

**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 SIX-MONTH PERIODS ENDED JUNE 30, 2025

**NAMA CHEMICALS COMPANY**  
A SAUDI JOINT STOCK COMPANY  
INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)  
FOR THE THREE AND SIX-MONTH PERIODS ENDED JUNE 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 June 30, 2025 and the related interim condensed consolidated statements of profit or loss and other comprehensive income for the three-month and six-month periods ended on 30 June 2025, and the interim condensed consolidated statements of changes in equity, and cash flows for the six-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, 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 and loss which resulted in the increase in net profit for the three-month and six-month periods ended June 30, 2025 by SR 208 million, an increase in the net book value of property, plant and equipment and retained earnings as of June 30, 2025 by SR 208 million. This reversal was based on the management's estimation of the fair value less cost of disposal of the property, plant and equipment using fair value as determined by the management's expert.

As per our assessment, the methodology and underlying assumptions used by the management's expert in determining the fair value and management's estimation of fair value less costs of disposal (FVLCD) of property, plant and equipment resulting in the reversal of impairment loss do not provide appropriate basis for the stated reversal. 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.

Consequently, we believe that the reported net profit for the three-month and six-month periods ended June 30, 2025 and the net book value of property, plant and equipment and retained earnings as of June 30, 2025 are overstated by the amount of impairment loss reversal, as disclosed in these interim condensed consolidated financial statements.

### 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 six-month periods ended June 30, 2025 have not been prepared, in all material respects, in accordance with IAS 34 as endorsed in the Kingdom of Saudi Arabia.

**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

**Material Uncertainty Relating to Going Concern**

We draw attention to Note 2.4 of the interim condensed consolidated financial statements which indicate that the Group has incurred gross loss of SR 40 million and SR 64 million for the three-month and six-month periods ended on June 30, 2025, respectively. Also, the Group has incurred operating loss of SR 53 million and SR 93 million for the three-month and six-month periods ended on June 30, 2025, respectively. Further, its negative cashflows from operating activities were SR 8 million for the six-month periods ended on June 30, 2025. The Group's current liabilities exceeded its current assets by SR 630 million as of June 30, 2025. Additionally, the Group is in breach of SIDF loans' financial covenants and has defaulted in repaying loans instalments as of June 30, 2025 and December 31, 2024. These conditions, along with other matters as set forth in Note 2.4 indicate the existence of a 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 Al Hajjaj  
Certified Public Accountant  
License No. (562)



Riyadh: 23 Safar 1447H  
(Corresponding to 17 August 2025)

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

	<u>Note</u>	<u>June 30, 2025</u> <u>(Unaudited)</u>	<u>December 31, 2024</u> <u>(Audited)</u>
<b><u>ASSETS</u></b>			
<b>Non-current assets</b>			
Property, plant and equipment	5	900,214	714,004
Deferred cost		29,353	30,582
Investment properties		61,374	62,480
Long term prepaid employees' benefit		65,547	67,652
<b>Total non-current assets</b>		<b>1,056,488</b>	<b>874,718</b>
<b>Current assets</b>			
Inventories	6	92,869	102,784
Long term prepaid employees' benefit – current portion		4,178	4,178
Trade receivables	7	35,087	79,620
Advances, prepayments and other receivables		41,417	34,783
Cash and cash equivalents		755	3,047
<b>Total current assets</b>		<b>174,306</b>	<b>224,412</b>
<b>TOTAL ASSETS</b>		<b>1,230,794</b>	<b>1,099,130</b>
<b><u>EQUITY AND LIABILITIES</u></b>			
<b>Equity</b>			
Share capital		235,200	235,200
Statutory reserve		6,435	6,435
Actuarial remeasurement loss and foreign currency translation difference		(3,353)	(3,282)
Retained earnings		104,249	5,770
<b>Total equity</b>		<b>342,531</b>	<b>244,123</b>
<b>LIABILITIES</b>			
<b>Non-current liabilities</b>			
Long term loans – non-current portion	8.2	33,791	33,811
Employees' end of service benefits		35,823	35,265
Trade payables - non current portion	11	4,314	7,808
Lease liabilities - non-current portion		7,910	10,036
Provision for zakat - non-current portion	12.2	2,231	-
<b>Total non-current liabilities</b>		<b>84,069</b>	<b>86,920</b>
<b>Current liabilities</b>			
Long term loans – current portion	8.2	460,175	448,162
Short term loans	8.1	87,621	63,984
Trade payables		204,520	202,634
Provision for zakat - current portion	12.2	8,093	14,006
Lease liabilities - current portion		3,898	5,017
Accrued expenses and other liabilities		39,887	34,284
<b>Total current liabilities</b>		<b>804,194</b>	<b>768,087</b>
<b>Total liabilities</b>		<b>888,263</b>	<b>855,007</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>1,230,794</b>	<b>1,099,130</b>

for   
Sultan Hammad A. Shammari  
Chief Financial Officer

  
Abdullah Mohammed Al Salem  
Chief Executive Officer

  
Basel Saleh Alshibani  
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 SIX-MONTH PERIODS ENDED JUNE 30, 2025

