

**NAMA CHEMICALS COMPANY**  
A SAUDI JOINT STOCK COMPANY

INTERIM CONDENSED CONSOLIDATED  
FINANCIAL STATEMENTS (UNAUDITED)  
TOGETHER WITH INDEPENDENT AUDITOR'S REVIEW REPORT  
FOR THE THREE AND NINE-MONTH PERIODS ENDED SEPTEMBER 30, 2025

**NAMA CHEMICALS COMPANY**

A SAUDI JOINT STOCK COMPANY

INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)

FOR THE THREE AND NINE-MONTH PERIODS ENDED SEPTEMBER 30, 2025

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## Independent Auditor's Report on Review of Interim Condensed Consolidated Financial Statements

To the Shareholders of  
**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 (the "Company") and its subsidiaries (collectively the "Group") as of September 30, 2025 and the related interim condensed consolidated statements of profit or loss and other comprehensive income for the three-month and nine-month periods ended on 30 September 2025, and the interim condensed consolidated statements of changes in equity, and cash flows for the nine-month period then ended, and explanatory notes. The management is responsible for the preparation and presentation of these interim condensed consolidated financial statements in accordance with International Accounting Standard 34, "Interim Financial Reporting" ("IAS 34") that is 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 Independent Auditor of the Entity" as endorsed in the Kingdom of Saudi Arabia. A review of interim 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 that are 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.

### Basis of Qualified Conclusion

As disclosed in note 5 to the interim condensed consolidated financial statements, during the second quarter of the year 2025, the Group has reversed previously recognized impairment loss on property, plant and equipment amounting to SR 208 million in the interim condensed consolidated statement of profit or loss which resulted in the increase in net profit for the nine-month period ended September 30, 2025 by SR 208 million, an increase in the net book value of property, plant and equipment and retained earnings as of September 30, 2025 by SR 208 million. The reversal was based on the management's assessment of recoverable amounts of property, plant and equipment based on the estimation of the fair value less cost of disposal (FVLCD) of the property, plant and equipment as determined by the management's expert under the Depreciated Replacement Cost method.

As per our assessment, the methodology, the basis and the assumptions used by the management for impairment assessment and in determining the recoverable amount of property, plant and equipment resulting in the reversal of impairment loss do not provide an appropriate basis for the stated reversal and adequacy of impairment loss provision as of the reporting date. Moreover, the current financial performance of the Group does not support improvements in the recoverable value of property, plant and equipment to support the reversal of the impairment loss of SR 208 million and adequacy of impairment loss provision as of 30 September 2025.

Consequently, we are unable to determine whether the impairment loss reversal of SR 208 million is appropriate and whether any necessary adjustments are required in the net book value of property, plant and equipment and retained earnings as of September 30, 2025 and the reported results for the period then ended.

Our audit opinion on the consolidated financial statements of the Group for the year ended December 31, 2024 was also qualified in respect of the adequacy of impairment loss provision.

**Independent Auditor's Report on Review of Interim Condensed Consolidated Financial Statements (continued)**

**To the Shareholders of**  
**NAMA Chemicals Company**  
A Saudi Joint Stock Company

**Qualified Conclusion**

Based on our review, with the exception of the matter described in Basis of Qualified Conclusion, nothing has come to our attention that causes us to believe that the accompanying interim condensed consolidated financial statements for the three-month and nine-month periods ended September 30, 2025 have not been prepared, in all material respects, in accordance with IAS 34 as endorsed in the Kingdom of Saudia Arabia.

**Material Uncertainty Relating to Going Concern**

We draw attention to Note 2.4 to the interim condensed consolidated financial statements, which indicate that the Group has incurred gross losses of SR 44 million and SR 108 million for the three-month and nine-month periods ended on September 30, 2025, respectively. Also, the Group has incurred an operating loss of SR 58 million and SR 151 million for the three-month and nine-month periods ended on September 30, 2025, respectively. Further, its negative cash flows from operating activities were SR 6 million for the nine-month period ended on September 30, 2025. Moreover The Group's current liabilities exceeded its current assets by SR 671 million as of September 30, 2025. Additionally, the Group is in breach of SIDF loans' financial covenants and has defaulted in repaying loan instalments as of September 30, 2025, and December 31, 2024. These conditions, along with other matters as set forth in Note 2.4 to the interim condensed consolidated financial statements, indicate the existence of material uncertainty which may cast significant doubt about the Group's ability to continue as a going concern. Our conclusion is not modified in respect of this matter.

