

**NAMA CHEMICALS COMPANY**  
**(A SAUDI JOINT STOCK COMPANY)**  
**CONDENSED CONSOLIDATED INTERIM**  
**FINANCIAL STATEMENTS (UNAUDITED)**  
**TOGETHER WITH INDEPENDENT AUDITOR'S**  
**REVIEW REPORT FOR THE THREE MONTHS AND**  
**NINE MONTH PERIODS ENDED SEPTEMBER 30, 2021**

**NAMA CHEMICALS COMPANY**  
**(A SAUDI JOINT STOCK COMPANY)**  
**CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS (UNAUDITED)**  
**FOR THE THREE MONTH AND NINE MONTH PERIODS ENDED SEPTEMBER 30, 2021**

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**INDEPENDENT AUDITOR'S REVIEW REPORT ON CONDENSED  
CONSOLIDATED INTERIM FINANCIAL STATEMENTS**

The Shareholders  
Nama Chemicals Company  
(A Saudi Joint Stock Company)  
Jubail Industrial City - Kingdom of Saudi Arabia

**Introduction**

We have reviewed the accompanying condensed consolidated interim statement of financial position of Nama Chemicals Company ("the Company") (a Saudi joint stock company) and its subsidiaries (collectively referred to as "the Group") as of September 30, 2021, the related condensed consolidated interim statement of profit or loss and other comprehensive income for the three month and nine month periods then ended September 30, 2021, the condensed consolidated interim statement of changes in equity and cash flows for the nine month period then ended, and a summary of significant accounting policies and other explanatory notes. The Management is responsible for the preparation and presentation of these condensed consolidated interim financial statements in accordance with International Accounting Standard No. 34, "Interim Financial Reporting" as endorsed in the Kingdom of Saudi Arabia. Our responsibility is to express a conclusion on these condensed consolidated interim financial statements based on our review.


**Scope of Review**

We conducted our review in accordance with International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" as endorsed in the Kingdom of Saudi Arabia. A review of condensed consolidated 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 consolidated interim financial statements are not prepared, in all material respects, in accordance with International Accounting Standard No. 34, as endorsed in the Kingdom of Saudi Arabia.

**AlKharashi & Co.**

  
**Suleiman A. AL-Kharashi**  
**License No. 91**

Riyadh:  
October 31, 2021  
Rabi' I 25, 1443 H





**NAMA CHEMICALS COMPANY**  
**(A SAUDI JOINT STOCK COMPANY)**  
**CONDENSED CONSOLIDATED INTERIM STATEMENT OF FINANCIAL POSITION**  
**AS OF SEPTEMBER 30, 2021**  
(All amounts in Saudi Riyals thousands unless otherwise stated)

	Note	September 30, 2021 (Unaudited)	December 31, 2020 (Audited)
<b>ASSETS</b>			
<b>Non- current assets</b>			
Property, plant and equipment	4	670,808	718,387
Deferred cost		36,229	38,471
Investment properties		69,668	71,326
Investments at fair value through other comprehensive income	5	-	128,120
Long term prepaid employees' benefit		116,927	117,582
Total Non-Current Assets		<u>893,632</u>	<u>1,073,886</u>
<b>Current assets</b>			
Inventories		86,406	72,698
Trade receivables		98,890	88,190
Advances, prepayments and other receivables		44,144	26,182
Long term prepaid employees' benefit – current portion		5,441	5,475
Cash and cash equivalents		14,115	6,163
Total Current Assets		<u>248,996</u>	<u>198,708</u>
<b>Total Assets</b>		<b><u>1,142,628</u></b>	<b><u>1,272,594</u></b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Share capital	1	235,200	235,200
Actuarial remeasurement reserves / other reserves		(6,772)	101,298
Accumulated profit / (losses)		97,346	(46,968)
Treasury shares		(2,911)	(2,911)
Total Equity		<u>322,863</u>	<u>286,619</u>
<b>LIABILITIES</b>			
<b>Non-current liabilities</b>			
Long term loans – non-current portion	6	467,737	33,443
Employees' end of service benefits		38,642	43,654
Lease liabilities – non current	7	10,325	11,236
Total Non-Current Liabilities		<u>516,704</u>	<u>88,333</u>
<b>Current liabilities</b>			
Long term loans – current portion	6	65,103	662,970
Short term loans	6	-	43,840
Lease liabilities – current		1,111	1,678
Trade and other payables		147,730	109,140
Accrued expenses and other liabilities		56,467	50,480
Provision for zakat		32,650	29,534
Total Current Liabilities		<u>303,061</u>	<u>897,642</u>
Total Liabilities		<u>819,764</u>	<u>985,975</u>
<b>Total Equity and Liabilities</b>		<b><u>1,142,628</u></b>	<b><u>1,272,594</u></b>

