a management decision and in line with management reporting, the income and expenses relating to the corporate segment, have been allocated over the Petrochemicals and Agri-nutrients SBUs according to an internally agreed consistent basis. The performance of the SBUs is reviewed internally by the Chief Operating Decision Maker ("CODM") (i.e. the Board of Directors) based on the statement of income only. Assets and liabilities are not included in the measures used by the CODM, hence segment assets and liabilities are not reported in the below segment disclosure. All operating assets of the Group are located in the Kingdom of Saudi Arabia. Revenues of approximately Saudi Riyals 4.5 billion for the period ended 30 September 2024 were derived from two related party customers (30 September 2023: Saudi Riyals 4.4 billion). See note 13.

All intercompany transactions within the reporting segments have been appropriately eliminated. The segments' financial details (unaudited) are shown below:

	For the nine-month period ended 30 September 2024		
	Petrochemicals	Agri-nutrients	Consolidated
Revenue	511,226	7,532,424	8,043,650
Depreciation and amortization	(53,579)	(664,018)	(717,597)
Income from operations	58,550	2,139,207	2,197,757
Share of results of an associate and a joint venture	-	116,724	116,724
Finance income	4,546	448,365	452,911
Finance cost	(5,168)	(45,216)	(50,384)
Income before zakat and income tax	57,928	2,659,080	2,717,008

	For the nine-month period ended 30 September 2023		
	Petrochemicals	Agri-nutrients	Consolidated
Revenue	519,898	7,541,502	8,061,400
Depreciation and amortization	(55,116)	(614,517)	(669,633)
Income from operations	108,399	2,534,988	2,643,387
Share of results of an associate and a joint venture	-	131,452	131,452
Finance income	3,466	423,015	426,481
Finance cost	(4,183)	(57,686)	(61,869)
Income before zakat and income tax	107,682	3,031,769	3,139,451

Notes to the interim condensed consolidated financial statements (continued)

(All amounts in Saudi Riyals '000 unless otherwise stated)

14. Segment information (continued)

	For the three-month period ended 30 September 2024		
	Petrochemicals	Agri-nutrients	Consolidated
Revenue	97,586	2,752,484	2,850,070
Depreciation and amortization	(17,183)	(211,855)	(229,038)
Income from operations	(22,078)	811,842	789,764
Share of results of an associate and a joint venture	-	31,591	31,591
Finance income	1,424	142,612	144,036
Finance cost	(1,348)	(15,415)	(16,763)
Income before zakat and income tax	(22,002)	970,630	948,628

	For the three-month period ended 30 September 2023		
	Petrochemicals	Agri-nutrients	Consolidated
Revenue	160,744	2,511,544	2,672,288
Depreciation and amortization	(18,413)	(218,929)	(237,342)
Income from operations	24,834	983,838	1,008,672
Share of results of an associate and a joint venture	-	60,557	60,557
Finance income	1,074	124,300	125,374
Finance cost	(485)	(17,163)	(17,648)
Income before zakat and income tax	25,423	1,151,532	1,176,955

Geographical distribution of revenue based on the location of the customer

	For the nine-month period ended 30 September 2024 (Unaudited)		For the nine-month period ended 30 September 2023 (Unaudited)	
Americas	1,843,906	23%	1,674,561	21%
India	845,520	11%	1,218,897	15%
Singapore	2,769,555	34%	2,680,922	33%
U.A.E	418,635	5%	362,014	5%
Saudi Arabia	1,088,318	14%	1,233,019	15%
Others	1,077,716	13%	891,987	11%
	8,043,650	100%	8,061,400	100%

	For the three-month period ended 30 September 2024 (Unaudited)		For the three-month period ended 30 September 2023 (Unaudited)	
Americas	680,134	24%	730,196	27%
India	368,035	13%	168,575	6%
Singapore	799,681	28%	819,079	31%
U.A.E	235,236	8%	219,951	8%
Saudi Arabia	283,505	10%	394,236	15%
Others	483,479	17%	340,251	13%
	2,850,070	100%	2,672,288	100%

Notes to the interim condensed consolidated financial statements (continued)

(All amounts in Saudi Riyals '000 unless otherwise stated)

15. Commitment and contingencies

Commitments

At 30 September 2024, the Group has commitments of Saudi Riyals 607.5 million (31 December 2023: Saudi Riyals 631.7 million).

The Group also has lease arrangements with Royal Commission for Jubail and Yanbu where the Group is obliged to restore the land to its original condition by the end of the lease term as per the terms of the agreement.