For Alzoman, Alfahad & Alhajjaj Professional Services

Zaher Abdullah Alhajjaj  
Certified Public Accountant  
License No. (562)

Riyadh, Kingdom of Saudia Arabia

Date: 21 Jumada al-Ula 1447H  
(Corresponding to 12 November 2025)



**NAMA CHEMICALS COMPANY**  
(A SAUDI JOINT STOCK COMPANY)  
INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION  
AS OF SEPTEMBER 30, 2025  
(ALL AMOUNTS IN SAUDI RIYALS THOUSANDS UNLESS OTHERWISE STATED)

	<u>Note</u>	<u>September 30, 2025</u> <i>(Unaudited)</i>	<u>December 31, 2024</u> <i>(Audited)</i>
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment	5	867,700	714,004
Deferred cost		29,072	30,582
Investment properties		60,821	62,480
Long term prepaid employees' benefit		66,182	67,652
<b>Total non-current assets</b>		<b>1,023,775</b>	<b>874,718</b>
<b>Current assets</b>			
Inventories	6	105,270	102,784
Long term prepaid employees' benefit – current portion		4,311	4,178
Trade receivables	7	28,680	79,620
Advances, prepayments and other receivables		40,509	34,783
Cash and cash equivalents		497	3,047
<b>Total current assets</b>		<b>179,267</b>	<b>224,412</b>
<b>TOTAL ASSETS</b>		<b>1,203,042</b>	<b>1,099,130</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Share capital		235,200	235,200
Statutory reserve		6,435	6,435
Actuarial remeasurement loss and foreign currency translation difference		(3,357)	(3,282)
Retained earnings		42,627	5,770
<b>Total equity</b>		<b>280,905</b>	<b>244,123</b>
<b>LIABILITIES</b>			
<b>Non-current liabilities</b>			
Long term loans – non-current portion	8.2	20,231	33,811
Employees' end of service benefits		37,250	35,265
Trade payables - non current portion	11	6,444	7,808
Lease liabilities - non-current portion		8,005	10,036
Provision for zakat - non-current portion	12.2	327	-
<b>Total non-current liabilities</b>		<b>72,257</b>	<b>86,920</b>
<b>Current liabilities</b>			
Long term loans – current portion	8.2	479,466	448,162
Short term loans	8.1	93,546	63,984
Trade payables		230,625	202,634
Provision for zakat - current portion	12.2	4,690	14,006
Lease liabilities - current portion		3,027	5,017
Accrued expenses and other liabilities		38,526	34,284
<b>Total current liabilities</b>		<b>849,880</b>	<b>768,087</b>
<b>Total liabilities</b>		<b>922,137</b>	<b>855,007</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>1,203,042</b>	<b>1,099,130</b>

  
Sultan Hamoud Al Shamari  
Chief Financial Officer

  
Abdullah Mohammed Al Salem  
Chief Executive Officer

  
Basel Saleh Al-Suhibani  
Chairman

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

**NAMA CHEMICALS COMPANY**

(A SAUDI JOINT STOCK COMPANY)

**INTERIM CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER****COMPREHENSIVE INCOME**

FOR THE THREE AND NINE-MONTH PERIODS ENDED SEPTEMBER 30, 2025

(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>2025</u> <u>(Unaudited)</u>	<u>2024</u> <u>(Unaudited)</u>	<u>2025</u> <u>(Unaudited)</u>	<u>2024</u> <u>(Unaudited)</u>
Revenue	10	44,770	96,402	138,567	283,034
Cost of revenue		(88,840)	(117,250)	(247,008)	(321,596)
<b>Gross loss</b>		<b>(44,070)</b>	<b>(20,848)</b>	<b>(108,441)</b>	<b>(38,562)</b>
Selling and distribution expenses		(3,868)	(9,212)	(12,779)	(24,501)
General and administrative expenses		(9,797)	(11,054)	(29,330)	(32,474)
Other operating expenses		(11)	2,924	(106)	4,246
<b>Operating loss</b>		<b>(57,746)</b>	<b>(38,190)</b>	<b>(150,656)</b>	<b>(91,291)</b>
Reversal of impairment loss on property, plant and equipment		-	-	207,766	81,000
Finance cost, net		(9,418)	(13,119)	(28,095)	(31,091)
Other income, net		841	3,633	3,291	7,893
<b>Profit/(loss) before zakat</b>		<b>(66,323)</b>	<b>(47,676)</b>	<b>32,306</b>	<b>(33,489)</b>
Reversal of provision/(provision) for zakat	12.2	4,701	(401)	4,551	4,179
<b>Net profit/(loss) for the period</b>		<b>(61,622)</b>	<b>(48,077)</b>	<b>36,857</b>	<b>(29,310)</b>
<b>Other comprehensive income:</b>					
<i>Items that may be reclassified to profit or loss:</i>					
Exchange differences on translation of foreign operations		(4)	(28)	(75)	109
<b>Other comprehensive income/(loss) for the period</b>		<b>(4)</b>	<b>(28)</b>	<b>(75)</b>	<b>109</b>
<b>Total comprehensive income/(loss) for the period</b>		<b>(61,626)</b>	<b>(48,105)</b>	<b>36,782</b>	<b>(29,201)</b>
<b>Earnings/(loss) per share</b>					
- Basic and diluted (in Saudi Riyals)	13	(2.62)	(2.04)	1.57	(1.25)



