

**YANBU NATIONAL PETROCHEMICAL
COMPANY (YANSAB)
(A Saudi Joint Stock Company)**

CONDENSED INTERIM FINANCIAL STATEMENTS
(UNAUDITED)
FOR THE THREE-MONTH PERIOD ENDED 31 MARCH 2022
AND REPORT ON REVIEW OF INTERIM FINANCIAL STATEMENTS

**YANBU NATIONAL PETROCHEMICAL COMPANY (YANSAB)
(A Saudi Joint Stock Company)
CONDENSED INTERIM FINANCIAL STATEMENTS (UNAUDITED)
FOR THE THREE-MONTH PERIOD ENDED 31 MARCH 2022**

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Report on review of condensed interim financial statements

To the shareholders of Yanbu National Petrochemical Company (YANSAB)
(A Saudi Joint Stock Company)

Introduction

We have reviewed the accompanying condensed interim statement of financial position of Yanbu National Petrochemical Company (YANSAB) (the “Company”) as of 31 March 2022 and the related condensed statements of income, comprehensive income, changes in equity and cash flows for the three-month period then ended and other explanatory notes. Management is responsible for the preparation and presentation of these condensed interim financial statements in accordance with International Accounting Standard 34 - “Interim Financial Reporting” (“IAS 34”), as endorsed in the Kingdom of Saudi Arabia. Our responsibility is to express a conclusion on these condensed interim financial statements based on our review.

Scope of review

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

Conclusion

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

PricewaterhouseCoopers

Ali A. Alotaibi
License Number 379



21 April 2022

YANBU NATIONAL PETROCHEMICAL COMPANY (YANSAB)
(A Saudi Joint Stock Company)
Condensed interim statement of financial position
(All amounts in Saudi Riyals thousands unless otherwise stated)

	Note	As at 31 March 2022 (Unaudited)	As at 31 December 2021 (Audited)
Assets			
Non-current assets			
Property, plant and equipment	3	9,905,539	10,128,188
Right-of-use assets		139,886	143,137
Intangible assets		21,246	22,047
Other non-current assets	4	189,336	200,933
Total non-current assets		10,256,007	10,494,305
Current assets			
Inventories		989,770	1,108,706
Trade receivables		2,432,233	2,349,622
Prepayments and other current assets	5	456,810	360,476
Short-term investments	6	3,295,150	3,518,450
Cash and cash equivalents		33,215	276,418
Total current assets		7,207,178	7,613,672
Total assets		17,463,185	18,107,977
Equity and liabilities			
Equity			
Share capital	7	5,625,000	5,625,000
Statutory reserve		1,687,500	1,687,500
Actuarial reserve		17,164	(82,913)
Retained earnings		7,252,085	7,812,804
Total equity		14,581,749	15,042,391
Non-current liabilities			
Lease liabilities		118,266	124,243
Employee benefits	8	1,080,074	1,155,964
Total non-current liabilities		1,198,340	1,280,207
Current liabilities			
Lease liabilities - current portion		20,985	22,004
Trade payables		511,014	205,350
Accruals and other current liabilities	9	909,555	1,354,317
Zakat payable	10	241,542	203,708
Total current liabilities		1,683,096	1,785,379
Total liabilities		2,881,436	3,065,586
Total equity and liabilities		17,463,185	18,107,977

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

YANBU NATIONAL PETROCHEMICAL COMPANY (YANSAB)
(A Saudi Joint Stock Company)
Condensed interim statement of income
(All amounts in Saudi Riyals thousands unless otherwise stated)

	Note	For the three-month period ended 31 March	
		2022 (Unaudited)	2021 (Unaudited)
Revenue from contracts with customers		1,971,054	1,723,008
Cost of revenue		(1,542,110)	(1,191,495)
Gross profit		428,944	531,513
Selling and distribution expenses		(37,574)	(24,823)
General and administrative expenses		(95,125)	(93,199)
Income from operations		296,245	413,491
Finance income		10,566	6,825
Finance costs		(6,248)	(7,034)
Other income - net		20,302	39,593
Income before zakat		320,865	452,875
Zakat	10	(37,834)	(32,584)
Net income for the period		283,031	420,291
Earnings per share (EPS)			
Basic and diluted earnings per share attributable to ordinary equity holders of the Company (Saudi Riyals)	11	0.50	0.75