  
**Chief Financial Officer**

  
**Chief Executive Officer**

  
**Chairman**

The accompanying notes form an integral part of these condensed consolidated interim financial statements.

**NAMA CHEMICALS COMPANY**  
**(A SAUDI JOINT STOCK COMPANY)**  
**CONDENSED CONSOLIDATED INTERIM STATEMENT OF PROFIT OR LOSS AND OTHER**  
**COMPREHENSIVE INCOME**  
**FOR THE THREE MONTH AND NINE MONTH PERIODS ENDED SEPTEMBER 30, 2021**  
(All amounts in Saudi Riyals thousands unless otherwise stated)

	Note	Three- month period ended September 30,		Nine-month period ended September 30,	
		2021 (Unaudited)	2020 (Unaudited)	2021 (Unaudited)	2020 (Unaudited)
Revenue	10	134,815	99,951	420,463	324,518
Cost of revenue		(111,151)	(96,893)	(333,886)	(300,399)
Gross profit		23,664	3,058	86,577	24,119
Selling and distribution expenses		(9,908)	(7,142)	(29,130)	(19,754)
General and administrative expenses		(8,582)	(7,711)	(29,962)	(21,836)
Operating profit / (loss)		5,174	(11,795)	27,485	(17,471)
Finance charges		(2,891)	(3,696)	(9,105)	(12,560)
Investment income, net		-	2,506	-	6,026
Other income, net		3,619	3,710	9,141	6,552
Profit / (loss) before zakat		5,902	(9,275)	27,521	(17,453)
Zakat		(1,039)	(630)	(3,116)	(3,116)
Net profit / (loss) for the period		4,863	(9,905)	24,405	(20,569)
<b>Other comprehensive income</b>					
<b>Items that will not be reclassified to profit or loss:</b>					
Change in fair value of equity instruments at fair value through other comprehensive income		(5,603)	15,038	11,840	5,614
<b>Items that may be reclassified to profit or loss:</b>					
Exchange differences on translation of foreign operations		6	(17)	(1)	(21)
Total other comprehensive income / (loss) for the period		(5,597)	15,021	11,839	5,593
Total comprehensive income / (loss) for the period		(734)	5,116	36,244	(14,976)

**Earnings / (loss) per share:**

- Basic	11	0.21	(0.42)	1.05	(0.88)
- Diluted	11	0.21	(0.42)	1.04	(0.87)

  
Chief Financial Officer

  
Chief Executive Officer

  
Chairman

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**NAMA CHEMICALS COMPANY**  
(A SAUDI JOINT STOCK COMPANY)  
**CONDENSED CONSOLIDATED INTERIM STATEMENT OF CHANGES IN EQUITY**  
**FOR THE NINE MONTHS PERIOD ENDED SEPTEMBER 30, 2021**  
(All amounts in Saudi Riyals thousands unless otherwise stated)

	Share Capital	Actuarial remeasurement reserves / other reserves	Accumulated (losses) / retained earnings	Treasury Shares	Total
<b>Balance at January 1, 2020 (Audited)</b>	235,200	84,763	(10,633)	(2,911)	306,419
Net loss for the period	-	-	(20,569)	-	(20,569)
Other comprehensive income / (loss) for the period	-	5,593	-	-	5,593
<b>Total comprehensive income / (loss) for the period</b>	-	5,593	(20,569)	-	(14,976)
<b>Balance at September 30, 2020 (Unaudited)</b>	<u>235,200</u>	<u>90,356</u>	<u>(31,202)</u>	<u>(2,911)</u>	<u>291,443</u>
<b>Balance at January 1, 2021 (Audited)</b>	235,200	101,298	(46,968)	(2,911)	286,619
Net profit for the period	-	-	24,405	-	24,405
Fair value gain on investments	-	11,839	-	-	11,839
Recycling fair value reserves on disposal	-	(119,909)	119,909	-	-
<b>Total comprehensive income / (loss) for the period</b>	-	(108,070)	144,314	-	36,244
<b>Balance at September 30, 2021 (Unaudited)</b>	<u>235,200</u>	<u>(6,772)</u>	<u>97,346</u>	<u>(2,911)</u>	<u>322,863</u>