Sultan Hamoud Al Shammari  
Chief Financial Officer



Abdullah Mohammed Al Salem  
Chief Executive Officer



Basel Saleh A-Suhibani  
Chairman

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



**NAMA CHEMICALS COMPANY**  
(A SAUDI JOINT STOCK COMPANY)  
INTERIM CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY  
FOR THE NINE-MONTH PERIOD ENDED SEPTEMBER 30, 2025  
(ALL AMOUNTS IN SAUDI RIYALS THOUSANDS UNLESS OTHERWISE STATED)

	Share Capital	Statutory reserve	Actuarial remeasurement loss and foreign currency translation difference	Retained earnings/ (accumulated losses)	Total equity
Balance as at January 1, 2024 (Audited)	235,200	6,435	(6,210)	(5,949)	229,476
Net loss for the period	-	-	-	(29,310)	(29,310)
Other comprehensive income for the period	-	-	109	-	109
Total comprehensive income/(loss) for the period	-	-	109	(29,310)	(29,201)
Balance as at September 30, 2024 (unaudited)	235,200	6,435	(6,101)	(35,259)	200,275
Balance as at January 1, 2025 (Audited)	235,200	6,435	(3,282)	5,770	244,123
Net profit for the period	-	-	-	36,857	36,857
Other comprehensive loss for the period	-	-	(75)	-	(75)
Total comprehensive income for the period	-	-	(75)	36,857	36,782
Balance as at September 30, 2025 (unaudited)	235,200	6,435	(3,357)	42,627	280,905



Sultan Hamoud Al Shammari  
Chief Financial Officer



Abdullah Mohammed Al Salem  
Chief Executive Officer



Basel Saleh Al-Suhbani  
Chairman

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

**NAMA CHEMICALS COMPANY**  
(A SAUDI JOINT STOCK COMPANY)  
**INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS**  
**FOR THE NINE-MONTH PERIOD ENDED SEPTEMBER 30, 2025**  
(ALL AMOUNTS IN SAUDI RIYALS THOUSANDS UNLESS OTHERWISE STATED)

	Note	Nine-month period ended September 30,	
		2025	2024
		(Unaudited)	(Unaudited)
<b>Operating activities</b>			
Profit/(loss) before zakat		32,306	(33,489)
<b>Adjustments for non cash items:</b>			
Depreciation of property, plant and equipment	5.1	68,328	44,446
Depreciation of right of use assets	5.2	3,897	2,021
Depreciation of investment properties		1,659	1,659
Amortization of deferred cost		1,719	1,503
Allowance/(reversal of allowance) for impairment of trade receivables		105	(4,271)
Reversal of impairment loss on property, plant and equipment		(207,766)	(81,000)
Finance cost, net		26,883	23,176
Provision for employees' end of service benefits		2,659	1,888
		(70,210)	(44,067)
<b>Working capital adjustments:</b>			
Inventories		(2,486)	(507)
Trade receivables		50,835	5,680
Long term prepaid employees' benefits		1,337	16,244
Advances, prepayments and other receivables		(5,726)	(5,345)
Trade payables		26,627	43,585
Accrued expenses and other liabilities		4,810	(3,816)
<b>Net cash flows from operations</b>		5,187	11,774
Zakat paid		(4,438)	(257)
Finance cost paid		(6,113)	(7,221)
Employees' end of service benefits paid		(674)	(1,484)
<b>Net cash flows (used in)/from operating activities</b>		(6,038)	2,812
<b>Investing activities</b>			
Additions to property, plant and equipment	5.1	(20,100)	(11,754)
Proceeds from disposal of assets		1,736	4,857
<b>Net cash flows used in investing activities</b>		(18,364)	(6,897)
<b>Financing activities</b>			
Proceeds from short term loans		29,541	6,754
Proceeds from long term loans		-	3,737
Repayment of long term loans		(3,025)	(12,201)
Lease liabilities settled		(4,589)	(2,642)
<b>Net cash flows from/(used in) financing activities</b>		21,927	(4,352)
<b>Net change in cash and cash equivalents</b>		(2,475)	(8,437)
Exchange differences on translation of foreign operations		(75)	109
Cash and cash equivalents at the beginning of the period		3,047	14,446
<b>Cash and cash equivalents at the end of the period</b>		497	6,118
<b>Non-cash transaction:</b>			
Remeasurement of amortization of government grant (SIDF loan)		-	4,446

