

**NAMA CHEMICALS COMPANY
(A SAUDI JOINT STOCK COMPANY)
CONDENSED CONSOLIDATED INTERIM
FINANCIAL STATEMENTS (UNAUDITED)
TOGETHER WITH INDEPENDENT AUDITOR'S
REVIEW REPORT FOR THE THREE AND
NINE MONTH PERIODS ENDED SEPTEMBER 30, 2022**

NAMA CHEMICALS COMPANY
(A SAUDI JOINT STOCK COMPANY)
CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS (UNAUDITED)
FOR THE THREE AND NINE MONTH PERIODS ENDED SEPTEMBER 30, 2022

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

To the Shareholders

NAMA Chemicals Company

(A Saudi Joint Stock Company)

Introduction:

We have reviewed the accompanying interim condensed consolidated statement of financial position of NAMA Chemicals Company (A Saudi joint stock company) (the "Company") and its subsidiaries (collectively referred to as the "Group") as at September 30, 2022 and the related interim condensed consolidated statements of profit or loss and the other comprehensive income for the three and Nine month periods ended September 30, 2022, and the related interim condensed consolidated statements of changes in equity and cash flows for the Nine month period ended September 30, 2022, and other explanatory notes. The Group's management is responsible for the preparation and presentation of these Interim condensed consolidated financial statements in accordance with International Accounting Standard No. 34 "Interim Financial Reporting" 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 the International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independents Auditor of the Entity" as endorsed in the Kingdom of Saudi Arabia. A review of interim condensed financial statements consists of making inquiries primarily to 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 such 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 International Accounting Standard No. 34 as endorsed in the Kingdom of Saudi Arabia.

For Alkharashi & Co.



Abdullah S. Al Msned
License No. 456



Riyadh:

Rabi al-Thani 7, 1444H

November 1, 2022

NAMA CHEMICALS COMPANY
(A SAUDI JOINT STOCK COMPANY)
CONDENSED CONSOLIDATED INTERIM STATEMENT OF FINANCIAL POSITION
AS AT SEPTEMBER 30, 2022
(All amounts in Saudi Riyals thousands unless otherwise stated)

	Note	September 30, 2022 (Unaudited)	December 31, 2021 (Audited)
ASSETS			
Non-current assets			
Property, plant and equipment	4	628,663	670,474
Deferred cost		34,665	35,744
Investment properties		67,456	69,115
Long term prepaid employees' benefit		107,552	115,196
Total non-current assets		838,336	890,529
Current assets			
Inventories		113,903	107,120
Long Term Prepaid Employees' Benefit – Current Portion		5,738	5,738
Trade receivables		133,141	119,008
Advances, prepayments and other receivables		34,573	20,750
Cash and cash equivalents		13,473	10,264
Total current assets		300,828	262,880
TOTAL ASSETS		1,139,164	1,153,409
EQUITY AND LIABILITIES			
Equity			
Share capital		235,200	235,200
Statutory Reserve		2,733	2,733
Actuarial remeasurement reserves / other reserves		(5,726)	(5,744)
Retained earnings		155,265	100,549
Total equity		387,472	332,738
LIABILITIES			
Non-current liabilities			
Long term loans – non-current portion	5	398,926	462,904
Employees' end of service benefits		35,117	33,441
Lease Liabilities - non-current	6	11,805	10,301
Total non-current liabilities		445,848	506,646
Current liabilities			
Long term loans – current portion	5	71,071	49,413
Short term loans	5	-	3,739
Lease Liabilities – current	6	3,851	1,084
Trade and other payables		166,996	204,814
Provision for zakat		9,917	10,146
Accrued expenses and other liabilities		54,009	44,829
Total current liabilities		305,844	314,025
Total liabilities		751,692	820,671
TOTAL EQUITY AND LIABILITIES		1,139,164	1,153,409
Contingencies and commitments	7		

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 AND NINE MONTH PERIODS ENDED SEPTEMBER 30, 2022
(All amounts in Saudi Riyals thousands unless otherwise stated)