  
\_\_\_\_\_  
Chief Financial Officer

  
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Chief Executive Officer

  
\_\_\_\_\_  
Chairman

The accompanying notes form an integral part of these condensed consolidated interim financial statements.

**NAMA CHEMICALS COMPANY**  
**(A SAUDI JOINT STOCK COMPANY)**  
**CONDENSED CONSOLIDATED INTERIM STATEMENT OF CASH FLOWS**  
**FOR THE NINE MONTH PERIOD ENDED SEPTEMBER 30, 2021**  
(All amounts in Saudi Riyals thousands unless otherwise stated)

	Nine-month period ended 30 September	
	2021	2020
	(Unaudited)	(Unaudited)
<b>Cash Flows from operating activities</b>		
Net profit / (loss) for the period	24,405	(20,569)
<b>Adjustments for non-cash Items:</b>		
Depreciation on operating fixed assets	44,153	42,723
Provision for zakat	3,116	3,116
Dividend income	(5,514)	(6,015)
Finance charges	9,105	12,560
Amortisation of advance rent	(15,525)	(15,525)
Settlement of long-term prepaid employee benefits	689	4,588
(Gain) / loss on disposal of property, plant and equipment	(525)	121
Provision for employees' end of service benefits	4,151	2,447
	64,055	23,446
<b>Working capital adjustments:</b>		
Inventories	(13,708)	(15,545)
Trade receivables	(10,700)	11,967
Advances, prepayments, and other receivable	(2,437)	(5,061)
Trade and other payables	38,593	(362)
Accrued expenses and other liabilities	6,748	10,436
<b>Cash generated from operations</b>	82,551	24,881
Finance charges paid	(6,041)	(11,032)
Employees' end of service benefits paid	(9,163)	(1,414)
Zakat paid	-	(4)
Net cash generated from operating activities	67,347	12,431
<b>Cash flows from investing activities</b>		
Dividend income received	5,514	6,015
Additions to property, plant and equipment	(1,435)	(2,835)
Proceeds from disposal of property, plant & equipment	5,546	431
Additions to right of use assets	(160)	-
Proceeds from sale of investment shares	139,959	-
Net cash generated from investing activities	149,424	3,611
<b>Cash flows from financing activities</b>		
Changes in short term loans	(43,782)	(4,125)
Repayment of long term loans	(163,558)	(23,856)
Repayment of lease liability-net	(1,478)	(1,674)
Net cash used in financing activities	(208,818)	(29,655)
Net change in cash and cash equivalents	7,953	(13,613)
Exchange differences on translation of foreign operations	(1)	(21)
Cash and cash equivalents at the beginning of the period	6,163	24,381
<b>Cash and cash equivalents at the end of the period</b>	<b>14,115</b>	<b>10,747</b>
<b>Non cash transactions:</b>		
Change in fair value of investments	11,840	5,614
Transfer of investment property to long term prepaid employees' benefits	-	12,493

  
**Chief financial Officer**

  
**Chief Executive Officer**

  
**Chairman**

The accompanying notes form an integral part of these condensed consolidated interim financial statements.



**NAMA CHEMICALS COMPANY**  
(A SAUDI JOINT STOCK COMPANY)  
**NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS**  
(UNAUDITED) (Continued)  
**FOR THE THREE AND NINE MONTHS PERIODS ENDED SEPTEMBER 30, 2021**  
(All amounts in Saudi Riyals thousands unless otherwise stated)

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**1. THE COMPANY, ITS SUBSIDIARIES AND ITS BUSINESS DESCRIPTION**

NAMA Chemicals Company ("the Company") ("NAMA") is a Saudi Joint Stock Company registered in Al-Jubail Industrial City under the commercial registration Number 2055007420. The registered office of the Company is situated in Al-Jubail, Kingdom of Saudi Arabia. The share capital of the Company amounts to SR 235.2 million divided into 23.52 million shares of SR 10 each.