Sultan Hamoud Al Shamhari  
Chief Financial Officer

Abdullah Mohammed A. Salem  
Chief Executive Officer

Basel Saleh Al-Jaribani  
Chairman

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



# NAMA CHEMICALS COMPANY

A SAUDI JOINT STOCK COMPANY

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

FOR THE THREE AND NINE-MONTH PERIODS ENDED SEPTEMBER 30, 2025

(ALL AMOUNTS IN SAUDI RIYALS THOUSANDS UNLESS OTHERWISE STATED)

## 1. ORGANIZATION AND PRINCIPAL 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 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 interim condensed consolidated financial statements include the financial statements of the Company and the following subsidiaries:

Name of the subsidiary	Effective direct and indirect ownership	
	September 30, 2025	September 30, 2024
1 Al-Jubail Chemical Industries Company ("JANA"), a limited liability company	100%	100%
2 Arabian Alkali Company ("SODA"), a limited liability company	100%	100%
3 NAMA Industrial Investment Company ("NIIC"), a limited liability company	100%	100%
4 NAMA Europa GMBH, a limited liability company incorporated in Switzerland (99% NIIC, 1% NAMA)	100%	100%
5 NAMA Germany GMBH, a limited liability company incorporated in Germany (100% Owned by NAMA Europa GMBH)	100%	100%

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 interim condensed consolidated financial statements.

## 2. BASIS OF PREPARATION

### 2.1 Statement of compliance

These interim condensed consolidated financial statements for the three and nine month periods ended September 30, 2025 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 Chartered and Professional Accountants ("SOCPA"). The accompanying interim condensed consolidated financial statements do not include all the information and disclosures required in the annual consolidated financial statements, and hence should be read in conjunction with the Group's annual consolidated financial statements for the year ended December 31, 2024.

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

These interim condensed consolidated financial statements are prepared under the historical cost convention, on the accrual basis of accounting, modified for use of the actuarial basis for employees' end of service benefits. The principal accounting policies adopted in the preparation of these interim condensed consolidated financial statements are consistent with those followed in the preparation of the Group's annual consolidated financial statements for the year ended December 31, 2024.

The preparation of these interim condensed consolidated 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 interim condensed consolidated financial statements. These critical accounting judgements and key sources of estimations were the same as those described in the last annual consolidated financial statements. The management has concluded that the business of the Group is not seasonal. In addition, the results for the nine-month period ended September 30, 2025 are not necessarily indicative of the results that may be expected for the year ending December 31, 2025.

## **NAMA CHEMICALS COMPANY**

A SAUDI JOINT STOCK COMPANY

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

FOR THE THREE AND NINE-MONTH PERIODS ENDED SEPTEMBER 30, 2025

(ALL AMOUNTS IN SAUDI RIYALS THOUSANDS UNLESS OTHERWISE STATED)

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## **2. BASIS OF PREPARATION (CONTINUED)**

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

These interim condensed consolidated 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 otherwise stated.

### **2.4 Going concern**

The Group has incurred gross loss of SR 44 million and SR 108 million for the three-month and nine-month periods ended on September 30, 2025, respectively. Also, the Group has incurred operating loss of SR 58 million and SR 151 million for the three-month and nine-month periods ended on September 30, 2025, respectively. Further, its negative cashflows from operating activities were SR 6 million for the nine month periods ended September 30, 2025. The Group's current liabilities exceeded its current assets by SR 671 million as of September 30, 2025. Additionally, the Group is in breach of SIDF loans' financial covenants and has defaulted in repaying loans instalments which were due during the period then ended September 30, 2025.

As a result of these matters there is material uncertainty that may cast significant doubt upon the Group's ability to continue as a going concern and therefore whether the Group will realize its assets and settle its liabilities in the ordinary course of business at the amounts recorded in the interim condensed consolidated financial statements.

The Group has prepared detailed business plan and projected cash flows for the years from 2026 to 2039, which includes some expected key performance indicators after taken remedial action plans such as revenues diversification, cost optimization, working capital management. Additionally, on 22 Dhu al-Hijjah 1446H corresponding to June 19, 2025; NAMA, JANA and FAAD AlOula Industrial Company ("FAAD AlOula", a SPV established by FAAD or the acquiring company) have entered into a binding agreement whereby FAAD AlOula agreed to inject SR 200 million for the acquisition of 40% of the capital of JANA through the issuance of new shares by JANA to FAAD AlOula. As per binding agreement, the legal formalities to increase capital and amendments to articles of association with new capital and shareholdings percentage were agreed to be completed within 30 days of the signing date of the binding agreement ("effective date") which was extendable for an additional period or periods upon notice from FAAD AlOula. On 6 Safar 1447H, corresponding to 31 July 2025, the effective date to complete the legal formalities is extended to 1 September 2025 by FAAD AlOula and cash injection was agreed to be made during 60 days of effective date i.e. by 1 November 2025. Further, on 7 Jumada al-Ula 1447H, corresponding to 29 October 2025, the effective date to complete the legal formalities is extended to 20 December 2025 by FAAD AlOula and now cash injection is agreed to be made during 60 days of effective date i.e. by 18 February 2026.