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YANBU NATIONAL PETROCHEMICAL COMPANY (YANSAB)
(A Saudi Joint Stock Company)
Condensed interim statement of comprehensive income
 (All amounts in Saudi Riyals thousands unless otherwise stated)

	Note	For the three-month period ended 31 March	
		2022 (Unaudited)	2021 (Unaudited)
Net income for the period		283,031	420,291
Other comprehensive income			
<i>Items not to be reclassified to statement of income in subsequent periods:</i>			
Re-measurement gain on defined benefit plans	8	100,077	89,109
Total comprehensive income for the period		383,108	509,400

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YANBU NATIONAL PETROCHEMICAL COMPANY (YANSAB)
(A Saudi Joint Stock Company)
Condensed interim statement of changes in equity
(All amounts in Saudi Riyals thousands unless otherwise stated)

	Note	Share capital	Statutory reserve	Actuarial reserve	Retained earnings	Total
Balance as at 1 January 2021 (Audited)		5,625,000	1,687,500	(155,423)	7,828,380	14,985,457
Net income for the period		-	-	-	420,291	420,291
Other comprehensive income for the period		-	-	89,109	-	89,109
Total comprehensive income for the period		-	-	89,109	420,291	509,400
Dividends	16	-	-	-	(703,125)	(703,125)
Balance as at 31 March 2021 (Unaudited)		5,625,000	1,687,500	(66,314)	7,545,546	14,791,732
Balance as at 1 January 2022 (Audited)		5,625,000	1,687,500	(82,913)	7,812,804	15,042,391
Net income for the period		-	-	-	283,031	283,031
Other comprehensive income for the period		-	-	100,077	-	100,077
Total comprehensive income for the period		-	-	100,077	283,031	383,108
Dividends	16	-	-	-	(843,750)	(843,750)
Balance as at 31 March 2022 (Unaudited)		5,625,000	1,687,500	17,164	7,252,085	14,581,749

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

YANBU NATIONAL PETROCHEMICAL COMPANY (YANSAB)
(A Saudi Joint Stock Company)
Condensed interim statement of cash flows
(All amounts in Saudi Riyals thousands unless otherwise stated)

	Note	For the three-month period ended 31 March	
		2022 (Unaudited)	2021 (Unaudited)
Operating activities			
Income before zakat		320,865	452,875
<u>Adjustment to reconcile income before zakat to net cash inflow from operating activities:</u>			
Depreciation of property, plant and equipment and right-of-use assets		284,664	298,974
Amortisation of intangible assets		1,501	471
Impairment of capital work-in-progress		-	63,500
Provision for employee benefits		21,007	53,737
Loss on disposal of property and equipment		359	-
Finance costs		8,136	7,034
Finance income		(10,566)	(6,825)
Reversal of impairment on property, plant and equipment	3	(11,055)	-
Gain on termination of lease liabilities		(1,887)	-
		613,024	869,766
<u>Changes in working capital:</u>			
Decrease/(increase) in inventories		118,936	(100,645)
Increase in trade receivables		(82,611)	(330,208)
Increase in prepayments and other current assets		(94,131)	(28,691)
Decrease/(increase) in other non-current assets		11,597	(4,252)
Increase/(decrease) in trade payables		305,664	(24,407)
(Decrease)/increase in accruals and other current liabilities		(453,509)	86,080
Cash from operations		418,970	467,643
Finance costs paid		(1,898)	(1,831)
Employee benefits paid		(3,058)	(3,042)
Net cash flows from operating activities		414,014	462,770
Investing activities			
Short-term investments made	6	(1,177,700)	(904,392)
Proceeds from maturity of short-term investments	6	1,401,000	802,300
Purchase of property, plant and equipment	3	(44,831)	(113,513)
Purchase of intangible assets		(700)	-
Finance income received		8,363	6,420
Net cash flows from/(used in) investing activities		186,132	(209,185)
Financing activities			
Payment of principal portion of lease liabilities		(8,346)	(7,999)
Dividends paid		(835,003)	(28)
Net cash flows used in financing activities		(843,349)	(8,027)
(Decrease)/increase in cash and cash equivalents		(243,203)	245,558
Cash and cash equivalents at beginning of the period		276,418	19,758
Cash and cash equivalents at end of the period		33,215	265,316
Supplementary non-cash information			
Right-of-use assets recognised against lease liabilities		3,716	-
Dividend payable		-	703,125