	<u>Note</u>	<u>Period from July 1 to</u> <u>September 30,</u>		<u>Period from January 1 to</u> <u>September 30,</u>	
		<u>2022</u> <u>(Unaudited)</u>	<u>2021</u> <u>(Unaudited)</u>	<u>2022</u> <u>(Unaudited)</u>	<u>2021</u> <u>(Unaudited)</u>
Revenue		132,301	134,815	459,998	420,463
Cost of revenue		(115,073)	(111,151)	(339,348)	(333,886)
Gross profit		17,228	23,664	120,650	86,577
Selling and distribution expenses		(8,150)	(9,908)	(27,415)	(29,130)
General and administrative expenses		(10,755)	(8,582)	(31,316)	(29,962)
Operating (loss) / profit		(1,677)	5,174	61,919	27,485
Finance cost, net		(3,332)	(2,891)	(9,740)	(9,105)
Other (expenses) / income, net		(126)	3,619	3,225	9,141
(Loss) / profit before zakat		(5,135)	5,902	55,404	27,521
Zakat		(230)	(1,039)	(688)	(3,116)
Net (loss) / profit for the period		(5,365)	4,863	54,716	24,405
Other comprehensive (loss) / income:					
<i>Items that will not be reclassified to profit or loss:</i>					
Change in fair value of equity instruments at fair value through other comprehensive income		-	(5,603)	-	11,840
<i>Items that may be reclassified to profit or loss:</i>					
Exchange differences on translation of foreign operations		(3)	6	18	(1)
Other comprehensive (loss) / income for the period		(3)	(5,597)	18	11,839
Total comprehensive (loss) / income for the period		(5,368)	(734)	54,734	36,244
<u>(Loss) / earnings per share</u>					
- Basic (SR)	10	(0.228)	0.208	2.326	1.044
- Diluted (SR)	10	(0.228)	0.206	2.326	1.038
<u>Weighted average number of shares outstanding:</u>					
- Basic ('000')	10	23,520	23,355	23,520	23,355
- Diluted ('000')	10	23,520	23,520	23,520	23,520

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)
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE NINE MONTH PERIOD ENDED SEPTEMBER 30, 2022
(All amounts in Saudi Riyals thousands unless otherwise stated)

	Share Capital	Statutory reserves	Actuarial remeasurement reserves / other reserves	Retained earnings/ Accumulated (losses)	Treasury Shares	Total equity
Balance at January 1, 2021 (Audited)	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	-	-
Total comprehensive (loss) / income for the period	-	-	(108,070)	144,314	-	36,244
Balance at September 30, 2021 (unaudited)	235,200	-	(6,772)	97,346	(2,911)	322,863
Balance at January 1, 2022 (Audited)	235,200	2,733	(5,744)	100,549	-	332,738
Net profit for the period	-	-	-	54,716	-	54,716
Other comprehensive income for the period	-	-	18	-	-	18
Total comprehensive income for the period	-	-	18	54,716	-	54,734
Balance at September 30, 2022 (unaudited)	235,200	2,733	(5,726)	155,265	-	387,472

Chief Financial Officer



Chief Executive Officer



Chairman



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

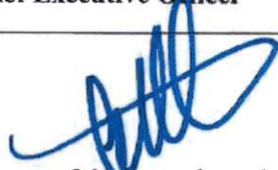
NAMA CHEMICALS COMPANY
(A SAUDI JOINT STOCK COMPANY)
CONDENSED CONSOLIDATED INTERIM STATEMENT OF CASH FLOWS
FOR THE NINE MONTH PERIOD ENDED SEPTEMBER 30, 2022
(All amounts in Saudi Riyals thousands unless otherwise stated)