On 2 Dhu al-Hijjah 1446H corresponding to May 29, 2025; JANA received an official letter from the Saudi Industrial Development Fund (SIDF) confirming SIDF Management Credit Committee's approval for the following:

- Acquisition transaction as described above.
- Conditional approval for the restructuring of the two outstanding loans currently owed by the JANA to SIDF. The Group is expected to meet the conditions related to restructuring before the year-end December 31, 2025.

The Group management continues to monitor performance indicators of business and prevailing market conditions and will take the necessary corrective actions and amend its business plan, if necessary. The Group has working capital facilities from several parties, which the Group assesses to be sufficiently covering its working capital requirements. Management has determined that the actions that it has taken are sufficient to mitigate the uncertainty and has therefore prepared the interim condensed consolidated financial statements on a going concern basis.

## **3. NEW STANDARDS, AMENDMENTS TO STANDARDS AND INTERPRETATIONS**

The following new and revised International Financial Reporting Standards (IFRS) and International Accounting Standards (IAS), interpretations and amendments to IFRS and IAS are effective in the current period but are either not relevant to the Group or their application does not have any material impact on the interim condensed financial statements of the Group other than presentation and disclosures, except as stated otherwise.

- Classification of Liabilities as Current or Non-Current (Amendments to IAS 1)
- Lease Liability in a sale and Leaseback (Amendments to IFRS 16)

**NAMA CHEMICALS COMPANY**

A SAUDI JOINT STOCK COMPANY

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

FOR THE THREE AND NINE-MONTH PERIODS ENDED SEPTEMBER 30, 2025

(ALL AMOUNTS IN SAUDI RIYALS THOUSANDS UNLESS OTHERWISE STATED)

**3. NEW STANDARDS, AMENDMENTS TO STANDARDS AND INTERPRETATIONS (CONTINUED)**

- Non-current Liabilities with Covenants (Amendments to IAS 1)
- Supplier Finance Arrangements (Amendments to IAS 7 and IFRS 7)
- Lack of Exchangeability (Amendments to IAS 21)
- IFRS S1 General Requirements for Disclosure of Sustainability-related Financial Information
- IFRS S2 Climate-related Disclosures

The following standards, interpretations and amendments are in issue which are not effective as at the reporting date and have not been early adopted by the Group.

Effective date (annual periods beginning on or after)

- IFRS 18 Presentation and Disclosures in Financial Statements 1 January 2027.
- IFRS 19 Subsidiaries without Public Accountability: Disclosures 1 January 2027.
- Amendments IFRS 9 and IFRS 7 regarding the classification and measurement of financial instruments 1 January 2026.
- Annual Improvements to IFRS Accounting Standards - Volume 11 1 January 2026.

**4. SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS**

In preparing these interim condensed consolidated 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.

**5. PROPERTY, PLANT AND EQUIPMENT**

	Note	September 30, 2025 (Unaudited)	December 31, 2024 (Audited)
Operating fixed assets	5.1	858,365	700,772
Right of use assets	5.2	9,335	13,232
		<b>867,700</b>	<b>714,004</b>

**5.1 Operating fixed assets**

	September 30, 2025 (Unaudited)	December 31, 2024 (Audited)
<b>Cost:</b>		
At the beginning of the period / year	2,228,085	2,222,648
Additions	20,100	12,650
Disposals	(2,412)	(7,213)
At the end of the period/year	<b>2,245,773</b>	<b>2,228,085</b>
<b>Accumulated depreciation:</b>		
At the beginning of the period / year	1,053,594	994,864
Disposals	(467)	(1,117)
Charge for the period / year	68,328	59,847
At the end of the period / year	<b>1,121,455</b>	<b>1,053,594</b>
<b>Accumulated impairment:</b>		
At the beginning of the period/year	473,719	654,719
Reversal of impairment loss	(207,766)	(181,000)
At the end of the period / year	<b>265,953</b>	<b>473,719</b>
<b>Net book value:</b>		
At the end of the period/year	<b>858,365</b>	<b>700,772</b>

## NAMA CHEMICALS COMPANY

A SAUDI JOINT STOCK COMPANY

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

FOR THE THREE AND NINE-MONTH PERIODS ENDED SEPTEMBER 30, 2025

(ALL AMOUNTS IN SAUDI RIYALS THOUSANDS UNLESS OTHERWISE STATED)

### 5. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

- In accordance with International Accounting Standard 36 ("IAS 36") the Group management compared recoverable amounts of property, plant and equipment (PPE) which was higher of Fair Value Less Cost of Disposal (FVLCD) under Depreciated Replacement Cost ("DRC") method as of 17 June 2025 and Value In Use (VIU) as of 31 December 2024 with the net carrying book value of property, plant and equipment, in order to assess if value of property, plant and equipment as of 30 June 2025 has been impaired or not.