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

YANBU NATIONAL PETROCHEMICAL COMPANY (YANSAB)
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Notes to the condensed interim financial statements (Unaudited)
For the three-month period ended 31 March 2022
(All amounts in Saudi Riyals thousands unless otherwise stated)

1 Company information

Yanbu National Petrochemical Company (YANSAB) (the “Company”) is a Saudi Joint Stock Company registered in Yanbu, Kingdom of Saudi Arabia under Commercial Registration number 4700009432 dated 14 Muharram 1427H (corresponding to 13 February 2006) in accordance with the Ministerial Resolution No. 49 dated 12 Muharram 1427H (corresponding to 11 February 2006) for the incorporation of the Company. The Company obtained its Industrial License number S/1367 on 18 Rajab 1426H (corresponding to 23 August 2005) and is engaged in the manufacturing of petrochemical products in accordance with the Company’s By-laws and other Saudi Arabian applicable regulations. The Company commenced commercial operations on 1 March 2010. The registered office is located at Yanbu, P.O. Box 31396, Yanbu Industrial City 41912.

The condensed interim financial statements of the Company for the three-month period ended 31 March 2022 have been approved by the Board of Directors on 16 Ramadan 1443H (corresponding to 17 April 2022).

2 Basis of preparation

2.1 Statement of compliance

These condensed interim financial statements 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 issued by the Saudi Organization for Chartered and Professional Accountants (“SOCPA”). The Company has prepared the condensed interim financial statements on the basis that it will continue to operate as a going concern.

These condensed interim financial statements do not include all the information and disclosures required in a full set of annual financial statements and should therefore be read in conjunction with the Company’s annual financial statements for the year ended 31 December 2021. In addition, results for the interim period ended 31 March 2022 are not necessarily indicative of the results that may be expected for the financial year ending 31 December 2022 (refer to note 2.5).

2.2 Basis of measurement

The condensed interim financial statements are prepared under the historical cost convention, except as explained in the relevant accounting policies in the annual financial statements for the year ended 31 December 2021.

2.3 Functional and presentation currency

These condensed interim financial statements are presented in Saudi Riyals, which is also the functional currency of the Company. All figures are rounded off to the nearest Saudi Riyals thousands unless when otherwise stated.

2.4 New and amended standards

Certain amendments to existing standards became applicable for the current reporting period. The amendments did not have an impact on the condensed interim financial statements of the Company and accordingly the Company did not have to change its accounting policies or make any retrospective adjustments.

Certain new accounting standards and interpretations have been published that are not mandatory for 31 March 2022 reporting periods and have not been early adopted by the Company. Management is currently evaluating these standards and they are not expected to have a material impact on the Company in the current or future reporting periods and on foreseeable future transactions.

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2 Basis of preparation (continued)

2.5 Critical accounting estimates and judgements

The preparation of condensed interim financial statements requires the use of certain critical estimates and judgements that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the reporting date and the reported amounts of revenues and expenses during the reporting period. Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The Company makes estimates and judgements concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The significant judgments made by management in applying the Company's accounting policies and the methods of computation and the key sources of estimation are the same as those that applied to the financial statements for the year ended 31 December 2021.

However, in the view of the current uncertainty due to COVID-19, any future change in the assumptions and estimates could result in outcomes that could require a material adjustment to the carrying amounts of the assets or liabilities affected in the future periods. As the situation is rapidly evolving with future uncertainties, management will continue to assess the impact based on prospective developments (refer note 17).