The principal activities of NAMA and its subsidiaries ("the Group"), each of which operates under individual commercial registration, are to own, establish, operate and manage industrial projects in the petrochemical and chemical fields and engaged in real estate operations.

The Company's registered address is P.O. Box 11919, Jubail Industrial City 31961, Kingdom of Saudi Arabia.

These condensed consolidated financial statements have been prepared assuming that the group will continue as a going concern.

**1.1 Structure of the group**

The condensed consolidated interim financial statements include the financial statements of the Group and the following subsidiaries:

Al-Jubail Chemical Industries Company ("JANA"), a limited liability Company, is owned 95% by NAMA and 5% by NAMA Industrial Investment Company, a subsidiary of NAMA.

Arabian Alkali Company ("SODA"), a limited liability Company, is owned 90% by NAMA and remaining 10% by JANA.

NAMA Industrial Investment Company, a limited liability Company, is owned 95% by NAMA and 5% by SODA.

NAMA Europa GMBH, a limited liability Company incorporated in Switzerland, is owned 99% by NAMA Industrial Investment Company and 1% by NAMA. The shareholding was notified in the commercial registry in Bern vide - CH-036.4.041.685-8.

NAMA Germany GMBH, a limited liability Company incorporated in Germany, is fully owned by NAMA Europa GMBH.

NAMA has effectively 100% ownership in these subsidiaries. The above wholly owned subsidiaries, including their assets, liabilities and results of operations are included in the accompanying condensed consolidated interim financial statements.

**1.2 Covid 19 update**

In response to the spread of the Covid-19 in GCC and other territories where the Group operates and its resulting disruptions to the social and economic activities in those markets, Management continues to proactively assess its impacts on its operations. The preventive measures taken by the Group in 2020 are still in effect including the creation of on-going crisis management teams and processes, to ensure the health and safety of its employees, customers, consumers and the wider community as well as to ensure the continuity of supply of its products throughout its markets. Notwithstanding these challenges, the Group's operations continue to remain largely unaffected during the year 2021. Manufacturing facilities continue to observe restricted access; however, the management is currently in the process of formulating protocols to arrange for access of fully vaccinated individuals on such sites. The management developed a comprehensive plan to get all its employees vaccinated and managed to secure the vaccination rate in excess of 91% as of 30 September 2021.



## **1. ORGANIZATION AND ACTIVITIES (Continued)**

### **1.2 Covid 19 update**

Based on these factors, Management believes that the Covid-19 pandemic has had no material effect on NAMA's reported financial results for the period ended 30 September 2021. The Group 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 Group's operations during 2021 or beyond.

## **2. BASIS OF PREPARATION**

### **2.1 Statement of compliance**

These condensed consolidated interim financial statements for the three months and nine months period ended September 30, 2021 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 issued by the Saudi Organization for Certified Public Accountants ("SOCPA"). The accompanying condensed consolidated interim financial statements do not include all the information and disclosures required in the annual financial statements, and hence should be read in conjunction with the Group's annual financial statements for the year ended December 31, 2020.

### **2.2 Preparation of the condensed consolidated interim financial statements**

These condensed consolidated interim financial statements are prepared under the historical cost convention, as modified for financial assets at fair value through other comprehensive income and by using the actuarial basis for employees' end of service benefits, on the accrual basis of accounting. The principal accounting policies adopted in the preparation of these condensed consolidated interim financial statements are consistent with those followed in the preparation of the Group's annual financial statements for the year ended December 31, 2020.

The preparation of these condensed consolidated interim financial statements in conformity with IFRS required management to make judgements, estimates and assumptions that affect the application of accounting policies and reported amounts in the condensed consolidated interim financial statements. These critical accounting judgements and key sources of estimations were the same as those described in the last annual financial statements.