- Given the nature of the specialized assets (PPE) of the Group, the Group management's expert (TAQEEM approved valuer, White Cubes, Licence No. 4302) has estimated the Fair Value Less Cost of Disposal (FVLCD) of property, plant and equipment (PPE) using the Depreciated Replacement Cost (DRC) method as of 17 June 2025, which has indicated FVLCD of PPE exceeded their carrying value as of 30 June 2025.

- Based on the Fair Value Less Cost of Disposal (FVLCD) of PPE as determined by the management's expert under the DRC method as of 17 June 2025, the management reversed previously recognised impairment loss of SR 208 million during the second quarter of 2025 since FVLCD exceeded the net carrying value of PPE.

As of the reporting date, the management has not performed an independent assessment of FVLCD and are planning to perform such an assessment as of 31 December 2025.

During 2024, the Group reversed SR 181 million of previously recognized impairment loss relating to property, plant and equipment ("PPE") of Jubail Chemical Industries Company ("JANA"). The Group reversed impairment loss as a result of recognizing that the recoverable amount of JANA's PPE was higher than its carrying amounts. The impairment loss reversal was based on an estimation of the recoverable amount of cash-generating units ("CGU") to which the operations of JANA have been allocated. The Group appointed an external consultant to determine Value-In-Use ("VIU") for impairment assessment as of December 31, 2024. Considering the Company as a single CGU, the consultant applied VIU by using the discounted cash flow methodology. The projected cash flows used were based on fifteen years' cash flow projections based on approved budgets/forecasts. This is the best information available on projected sales and production volumes, sales prices and production costs. A discount rate of 13% (31 December 2024: 13.25%) was applied to the cash flow projections, which was based on the weighted average cost of capital. The key assumption in VIU Analysis was associated with the planned equity injection of SR 200 million in 2025, which was pivotal for maintaining JANA's financial stability.

#### 5.2 Right of use assets

The Group has right of use for land, pipelines and vehicles and presents the right of use assets separately from operating fixed assets. Movement in right of use assets during the period/ year is as follows:

	September 30, 2025 (Unaudited)	December 31, 2024 (Audited)
Opening balance	13,232	11,577
Addition	-	5,286
Depreciation for the period/year	(3,897)	(3,631)
Closing balance	9,335	13,232

### 6. INVENTORIES

	September 30, 2025 (Unaudited)	December 31, 2024 (Audited)
Finished goods	24,146	22,450
Work-in-progress	25,709	24,937
Raw materials	19,698	19,440
Spare parts	27,492	27,577
Others	16,103	16,258
	113,148	110,662
Less: Provision for slow moving and obsolete inventories	(7,878)	(7,878)
	105,270	102,784

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**7. TRADE RECEIVABLES**

	Note	September 30, 2025 (Unaudited)	December 31, 2024 (Audited)
Trade receivables		31,200	82,035
Expected credit losses on trade receivables	7.1	(2,520)	(2,415)
		<u>28,680</u>	<u>79,620</u>

**7.1 Expected credit losses on trade receivables**

	September 30, 2025 (Unaudited)	December 31, 2024 (Audited)
Balance at the beginning of the period/year	2,415	7,806
Charge/(reversed) during the period/year	105	(5,391)
Balance at the end of the period/year	<u>2,520</u>	<u>2,415</u>

**8. LOANS****8.1 Short term loans**

	September 30, 2025 (Unaudited)	December 31, 2024 (Audited)
Tawarruq financing - SAB Bank	93,546	63,984
<b>Short term loans</b>	<u>93,546</u>	<u>63,984</u>

During 2023 and 2024, the Group obtained short term loan of SR 44.1 and SR 19 million, respectively, from SAB Bank. During the period ended September 30, 2025, the Group obtained further short-term loan of SR 29.5 million from SAB Bank. These facilities bear interest at rate based on SIBOR plus margin. These facilities are secured by corporate guarantees and promissory notes. In addition, the Group has incurred interest cost of SR 4 million during the period ended September 30, 2025 (September 30, 2024: SR 3.4 million).