3 Property, plant and equipment

	For the three-month period ended 31 March 2022	For the year ended 31 December 2021
Cost:		
At the beginning of the period/year	22,708,485	22,403,227
Additions during the period/year	44,831	394,730
Disposals during the period/year	(601)	(89,472)
At the end of the period/year	22,752,715	22,708,485
Accumulated depreciation and impairment:		
At the beginning of the period/year	12,580,297	11,324,729
Charge for the period/year	278,176	1,231,747
(Reversal of)/ impairment charge for the period/year	(11,055)	111,889
Disposals during the period/year	(242)	(88,068)
At the end of the period/year	12,847,176	12,580,297
Net book value at the end of the period / year	9,905,539	10,128,188

During 2021, due to the unplanned shutdown of the Company's plants as a result of a technical failure, the management had recorded impairment amounting to Saudi Riyals 48.4 million against the furnace coils.

During the three-month period ended 31 March 2022, management re-assessed and determined that a component of the furnace coils is still useable and, accordingly, reversed the relating impairment amounting to Saudi Riyals 11.1 million.

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4 Other non-current assets

	31 March 2022	31 December 2021
Home ownership receivables	68,028	77,855
Employee advances	57,707	59,477
Due from a related party (note 13)	63,601	63,601
	189,336	200,933

5 Prepayments and other current assets

	31 March 2022	31 December 2021
Amounts due from related parties (note 13)	194,298	199,399
Value added tax (VAT) receivable	184,953	51,313
Prepaid expenses	47,078	78,731
Employee advances and receivables	15,313	13,815
Others	15,168	17,218
	456,810	360,476

6 Short-term investments

Short-term investments represent Murabaha commodity placements with an original maturity exceeding three months but less than one year and are placed with local and foreign commercial banks. These placements yield finance income at prevailing market rates.

7 Share capital

The Company's authorized, issued and fully paid share capital is Saudi Riyals 5,625 million which is divided into 562.5 million shares of Saudi Riyals 10 par value each. The Company is 51% owned by Saudi Basic Industries Corporation (SABIC) and 49% owned by others i.e. publicly traded.

8 Employee benefits

	31 March 2022	31 December 2021
Defined benefits obligation (note 8.1)	1,030,584	1,108,251
Others	49,490	47,713
	1,080,074	1,155,964

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8.1 Defined benefits obligation

The following table represents the movement of the defined benefits obligation:

	For the three-month period ended 31 March 2022	For the year ended 31 December 2021
Defined benefits obligation at beginning of the period/year	1,108,251	856,354
Current service cost	18,174	75,515
Interest cost on defined benefits obligation	6,238	20,811
Actuarial gain on the obligation	(100,077)	(72,510)
Payments during the period/year	(2,002)	(17,621)
Transferred in, net	-	245,702
Defined benefits obligation at the end of the period/year	<u>1,030,584</u>	<u>1,108,251</u>

Net defined benefit expense:

	For the three-month period ended 31 March 2022	For the three-month period ended 31 March 2021
Current service cost	18,174	18,869
Interest cost on defined benefits obligation	6,238	5,203
Net defined benefits expense	<u>24,412</u>	<u>24,072</u>

Significant assumptions used in determining defined benefits obligation for the Company are shown below:

	31 March 2022	31 December 2021
Discount rate	3.4%	2.7%
Salary increase rate – Executives	4.5%	4.5%
Salary increase rate – Non-Executives	6.0%	6.0%
Medical inflation rate	Note (a) below	Note (a) below
Average retirement age	54	54

(a) As at 31 March 2022 and 31 December 2021: 9% per annum in 2022 decreasing to 5% per annum in 2025 and 5% per annum onwards.

9 Accruals and other current liabilities

	31 March 2022	31 December 2021
Accrued liabilities	140,718	311,128
Amounts due to related parties (note 13)	742,255	1,025,356
Dividend payable (note 16)	26,582	17,833
	<u>909,555</u>	<u>1,354,317</u>

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10 Zakat

	For the three-month period ended 31 March	
	2022	2021
Zakat relating to current period/year	37,834	32,584

The movement in the zakat provision during the period/year is as follows:

	For the three- month period ended 31 March 2022	For the year ended 31 December 2021
At the beginning of the period/year	203,708	136,461
Provided during the period/year	37,834	197,402
Paid during the period/year	-	(130,155)
	241,542	203,708

The Company has filed its zakat returns with the Zakat, Tax and Customs Authority (“ZATCA”) and received the zakat certificates up to 31 December 2020. The Company has settled the zakat dues and cleared its zakat assessments with ZATCA up to the year ended 31 December 2015.