### **2.3 Functional and presentation currency**

These condensed consolidated interim financial statements are presented in Saudi Riyals (SR), which is the functional and presentation currency of the Group. All amounts are presented in Saudi Riyals thousands except the earning per share.

## **3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The following is a summary of significant accounting policies adopted by the Group:

### **3.1 Basis of consolidation**

These condensed consolidated interim financial statements incorporate the financial statements of the Group detailed in note 1.1. Control is achieved when the Group:

- has power over the investee;
- is exposed, or has rights, to variable returns from its involvement with the investee; and
- has the ability to use its power to affect its returns.

The Group reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control listed above.

### **3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

#### **3.1 Basis of consolidation (Continued)**

When the Group has less than a majority of the voting rights of an investee, it has power over the investee when the voting rights are sufficient to give it the practical ability to direct the relevant activities of the investee unilaterally. The Group considers all relevant facts and circumstances in assessing whether or not the Group's voting rights in an investee are sufficient to give it power, including:

- The size of the Group's holding of voting rights relative to the size and dispersion of holdings of the other vote holders;
- Potential voting rights held by the Group, other vote holders or other parties;
- Rights arising from other contractual arrangements; and
- Any additional facts and circumstances that indicate that the Group has, or does not have, the current ability to direct the relevant activities at the time that decisions need to be made, including voting patterns at previous shareholders' meetings.

Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Specifically, income and expenses of a subsidiary acquired or disposed of during the year are included in the condensed consolidated interim statement of profit or loss and other comprehensive income from the date the Group gains control until the date when the Group ceases to control the subsidiary.

Condensed consolidated interim statement of profit or loss and each component of other comprehensive income are attributed to the shareholders of the Group. Total comprehensive income of subsidiaries is attributed to the shareholders of the Group.

When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with the Group's accounting policies.

All intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

#### **3.2 New Standards, Amendments to Standards and Interpretations**

There are no new standards issued, however, there are number of amendments to standards which are effective from 1 January 2021 and has been explained in the Group annual consolidated financial statements.

These amendments do not have a material effect on the Group's interim condensed consolidated financial statements.

#### **3.3 Use of Judgments and Estimates**

In preparing these Condensed Consolidated Interim Financial Statements, management has made judgments and estimates that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates.

The significant judgments made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those described in the last annual audited Consolidated Financial Statements.

However, the Group has reviewed the key sources of estimation uncertainties disclosed in the last annual Consolidated Financial Statements against the backdrop of the Covid-19 pandemic. Management believes that other than the expected credit losses arising on the financial assets, all other sources of estimation uncertainty remain similar to those disclosed in the annual Consolidated Financial Statements. Management will continue to monitor the situation and any changes required will be reflected in future reporting periods.



**NAMA CHEMICALS COMPANY**  
(A SAUDI JOINT STOCK COMPANY)  
**NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS**  
**(UNAUDITED)** (Continued)  
**FOR THE THREE AND NINE MONTHS PERIODS ENDED SEPTEMBER 30, 2021**  
(All amounts in Saudi Riyals thousands unless otherwise stated)

**4. PROPERTY, PLANT AND EQUIPMENT**

	Note	September 30, 2021 (Un-audited) SR	December 31, 2020 (Audited) SR
Operating fixed assets	4.1	659,745	706,127
Right of use assets	4.2	11,063	12,260
		<u>670,808</u>	<u>718,387</u>

**4.1 Operating fixed assets**

	September 30, 2021 (Un-audited) SR	December 31, 2020 (Audited) SR
<b>Cost:</b>		
Net book value at beginning of period / year	2,210,873	2,204,948
Additions during the period / year	1,435	19,732
Disposals during the period / year	(5,541)	(391)
Transfer for the period / year	-	(13,415)
At the end of the period / year	<u>2,206,767</u>	<u>2,210,874</u>

**Accumulated depreciation:**

At the beginning of the period / year	845,068	792,701
Disposal for the period / year	(520)	(270)
Transfer for the period / year	-	(922)
Charge for the period / year	42,796	53,560
Net book value at the end of the period / year	<u>887,344</u>	<u>845,069</u>