	September 30, 2022	September 30, 2021
	(Unaudited)	
Cash flows from operating activities	54,716	24,405
Net profit for the period		
Adjustments for non-cash items:		
Depreciation on operating fixed assets	51,410	42,494
Amortization of deferred cost of Villa development	1,457	(15,525)
Depreciation on investment properties	1,659	1,659
Provision for zakat	688	3,116
Dividend Income	-	(5,514)
Finance cost, net	1,013	9,105
Settlement of Long-Term Prepaid Employee Benefits	7,644	689
Gain/loss on disposal of property, plant and equipment	-	(525)
Provision for employees' end of service benefits	3,537	4,151
	122,124	64,055
Working capital adjustments:		
Inventories	(6,784)	(13,708)
Trade receivables	(14,133)	(10,700)
Advances, prepayments, and other receivables	(13,823)	(2,437)
Trade and other payables	(37,816)	38,593
Accrued expenses and other liabilities	17,567	6,748
Cash generated from operations	67,135	82,551
Zakat paid	(917)	-
Finance charges paid	-	(6,041)
Employees' end of service benefits paid	(1,861)	(9,163)
Net cash generated from operating activities	64,357	67,347
Cash flows from investing activities		
Dividend income received	-	5,514
Additions to property, plant and equipment	(3,295)	(1,435)
Additions to ROU	(9,028)	(160)
Early Retirement of ROU	613	-
Proceeds from sale of property, plant and equipment	1,732	5,546
Proceeds from sale of investment shares	-	139,959
Net cash (used in) / generated from investing activities	(9,978)	149,424
Cash flows from financing activities		
Changes in short term loans	(3,739)	(43,782)
Lease liabilities settled	(5,129)	(1,478)
Repayment of long-term loans	(42,320)	(163,558)
Net cash used in financing activities	(51,188)	(208,818)
Net change in cash and cash equivalents	3,191	7,953
Exchange differences on translation of foreign operations	18	(1)
Cash and cash equivalents at January 01,	10,264	6,163
Cash and cash equivalents at September 30,	13,473	14,115
Noncash transactions:		
Change in fair value of investments	-	11,840

Chief Financial Officer



Chief Executive Officer



Chairman



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

1. ORGANIZATION AND ACTIVITIES

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.

1.1 Structure of the group

The consolidated financial statements include the financial statements of the company 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% direct and indirect ownership in these subsidiaries. The above wholly owned subsidiaries, including their assets, liabilities and results of operations, are included in the accompanying consolidated financial statements.

On September 5, 2022 (corresponding safer 9,1444H) NAMA board of directors has decided to change the ownership structure of JANA, SODA and NAMA Industrial Investment Company. As per board decision, NAMA will have 100% direct ownership of these subsidiaries. As at September 30, 2022 the ownership transfer mechanism is under process. This will not have any financial impact on consolidated financial statements.

On the reporting date, current liabilities amounted to SR 305.8 million (December 31,2021: SR 314 million) has exceeded the current assets amounted to SR 300.8 million (December 31,2021: SR 262.8 million)by SR 5 million (December 31,2021: SR 51.2 million). Company's management has taken several measures which have begun to have a positive impact on the Company's financial results by comparing the current results for the nine months period ended September 30,2022 with previous periods, and it is expected to continue with these positive results in the foreseeable future, so that there will be no restrictions on the Company to meet its current liabilities through the normal activities.

2. BASIS OF PREPARATION

2.1 Statement of compliance

These condensed consolidated interim financial statements for the nine months period ended September 30, 2022 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, 2021.

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, 2021.

2. BASIS OF PREPARATION (continue)

2.2 Preparation of the condensed consolidated interim financial statements (continue)

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.

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 period 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 2022 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.

NAMA CHEMICALS COMPANY
(A SAUDI JOINT STOCK COMPANY)

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS (UNAUDITED)
FOR THE THREE AND NINE MONTH PERIODS ENDED SEPTEMBER 30, 2022

(All amounts in Saudi Riyals thousands unless otherwise stated)

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continue)

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.

4. PROPERTY, PLANT AND EQUIPMENT

	Note	September 30,2022 (Unaudited)	December 31, 2021 (Audited)
Operating fixed assets	4.1	613,714	659,719
Right of use assets	4.2	14,949	10,755
		628,663	670,474

4.1 Operating fixed assets

	September 30, 2022 (Unaudited)	December 31, 2021 (Audited)
<u>Cost:</u>		
At the beginning of the period / year	2,221,323	2,210,873
Additions	3,295	15,991
Disposals	(2,395)	(5,541)
Transfers	-	-
At the end of the period / year	2,222,223	2,221,323
<u>Accumulated depreciation:</u>		
At the beginning of the period / year	901,926	845,068
Disposals	(284)	(519)
Transfers	-	-
Charge for the period / year	47,189	57,377
At the end of the period / year	948,831	901,926
<u>Accumulated impairment:</u>		
At the beginning of the period / year	659,678	659,678
Charge for the period / year	-	-
At the end of the period / year	659,678	659,678
<u>Net book value:</u>		
At the end of the period / year	613,714	659,719