During 2020, the Company received assessment for the years 2016 to 2018 claiming additional zakat aggregating to Saudi Riyals 91 million due to certain additions to zakat base made by the ZATCA. The Company has filed an appeal against the total amount of assessment for these years and the management believes that the appeal outcome will be in the Company’s favour. Moreover, an additional provision of Saudi Riyals 20.0 million was made in the financial statements for the year ended 31 December 2020.

During 2021, the Company received assessment from the ZATCA for the years 2019 and 2020 claiming additional zakat aggregating to Saudi Riyals 8.5 million against which the Company has recorded provision for the same. The Company has paid 25% of the additional zakat as required by the zakat regulations and has filed an appeal against the total amount of assessment for these years. The management believes that the appeal outcome will be in the Company’s favour.

11 Earnings per share

Basic earnings per share is calculated by dividing the earnings for the period attributable to the shareholders of the Company by the weighted average number of ordinary shares in issue during the period. As the Company does not have any dilutive potential shares, the diluted earnings per share is the same as the basic earnings per share.

	For the three-month period ended 31 March	
	2022	2021
Net income for the period (Saudi Riyals thousands)	283,031	420,291
Weighted average number of ordinary shares (thousands)	562,500	562,500
Earnings per share (Saudi Riyals) – Basic and diluted	0.50	0.75

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12 Fair value measurement

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. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability; or
- In the absence of a principal market, in the most advantageous market for the asset or liability.

The principal or the most advantageous market must be accessible by the Company.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest. A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All financial instruments for which fair value is recognised or disclosed are categorised within the fair value hierarchy, based on the lowest level input that is significant to the fair value measurement as a whole, as follows:

- Level 1: quoted (unadjusted) market prices in active markets for identical assets or liabilities.
- Level 2: valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.
- Level 3: valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

If the inputs used to measure the fair value of an asset or liability falls into different levels of the fair value hierarchy, then the fair value measurement is categorized in its entirety in the same level of the fair value hierarchy as the lowest input level that is significant to the entire measurement.

The Company recognizes transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred. There were no transfers among the levels during the period.

The management assessed that the fair value of cash and cash equivalents, short-term investments, trade and other receivables, trade and other payables and accruals approximate their carrying amounts largely due to the short-term maturities of these instruments. The fair values of the non-current financial instruments are estimated to approximate their carrying values as these are determined through cash flows discounted using interest rates which are based on prevailing market interest rates.

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13 Related party transactions and balances

Related parties represent the shareholders, directors and key management personnel of the Company, and entities controlled, jointly controlled or significantly influenced by such parties. Pricing policies and terms of these transactions are approved by the Company's management. Following is the list of related party transactions and balances of the Company:

Related party	Nature of transactions	Transactions for the three-month period ended 31 March		Balance as at	
		2022	2021	31 March 2022	31 December 2021
<i>Due from related parties</i>					
Saudi Basic Industries Corporation (SABIC) – (Parent)	Sale of products	1,971,054	1,723,008	2,350,782	2,280,590
	Advances for purchase of materials, product sales and other transactions	-	11,465	79,461	106,733
	Long-term advance for logistics	-	-	7,500	7,500
Arabian Industrial Fibers Company (IBN RUSHD) (a related party)	Operation and maintenance services by the Company	28,819	-	84,357	180,506
	Exchange of products and others	30,683	1,097	48,155	36,955
		2,030,556	1,735,570	2,570,255	2,612,284
<i>Due to related parties</i>					
Saudi Basic Industries Corporation (SABIC) – (Parent)	Payments on behalf of the Company	265,271	492,873	434,775	442,664
	Research and technology fees	45,687	34,460	91,255	85,547
Saudi Aramco (Ultimate Parent) and its subsidiaries	Procurement of feedstock and others	610,439	189,766	635,084	634,737
Arabian Industrial Fibers Company (IBN RUSHD) (a related party)	Propane Tolling Agreement	28,800	90,110	39,039	44,486
Other related parties	Storage services and others	39,928	29,428	48,453	22,700
		990,125	836,637	1,248,606	1,230,134