**Accumulated impairment:**

At the beginning of the period / year	659,678	659,678
Charge for the period / year	-	-
Net book value at the end of the period / year	<u>659,678</u>	<u>659,678</u>

**Net book value:**

At the end of the period / year	<u>659,745</u>	<u>706,127</u>
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**4.2 Right of use**

Property, plant and equipment include the following right of use assets relate to Group's leases:

	September 30, 2021 (Un-audited) SR	December 31, 2020 (Audited) SR
<b>Right of use assets:</b>		
Lands	9,997	10,939
Pipeline	673	787
Vehicles	260	534
Computers	133	-
<b>Balance at the end of the period / year</b>	<u>11,063</u>	<u>12,260</u>

**NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS**  
(UNAUDITED) (Continued)

**FOR THE THREE AND NINE MONTHS PERIODS ENDED SEPTEMBER 30, 2021**

(All amounts in Saudi Riyals thousands unless otherwise stated)

**4. PROPERTY, PLANT AND EQUIPMENT (Continued)**

**4.2 Right of use (Continued)**

Movement in right of use during the period / year is as follows:

	September 30, 2021 (Unaudited)	December 31, 2020 (Audited)
Opening balance	12,260	14,490
Addition for the period / year	160	-
Depreciation for the period / year	(1,357)	(2,230)
<b>Closing balance</b>	<b>11,063</b>	<b>12,260</b>

**5. FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME**

	September 30, 2021 (Unaudited)	December 31, 2020 (Audited)
Balance at the beginning of the year	128,120	112,080
Fair value gain for the period / year	11,839	16,040
Sale of investments during the period	(139,959)	-
Balance at the end of the period/ year	-	128,120

5.1 During the period ended September 30, 2021, the Group sold all of its shares (2,005,000) in Yanbu National Petro Chemicals Company for cash consideration of SAR 139.9 million. The fair valuation resulted in an unrealised gain of SAR 119.9 million for the period ended 30 September 2021 which is presented within the Condensed Consolidated Statement of Other Comprehensive Income (30 September 2019: SAR 97.64 million unrealised gain) which is transferred to retained earnings on sale. Total realized gain recorded on sale of investments amounted to SR 11.83 million during the nine months period ended September 30, 2021.

**6. LOANS**

**Short term loans**

JANA, one of the subsidiaries of the Group, obtained bank facilities from local banks for term loans and letters of credits. These facilities bear interest at rate based on SIBOR plus a margin. These facilities are secured by a corporate guarantee from NAMA. Short term loans have been paid in the current period.

**Long term loans**

	September 30, 2021 (Unaudited)	December 31, 2020 (Audited)
SIDF Loan (note 6.1)	453,629	596,279
Tawarruq financing (note 6.2)	35,508	77,313
Murabaha loans (note 6.3)	43,703	22,821
	532,840	696,413
Less: current portion	(65,103)	(662,970)
<b>Long term loans – non-current portion</b>	<b>467,737</b>	<b>33,443</b>



**NAMA CHEMICALS COMPANY**  
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**NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS**  
**(UNAUDITED) (Continued)**  
**FOR THE THREE AND NINE MONTHS PERIODS ENDED SEPTEMBER 30, 2021**  
(All amounts in Saudi Riyals thousands unless otherwise stated)

**6. LOANS (Continued)**

**6.1 SIDF Loan**

On April 01, 2021, the Group has received a letter from Saudi Industrial Development Fund (SIDF) stating that the fund has rescheduled the loan with one payment in 2021 and the balance to be repaid in unequal installments from year 2023 till year 2027. During September 2021, the net proceeds of SAR 139.65 million from the sale of Yanbu National Petrochemicals Company's shares (see note # 5) were transferred to SIDF as one-time partial payment pertaining to year 2021.

SIDF loan covenants include maximum limits for capital expenditure and maintenance of certain financial ratios during the period of the loan. The loan is secured against the mortgage of the property, plant and equipment of JANA.

**6.2 Tawarruq financing**

This loan is obtained from Jazira Bank and was initially repayable in 57 equal monthly installments of SR 2.7 million starting from January 31, 2018. However, in May 2020 the bank agreed to postpone the repayment of 6 installments and also revised the installment amounts as Covid-19 support. The bank loan covenants include maintenance of certain financial ratios during the period of the loan. It is subject to mark-up at SIBOR plus margin and is secured by promissory notes.