**8.2 Long term loans**

	Note	September 30, 2025 (Unaudited)	December 31, 2024 (Audited)
SIDF loans	8.2.1	464,071	443,412
Murabaha loans	8.2.2	35,626	38,561
		<u>499,697</u>	<u>481,973</u>
Less: current portion		(479,466)	(448,162)
<b>Long term loans – non-current portion</b>		<u>20,231</u>	<u>33,811</u>

**8.2.1 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.

According to the terms and conditions of the SIDF loans agreement, the Group has an option for early settlement, however the Group is not intended to use this option during the agreed repayment period.

On 2 Dhu al-Hijjah 1446H corresponding to May 29, 2025; JANA received a letter from the Saudi Industrial Development Fund (SIDF) confirming SIDF Management Credit Committee's conditional approval for the restructuring of the two outstanding loans currently owed by the JANA to SIDF.

The Group has defaulted in repaying loans instalments which were due during the period ended September 30, 2025. Moreover, as at September 30, 2025, the Group has not complied with conditions of SIDF loans restructuring and certain covenants as per original loans agreement and consequently whole loans became due immediately and reclassified under current liabilities in the interim condensed consolidated statement of financial position.

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**8. LOANS (CONTINUED)****8.2.1 SIDF loan (continued)****Effect of interest rate-SIDF loan**

	<b>September 30, 2025</b>	<b>December 31, 2024</b>
	<b>(Unaudited)</b>	<b>(Audited)</b>
SIDF loans	<b>412,164</b>	412,164
Follow up fees	<b>15,392</b>	7,185
Impact of effective interest rate at the end of the period / year	<b>36,515</b>	24,063
<b>Total SIDF loans</b>	<b>464,071</b>	443,412

	<b>September 30, 2025</b>	<b>December 31, 2024</b>
	<b>(Unaudited)</b>	<b>(Audited)</b>
SIDF loans	<b>431,209</b>	406,188
Government grant	<b>32,862</b>	37,224
<b>Total SIDF loans</b>	<b>464,071</b>	443,412

**8.2.2 Murabaha loans**

During the year 2024, the Group entered into an agreement with NBK for rescheduling Murabaha loans repayment in 12 unequal monthly instalments of which SR 11.5 million is due in 12 months period.

	<b>September 30, 2025</b>	<b>December 31, 2024</b>
	<b>(Unaudited)</b>	<b>(Audited)</b>
Murabaha loan - NBK	<b>31,731</b>	34,757
Murabaha loan - AIS PCC	<b>3,737</b>	3,737
Interest on the loans	<b>158</b>	67
<b>Total Murabaha loans</b>	<b>35,626</b>	38,561

**9. TRANSACTIONS WITH RELATED PARTIES**

The related parties consist of 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:

	<b>For the three-months ended</b>		<b>For the nine-months ended</b>	
	<b>September 30, 2025</b>	<b>September 30, 2024</b>	<b>September 30, 2025</b>	<b>September 30, 2024</b>
	<b>(Unaudited)</b>	<b>(Unaudited)</b>	<b>(Unaudited)</b>	<b>(Unaudited)</b>
Short term benefits	<b>1,405</b>	1,605	<b>4,191</b>	3,839
Employees' end of service benefits	<b>59</b>	67	<b>175</b>	154
Board remunerations	<b>787</b>	757	<b>2,289</b>	2,157
	<b>2,251</b>	2,429	<b>6,655</b>	6,150



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

	<u>Epoxy resin products</u>	<u>Chloe Alkali products</u>	<u>Inter-Group eliminations</u>	<u>Others</u>	<u>Total</u>
<b>For the nine-month period ended September 30, 2025 (Unaudited)</b>					
Revenue	94,459	86,792	(42,736)	52	138,567
Net profit	20,983	22,621	(4,134)	(2,613)	36,857
Total assets	578,623	555,477	-	68,942	1,203,042
Total liabilities	511,785	352,474	-	57,878	922,137

For the nine-month period ended September 30, 2024 (Unaudited)

Revenue	191,319	172,379	(80,736)	72	283,034
Net (loss) / profit	(5,851)	(17,480)	138	(6,117)	(29,310)
Total assets	517,298	424,741	-	87,690	1,029,729
Total liabilities	405,193	352,765	-	71,496	829,454

**Geographical Information**

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

	<u>September 30, 2025 (Unaudited)</u>	<u>September 30, 2024 (Unaudited)</u>
<b>Revenue</b>		
Saudi Arabia	83,233	140,851
Gulf countries	28,514	76,903
Asia	1,057	2,260
Africa	4,489	23,483
Europe	17,515	28,075
Other territories	3,759	11,462
<b>Total revenue from contracts with customers</b>	<b>138,567</b>	<b>283,034</b>

	<u>September 30, 2025 (Unaudited)</u>	<u>September 30, 2024 (Unaudited)</u>
<b>Non-Current Assets</b>		
Saudi Arabia	1,023,775	793,413

**11. TRADE PAYABLES:**

The Group has entered into agreements with some of its main suppliers where the Group and the suppliers have agreed to restructure the existing payables balances through monthly installments with periods reach up to 42 months amounted to SR 28.67 million as well as the Group and the suppliers have agreed competitive terms, conditions and prices for their new commercial businesses. The long term outstanding balance at the period ended September 30, 2025 is SR 6.4 million (December 31, 2024: SR 7.8 million).