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13 Related party transactions and balances (continued)

	For the three-month period ended 31 March	
	2022	2021
Salaries and other benefits	2,207	1,418
Post-employment benefits	306	369
	2,513	1,787

Significant arrangements with related parties are as follows:

- a) The Company has a service level agreement with SABIC (Shared Services Organization – SSO) for the provision of accounting, warehousing, human resources, information technology (ERP/SAP), transporting and arranging for delivery of materials related to the Company's spare parts, engineering, procurement and related services and other general services to the Company. The Company has also logistic service agreement with SABIC.
- b) Advances to SABIC represent the amounts paid by the Company according to shared service agreement to finance the purchase of the Company's materials and services.
- c) The Company's products are sold to SABIC (the "Marketer") under marketing and off-take agreements.
- d) During 2021, the Company entered into an operation and maintenance agreement with Arabian Industrial Fibers Company (IBN RUSHD), a related party. As per the agreement, the Company will coordinate, execute, and manage all aspects of the related party's operations and maintenance in compliance with mutually approved procedures including plants, import and export facilities, and all shared facilities and utilities.
- e) The Company has a supply agreement with ARAMCO for the purchase of its feedstock, at mutually agreed prices.

Terms and conditions of transactions with related parties

Outstanding balances as at 31 March 2022 and 31 December 2021 are unsecured, interest-free and settled in cash. There have been no guarantees provided or received for any related party receivables or payables. For the three-month period ended 31 March 2022, the Company has not recorded any impairment of receivables relating to amounts owed by related parties. This assessment is undertaken each financial period by examining the financial position of the related parties and the market in which the related party operates.

14 Segment information

The Company's President and Board of Directors monitor the results of the Company's operations for the purpose of making decisions about resource allocation and performance assessment. They are collectively the chief operating decision makers ("CODM") for the Company. The CODM review the results of the Company as a whole, as they believe that decision making cannot be done effectively in isolation for single products of the Company due to complex nature of the business, integrated facility where multiple products including downstream product movement are simultaneous and the nature of the products market. Hence, the whole Company is treated as a single operating segment, the results and financial position of which has been presented already.

The key evaluation criteria for segment performance is the net income and this is evaluated and measured consistently throughout the accounting period. The non-current assets of the Company are based in Kingdom of Saudi Arabia and petrochemical products sales by the Company are made primarily to its parent company which is also based in Kingdom of Saudi Arabia.

YANBU NATIONAL PETROCHEMICAL COMPANY (YANSAB)
(A Saudi Joint Stock Company)
Notes to the condensed interim financial statements (Unaudited)
For the three-month period ended 31 March 2022
(All amounts in Saudi Riyals thousands unless otherwise stated)

15 Commitments and contingencies

As at 31 March 2022, the Company has commitments of Saudi Riyals 483 million (31 December 2021: Saudi Riyals 406 million) relating to capital expenditures.

The Company's bankers have issued, on its behalf, bank guarantees amounting to Saudi Riyals 11 million in the normal course of business as at 31 March 2022 (31 December 2021: Saudi Riyals 11 million).

16 Appropriation of net income

On 30 March 2021, the General Assembly approved a distribution of cash dividend amounting to Saudi Riyals 703.13 million (Saudi Riyals 1.25 per share) for the second half of the year 2020 which represents 12.5% of the nominal value of the shares.

On 23 March 2022, the General Assembly approved a distribution of cash dividend amounting to Saudi Riyals 843.75 million (Saudi Riyals 1.50 per share) for the second half of the year 2021 which represents 15% of the nominal value of the shares.

17 Impact of COVID-19

During the three-month period ended 31 March 2022, management has assessed the overall impact on the Company's operations and business aspects, and considered factors like effects on supply chain, impact of oil prices, operating rates of its plants and lost volume, additional cost in supply chain and product demand. Based on this assessment, management believes that the COVID-19 pandemic has had no material impact on the Company's reported financial results for the period ended 31 March 2022 including the significant accounting judgements and estimates. The management continues to monitor the COVID-19 situation closely, although at this time management is not aware of any factors that are expected to change the impact of the pandemic on the Company's operations during 2022 or beyond.