NAMA CHEMICALS COMPANY
(A SAUDI JOINT STOCK COMPANY)

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS (UNAUDITED)
FOR THE THREE AND NINE MONTH PERIODS ENDED SEPTEMBER 30, 2022
(All amounts in Saudi Riyals thousands unless otherwise stated)

4. PROPERTY, PLANT AND EQUIPMENT(Continued)

4.2 Right of use

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

	September 30, 2022 (Unaudited)	December 31, 2021 (Audited)
Right of use assets:		
Land	9,165	9,737
Pipeline	1,531	651
Vehicles	6	170
Computers	423	197
Forklifts	3,824	-
	<u>14,949</u>	<u>10,755</u>

The Group has recently changed its policy for acquiring movable PPE (vehicles, computers, forklifts & others) from buying to long term lease basis.

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

	September 30, 2022 (Unaudited)	December 31, 2021 (Audited)
Opening balance	10,755	12,260
New ROU	9,028	245
Early Retirement of ROU	(786)	-
Reversal of Depreciation on Retirement of ROU	173	-
Depreciation for the period / year	(4,221)	(1,750)
Closing balance	<u>14,949</u>	<u>10,755</u>

5. LOANS

Short term loans

JANA, one of the subsidiaries of the Group, obtained bank facilities from local banks for short-term loans and letters of credits. These facilities bear interest at rate based on SAIBOR plus a margin. These facilities are secured by a corporate guarantee from NAMA.

Long term loans

	September 30, 2022 (Unaudited)	December 31, 2021 (Audited)
SIDF Loan (note 5.1)	438,036	453,311
Tawarruq financing (note 5.2)	15,849	28,642
Murabaha loans (note 5.3)	16,112	30,364
	<u>469,997</u>	<u>512,317</u>
Less: current portion	(71,071)	(49,413)
Long term loans – non-current portion	<u>398,926</u>	<u>462,904</u>

5.1 SIDF Loan

This loan includes two loan tranches obtained from Saudi Industrial Development Fund (SIDF) for the construction and expansion of Epoxy and Hassad plant respectively.

SIDF loans 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 operating fixed assets of JANA.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS (UNAUDITED)
FOR THE THREE AND NINE MONTH PERIODS ENDED SEPTEMBER 30, 2022

(All amounts in Saudi Riyals thousands unless otherwise stated)

5. LOANS (continue)

5.2 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. During May 2022, the loan has been rescheduled to pay in 8 equal installments of SR 2.64 million starting from August 31, 2022.

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.

5.3 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.

6. LEASE LIABILITIES

	September 30, 2022 (Unaudited)	December 31, 2021 (Audited)
Balance at the beginning of period / year	11,385	12,914
Lease Liability Addition	9,028	245
Lease Liability Retired	(642)	-
Interest accrued during the period / year	1,013	704
Liabilities paid during the period / year	(5,128)	(2,478)
Balance at the end of period / year	15,656	11,385
Less: current lease liabilities	(3,851)	(1,084)
Non-current lease liabilities	<u>11,805</u>	<u>10,301</u>

7. CONTINGENCIES AND COMMITMENTS

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

	September 30, 2022 (Unaudited)	December 31, 2021 (Audited)
Letters of credit (1)	38,340	156
Letters of guarantee (2)	<u>10,954</u>	<u>8,811</u>

(1) At the reporting date, the group has issued letters of credit of SR 38,340K (December 31,2021: SR 156K) to various vendors as per the terms of their respective agreements. No cash margin has been made for the issuance of these letters of credit.

(2) At the reporting date, the group has issued letters of guarantee of SR 10,954K (December 31,2021: SR 8,811K) to various vendors and government bodies as per the terms of their respective agreements, these letters of guarantee have been covered by SR 2, 719K (December 31,2021: SR 3,429K) which is classified under advances, prepayments and other receivables in the statements of financial position.

On the reporting date, Company has several contingent assets and liabilities related to lawsuits. It is not anticipated that any material adjustments will result from these contingent assets and liabilities.

The group has no capital commitments as at September 30, 2022 and December 31,2021.