Contingent liabilities

The Group is subject to risks related to legal and regulatory frameworks. These may include product liability, competition and anti-trust law, export control, data protection, patent law, procurement law, tax legislation and environmental protection. Furthermore, litigation and regulatory proceedings are unpredictable, and legal or regulatory proceedings in which the Group is or becomes involved (or settlements thereof) could result in substantial penalties, which may give rise to significant losses, costs and expenses. Such losses, costs and expenses may not be covered, or fully covered, by insurance benefits. Violation of such legal or regulatory laws may result in civil or criminal penalties, effect on reputation and/or other adverse financial consequences on the Group.

In the ordinary course of business, the Group has several legal claims. After having obtained appropriate legal advice, management is of the opinion that these claims will not have a significant adverse impact on the financial position of the Group or its future results, other than those that have been accrued for.

The Group's bankers have issued, on its behalf, bank guarantees amounting to Saudi Riyals 107.7 million (31 December 2023: Saudi Riyals 201.8 million) in the normal course of business.

16. Appropriation of net income and dividends distributions

Dividends attributable to the shareholders of the Company

- On 22 Dhul-Qa'adh 1445H (corresponding to 30 May 2024), the Board of Directors approved to distribute an interim cash dividend amounting to Saudi Riyals 3 per share (Saudi Riyals 1,428 million in total) for the first half of 2024. Dividends were available for distribution on 16 Muharram 1446H (corresponding to 22 July 2024).
- On 16 Dhul-Qa'adh 1444H (corresponding to 5 June 2023), the Board of Directors approved to distribute an interim cash dividend amounting to Saudi Riyals 3 per share (Saudi Riyals 1,428 million in total) for the first half of 2023. Dividends were available for distribution on 13 Muharram 1445H (corresponding to 31 July 2023).
- On 25 Jamada 1 1444H (corresponding to 19 December 2022), the Board of Directors recommended to distribute a cash dividend amounting to Saudi Riyals 8 per share (Saudi Riyals 3,808 million in total) for the second half of 2022. These proposed dividends were approved by the General Assembly in their meeting held on 4 Ramadan 1444H (corresponding to 26 March 2023).

Dividends attributable to the non-controlling interest

- On 5 Muharram 1446H (corresponding to 11 July 2024), the Board of Directors of Al-Bayroni approved to distribute final interim dividends for the period ended 30 June 2024 amounting to Saudi Riyals 100.0 million (Saudi Riyals 50.0 million to each Partner). Dividends were available for distribution to the Partners on 12 Muharram 1446H (corresponding to 18 July 2024).
- On 26 Sha'ban 1445H (corresponding to 7 March 2024), the Board of Directors of Al-Bayroni approved to distribute interim dividends for the period ended 31 March 2024 amounting to Saudi Riyals 120.0 million (Saudi Riyals 60.0 million to each Partner). Dividends were available for distribution to the Partners on 18 Ramadhan 1445H (corresponding to 28 March 2024).
- On 10 Rabi' Al-Awwal 1445H (corresponding to 25 September 2023), the Board of Directors of Al-Bayroni approved to distribute interim dividends for the period ended 30 September 2023 amounting to Saudi Riyals 240.0 million (Saudi Riyals 120.0 million to each Partner). Dividends were available for distribution to the Partners on 13 Rabi' Al-Awwal 1445H (corresponding to 28 September 2023).
- On 2 Dhul-Hijjah 1444H (corresponding to 20 June 2023), the Board of Directors of Al-Bayroni approved to distribute final interim dividends for the period ended 30 June 2023 amounting to Saudi Riyals 240.0 million (Saudi Riyals 120.0 million to each Partner). Dividends were available for distribution to the Partners on 18 Dhul-Hijjah 1444H (corresponding to 6 July 2023).
- On 6 Ramadan 1444H (corresponding to 28 March 2023), the Board of Directors of Al-Bayroni approved to distribute final interim dividends for the period ended 31 March 2023 amounting to Saudi Riyals 100.0 million (Saudi Riyals 50.0 million to each Partner). Dividends were available for distribution to the Partners on 8 Ramadan 1444H (corresponding to 30 March 2023).

Bank balances include cash held in separate bank accounts amounting to Saudi Riyals 232.9 million (31 December 2023: Saudi Riyals 222.0 million) for dividend payable and employee savings plan. Also, bank balances include cash of Saudi Riyals 45.3 million (31 December 2023: Saudi Riyals 45.3 million) kept in a separate bank account for donations. The cash held in these bank accounts is accessible to the Group at any point in time.

Notes to the interim condensed consolidated financial statements (continued)

(All amounts in Saudi Riyals '000 unless otherwise stated)

17. Subsequent events

There have been no subsequent events since the period ended 30 September 2024 which would have a material impact on the financial position of the Group as reflected in these interim condensed consolidated financial statements.