**6.3 Murabaha loans**

This loan includes three loan tranches obtained from Saudi British Bank. The first tranche is repayable in 47 equal monthly installments of SR 0.75 million starting from March 26, 2018. The second tranche is repayable in 47 equal monthly installments of SR 1.06 million starting from March 12, 2018. The third tranche is repayable in 18 equal monthly installments of SR 1.61 million starting from February 28, 2022.

The bank loan covenants include maintenance of certain financial ratios during the period of the loans. It is subject to mark-up at SIBOR plus margin and is secured by promissory notes.

**7. LEASE LIABILITIES**

	September 30, 2021 (Unaudited)	December 31, 2020 (Audited)
Balance at the beginning of period / year	12,914	14,702
Additions for the period/year	160	-
Interest accrued during the period / year	532	797
Liabilities paid during the period / year	(2,170)	(2,585)
<b>Balance at the end of period / year</b>	<b>11,436</b>	<b>12,914</b>
Less: current lease liabilities	(1,111)	(1,678)
Non-current lease liabilities	10,325	11,236

**8. CONTINGENCIES AND COMMITMENTS**

The Group's outstanding contingencies and commitments were as follows:

	September 30, 2021 (Unaudited)	December 31, 2020 (Audited)
Letters of credit	17,021	9,765
Letters of guarantee	8,611	8,811

**NAMA CHEMICALS COMPANY**  
**(A SAUDI JOINT STOCK COMPANY)**  
**NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS**  
**(UNAUDITED) (Continued)**  
**FOR THE THREE AND NINE MONTHS PERIODS ENDED SEPTEMBER 30, 2021**  
 (All amounts in Saudi Riyals thousands unless otherwise stated)

**9. TRANSACTIONS AND BALANCES WITH RELATED PARTIES**

The related parties consist of subsidiaries, affiliates, Board of Directors, and key management personnel. Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly, including any director (whether executive or otherwise) of the Group. The transactions are dealt with on mutually agreed terms and the terms and conditions on these transactions are approved by the Group's management. Transactions with key management personnel are as follows:

	For the three-month period ended September 30, 2021 (Unaudited)	For the three-month period ended September 30, 2020 (Unaudited)	For the nine-month period ended September 30, 2021 (Unaudited)	For the nine-month period ended September 30, 2020 (Unaudited)
Short term benefits	1,167	862	3,348	2,362
Employees' end of service benefits	70	36	157	108
Board remuneration	622	485	1,872	1,225
<b>Total</b>	<b>1,859</b>	<b>1,383</b>	<b>5,377</b>	<b>3,695</b>

**10. SEGMENTAL INFORMATION**

Consistent with the Group's internal reporting process, business segments have been approved by management in respect of the Group's activities. The Group's unaudited sales, net profit/loss, assets and liabilities, by business segment, are as follows:

	Epoxy resin products	Chlor Alkali products	Others	Inter-Group eliminations	Total
<b>For the nine-month period ended September 30, 2021</b>					
Revenue	235,693	174,150	15,740	(5,120)	420,463
Net profit/(loss)	11,474	6,181	6,865	(115)	24,405
Total assets	543,519	488,560	110,549	-	1,142,628
Total liabilities	388,796	334,797	96,171	-	819,764
<b>For the nine-month period ended September 30, 2020</b>					
Revenue	194,036	119,261	15,639	(4,418)	324,518
Net (loss)/ profit	(13,927)	(13,514)	7,214	(342)	(20,569)
Total assets	505,796	513,122	239,276	-	1,258,194
Total liabilities	365,978	462,589	138,184	-	966,751



**NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS**

**(UNAUDITED)** (Continued)

**FOR THE THREE AND NINE MONTHS PERIODS ENDED SEPTEMBER 30, 2021**

(All amounts in Saudi Riyals thousands unless otherwise stated)

**10. SEGMENTAL INFORMATION (Continued)**

**Reconciliation of net profit / (loss) of operating segments**

	September 30, 2021 (Unaudited)	September 30, 2020 (Unaudited)
Segment profit	24,520	(20,227)
Inter-segment profit elimination	115	(342)
Net profit/ (loss) for the period	24,405	(20,569)

**Geographical Information**

The geographic information analyses the Group's revenue and non-current assets by the Group's country of domicile and other countries.