NAMA CHEMICALS COMPANY
(A SAUDI JOINT STOCK COMPANY)

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS (UNAUDITED)
FOR THE THREE AND NINE MONTH PERIODS ENDED SEPTEMBER 30, 2022

(All amounts in Saudi Riyals thousands unless otherwise stated)

8. 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 months ended September 30,2022 (Unaudited)	For the three months ended September 30,2021 (Unaudited)	For the Nine months ended September 30,2022 (Unaudited)	For the Nine months ended September 30,2021 (Unaudited)
Short term benefits	1,280	1,167	3,913	3,348
Employees' end of service benefits	50	70	147	157
Board remunerations	675	622	2,106	1,872
	2,005	1,859	6,166	5,377

9. 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 (loss)/profit, assets, and liabilities by business segment, are as follows:

	Epoxy resin products	Chloe Alkali products	Inter-Group eliminations	Others	Total
For the Nine months ended September 30, 2022					
Revenue	302,432	257,348	(115,448)	15,666	459,998
Net profit	31,259	61,367	(41,160)	3,250	54,716
Total assets	573,053	459,982		106,129	1,139,164
Total liabilities	362,563	337,644		51,485	751,692
For the Nine months ended September 30 2021					
Revenue	235,693	174,150	(5,120)	15,740	420,463
Net profit	11,474	6,181	(115)	6,865	24,405
Total assets	543,519	488,560	-	110,549	1,142,628
Total liabilities	388,796	334,797	-	96,171	819,764

Reconciliation of net loss of operating segments

	September 30, 2022	September 30, 2021
Segment profit	95,876	24,520
Inter-segment profit elimination	(41,160)	(115)
Net profit for the period	54,716	24,405

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, 2022	September 30, 2021
Revenue		
Saudi Arabia	224,432	196,933
Other countries	235,566	223,530
Total Revenue	459,998	420,463
Non-Current Assets		
Saudi Arabia	838,336	893,632

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS (UNAUDITED)
FOR THE THREE AND NINE MONTH PERIODS ENDED SEPTEMBER 30, 2022

(All amounts in Saudi Riyals thousands unless otherwise stated)

10. PROFIT PER SHARE

	For the Nine- months ended September 30, 2022 (Unaudited)	For the Nine- months ended September 30, 2021 (Unaudited)
Net Profit for the period attributable to the shareholders of the Group	54,716	24,405
Average number of ordinary shares for the purposes of basic loss (in thousands)	23,520	23,355
Average number of ordinary shares for the purposes of diluted loss (in thousands)	23,520	23,520
Profit per share		
Basic profit per share	2.326	1.044
Diluted profit per share	2.326	1.038

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

	For the Nine- months ended September 30, 2022 (Unaudited)	For the Nine- months ended September 30, 2021 (Unaudited)
Ordinary shares for the purposes of basic profit per share (in thousands)	23,520	23,355
Add: Treasury shares	-	165
Shares for the purposes of diluted profit per share (in thousands)	23,520	23,520

11. 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.

12. 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, 2022 is as follows;

The calculation of net debt was as follows;

	September 30, 2022 (Unaudited)	December 31, 2021 (Audited)
Cash and cash equivalents	(13,473)	(10,264)
Borrowings	469,997	516,056
Lease liabilities	15,656	11,385
Net debt	472,180	517,177

NAMA CHEMICALS COMPANY
(A SAUDI JOINT STOCK COMPANY)

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS (UNAUDITED)
FOR THE THREE AND NINE MONTH PERIODS ENDED SEPTEMBER 30, 2022

(All amounts in Saudi Riyals thousands unless otherwise stated)

12. CAPITAL AND RISK MANAGEMENT (continue)

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

	September 30, 2022 (Unaudited)	December 31, 2021 (Audited)
Total debt	485,653	527,441
Less: Cash and bank balances	(13,473)	(10,264)
Net debt	472,180	517,177
Total Equity	387,472	332,738
Total capital employed	859,652	849,915
Gearing ratio	55%	61%

13. SUBSEQUENT EVENTS

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.

14. APPROVAL OF CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

These condensed consolidated interim financial statements have been approved and authorized for issue by the Group's Board of Directors on October 29, 2022 corresponding to Rabi al-Thani 4, 1444H.