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**12. ZAKAT****12.1 Charge for the period**

Zakat provision for the period ended September 30, 2025 represents the best estimate of zakat liability by the management for the period based on total estimated zakat liability for the year ending December 31, 2025.

**12.2 Movement in zakat provision**

	<b>September 30, 2025</b>	December 31, 2024
	<b>(Unaudited)</b>	(Audited)
At the beginning of the period / year	<b>14,006</b>	18,236
Provided during the period / year	<b>227</b>	4,828
Provision reversed during the period / year	<b>(4,778)</b>	(8,362)
Paid during the period / year	<b>(4,438)</b>	(696)
At end of the period / year	<b>5,017</b>	14,006
Less: provision for zakat - current portion	<b>(4,690)</b>	(14,006)
Provision for zakat - non-current portion	<b>327</b>	-

Reversal of zakat provision during the period September 30, 2025 relates to excess provision for 2014 and 2020 reversed on finalization of assessments during the period.

**12.3 Status of assessments**

The Group is subject to zakat in accordance with the Zakat, Tax and Customs Authority (the "ZATCA") regulations. Zakat computation involves relevant knowledge and judgment of the zakat rules and regulations to assess the impact of zakat liability at a particular year end. This liability is considered an estimate and the Group remains exposed to additional zakat liability until the final assessment has been completed by the ZATCA. The management does not expect any additional liability more than the provisions made for the period as per the technical opinion obtained from the external zakat advisor in this regard.

During 2023, the Company received the final zakat assessments relating to the years 2015 and 2018 from the ZATCA with an additional zakat liability of SAR 8.92 million. The Company has accepted the assessments and received approval from the ZATCA to pay the amount in 24 instalments starting January 2025.

The zakat assessments have been finalized with the ZATCA upto 2020. The ZATCA has completed field inspection/review for 2021 to 2023 with no additional requirements or dues to the ZATCA; however, final assessments have not yet been raised by the ZATCA.

Zakat assessment for 2024 has not been raised by the ZATCA.

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**13. EARNINGS / (LOSS) PER SHARE**

	Period from July 1 to September 30,		Period from January 1 to September 30,	
	2025	2024	2025	2024
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
Net profit / (loss) for the period	(61,622)	(48,077)	36,857	(29,310)
Weighted average number of shares (in thousands)	23,520	23,520	23,520	23,520
<b>Earnings / (loss) per share</b>				
Basic and diluted (in Saudi Riyals)	(3)	(2)	2	(1)

**14. 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. Net debt is calculated as total of long-term and short-term borrowings and lease liabilities minus cash and cash equivalents. Total capital employed comprises shareholders' equity as shown in the interim condensed consolidated statement of financial position and net debts.

The calculation of net debt is as follows:

	September 30, 2025	December 31, 2024
	(Unaudited)	(Audited)
Borrowings	593,243	545,957
Lease liabilities	11,032	15,053
Cash and cash equivalents	(497)	(3,047)
Net debt	603,778	557,963

At the interim condensed consolidated statement of financial position date, gearing ratio analysis by the management is as follows:

	September 30, 2025	December 31, 2024
	(Unaudited)	(Audited)
Net debts	603,778	557,963
Total Equity	280,905	244,123
Total capital employed	884,683	802,086
Gearing ratio	68%	70%

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**15. CONTINGENCIES AND COMMITMENTS**

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

	<b>September 30, 2025</b>	<b>December 31, 2024</b>
	<b>(Unaudited)</b>	<b>(Audited)</b>
Letters of credit	<b>1,241</b>	11,028
Letters of guarantee	<b>5,625</b>	9,011

**16. SUBSEQUENT EVENTS**

On 9 November 2025, the Company announces the disconnection of electricity services to Jubail Chemical Industries Company (JANA), one of its subsidiaries. The Company plan to carry out the necessary maintenance activities for the plants during the period of power outage.

In the opinion of the management, there have been no other significant subsequent events since the period end that would have a material impact on the consolidated financial position of the Group as reflected in these interim condensed consolidated financial statements.

**17. APPROVAL OF FINANCIALS STATEMENTS**

These interim condensed consolidated financial statements have been approved and authorized for issue by the Group's Board of Directors on 18 Jumada al-Ula 1447H (corresponding to 9 November 2025).