	September 30, 2021 (Unaudited)	September 30, 2020 (Unaudited)
<b>Revenue</b>		
Saudi Arabia	196,933	155,858
Other countries	223,530	168,660
<b>Total Revenue</b>	<b>420,463</b>	<b>324,518</b>

All non-current operating assets of the Group are located in Kingdom of Saudi Arabia.

**11. PROFIT/(LOSS) PER SHARE**

	For the nine months ended September 30, 2021 (Unaudited)	For the nine months ended September 30, 2020 (Unaudited)
Net profit/(loss) for the period attributable to the shareholders of the Group	24,405	(20,569)
Average number of ordinary shares for the purposes of basic loss (in thousands)	23,355	23,355
Average number of ordinary shares for the purposes of diluted loss (in thousands)	23,520	23,520
<b>Profit / (Loss) per share</b>		
Basic profit / (loss) per share	1.05	(0.88)
Diluted profit / (loss) per share	1.04	(0.87)

**NAMA CHEMICALS COMPANY**  
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**NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS**  
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**11. PROFIT/(LOSS) PER SHARE (Continued)**

Reconciliation between basic and diluted number of shares is as follows;

	For the nine months ended September 30, 2021 (Unaudited)	For the nine months ended September 30, 2020 (Unaudited)
Ordinary shares for the purposes of basic loss per share (in thousands)	23,355	23,355
Add: treasury shares	165	165
Shares for the purposes of diluted loss per share (in thousands)	<u>23,520</u>	<u>23,520</u>

**12. LIQUIDITY RISK**

Liquidity risk is the risk that the Group will encounter difficulty in raising funds to meet commitments associated with financial instruments that are settled by delivering cash or another financial asset. Liquidity risk may result from an inability to sell a financial asset quickly at close to its fair value. The Group's objective is to, at all times maintain optimum levels of liquidity to meet its cash and collateral requirements. The Group closely monitors its liquidity position and deploys a robust cash management system.

**13. CAPITAL AND RISK MANAGEMENT**

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern, so that it can continue to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital. Consistent with others in the industry, the Group manages its capital risk by monitoring its debt levels and liquid assets and keeping in view future investment requirements and expectations of the shareholders. Debt is calculated as total of long term finance and short term borrowings. Total capital employed comprises shareholders' equity as shown in the consolidated statement of financial position under 'share capital and reserves' and net debt (net of cash and cash equivalent). The salient information relating to capital risk management of the Group as of September 30, 2021 is as follows;

The calculation of net debt was as follows:

	September 30, 2021 (Unaudited)	December 31, 2020 (Audited)
Cash and cash equivalents	(14,115)	(6,163)
Borrowings	532,899	740,253
Lease liabilities	11,436	12,914
Net debt	<u>530,220</u>	<u>747,004</u>



**NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS**  
(UNAUDITED) (Continued)

**FOR THE THREE AND NINE MONTHS PERIODS ENDED SEPTEMBER 30, 2021**

(All amounts in Saudi Riyals thousands unless otherwise stated)

**13. CAPITAL AND RISK MANAGEMENT (Continued)**

At the statement of financial position date, gearing ratio analysis by the management was as follows:

	September 30, 2021 (Unaudited)	December 31, 2020 (Audited)
Net debt	530,220	747,004
Total Equity	322,864	286,619
Total capital employed	853,084	1,033,623
Gearing ratio	63%	72%
Net debt to equity ratio	165%	261%

**14. EVENTS AFTER THE REPORTING PERIOD**

In the opinion of the management, there have been no significant subsequent events since the period-end that require disclosure or adjustment in these Condensed Consolidated Interim Financial Statements.

**15. BOARD OF DIRECTORS APPROVAL**

These condensed consolidated interim financial statements have been approved and authorized for issue by the Group's Board of Directors on October 30, 2021G.