(ALL AMOUNTS IN SAUDI RIYALS THOUSANDS UNLESS OTHERWISE STATED)

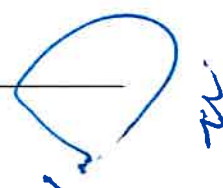
	Note	Period from April 1 to June 30,		Period from January 1 to June 30,	
		2025	2024	2025	2024
		(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
Revenue	10	27,790	88,552	93,797	186,632
Cost of revenue		(67,432)	(99,845)	(158,168)	(204,346)
<b>Gross loss</b>		<b>(39,642)</b>	<b>(11,293)</b>	<b>(64,371)</b>	<b>(17,714)</b>
Selling and distribution expenses		(2,847)	(7,180)	(8,912)	(15,289)
General and administrative expenses		(10,202)	(8,984)	(19,531)	(20,098)
Other operating expenses		(53)	-	(95)	-
<b>Operating loss</b>		<b>(52,744)</b>	<b>(27,457)</b>	<b>(92,909)</b>	<b>(53,101)</b>
Reversal of impairment loss on property, plant and equipment		207,766	81,000	207,766	81,000
Finance cost, net		(9,371)	(7,798)	(18,677)	(17,972)
Other income, net		803	7,602	1,151	4,261
<b>Profit before zakat</b>		<b>146,454</b>	<b>53,347</b>	<b>97,331</b>	<b>14,188</b>
Reversal of provision/(provision) for zakat		1,549	(400)	1,148	4,580
<b>Net profit for the period</b>		<b>148,003</b>	<b>52,947</b>	<b>98,479</b>	<b>18,768</b>
<b>Other comprehensive income:</b>					
<i>Items that may be reclassified to profit or loss:</i>					
Exchange differences on translation of foreign operations		(103)	(4)	(71)	137
<b>Other comprehensive (loss)/income for the period</b>		<b>(103)</b>	<b>(4)</b>	<b>(71)</b>	<b>137</b>
<b>Total comprehensive income for the period</b>		<b>147,900</b>	<b>52,943</b>	<b>98,408</b>	<b>18,905</b>
<b>Earnings per share</b>					
- Basic and diluted (in Saudi Riyals)	13	6.29	2.25	4.19	0.80

  
Sultan Hamoud Al Shammari  
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 CHANGES IN EQUITY  
FOR THE SIX-MONTH PERIOD ENDED JUNE 30, 2025  
(ALL AMOUNTS IN SAUDI RIYALS THOUSANDS UNLESS OTHERWISE STATED)

	<i>Share Capital</i>	<i>Statutory reserve</i>	<i>Actuarial remeasurement loss and foreign currency translation difference</i>	<i>Retained earnings/ (accumulated losses)</i>	<i>Total equity</i>
Balance as at January 1, 2024 (Audited)	235,200	6,435	(6,210)	(5,949)	229,476
Net profit for the period	-	-	-	18,768	18,768
Other comprehensive income for the period	-	-	137	-	137
Total comprehensive income for the period	-	-	137	18,768	18,905
Balance as at June 30, 2024 (unaudited)	235,200	6,435	(6,073)	12,819	248,381
Balance as at January 1, 2025 (Audited)	235,200	6,435	(3,282)	5,770	244,123
Net profit for the period	-	-	-	98,479	98,479
Other comprehensive loss for the period	-	-	(71)	-	(71)
Total comprehensive income for the period	-	-	(71)	98,479	98,408
Balance as at June 30, 2025 (unaudited)	235,200	6,435	(3,353)	104,249	342,531

  
Sulayy Al-Hamad Al-Shammari  
Chief Financial Officer

  
Abdullah M. Al-Murad Al-Salem  
Chief Executive Officer

  
Basel Saad 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 SIX-MONTH PERIOD ENDED JUNE 30, 2025

(ALL AMOUNTS IN SAUDI RIYALS THOUSANDS UNLESS OTHERWISE STATED)

	Note	Six-month period ended June 30	
		2025 (Unaudited)	2024 (Unaudited)
<b>Operating activities</b>			
Profit before zakat		97,331	14,188
<b>Adjustments for:</b>			
Depreciation of property plant and equipment	5.1	31,087	25,349
Depreciation of right of use assets	5.2	2,604	1,591
Depreciation of investment properties		1,106	1,105
Amortization of deferred cost		1,229	1,002
Allowance/(reversal of allowance) for impairment of trade receivables		95	(1,347)
Reversal of impairment loss on property, plant and equipment		(207,766)	(81,000)
Finance cost, net		17,746	13,871
Loss on sale of villa transferred to deferred cost		-	(1,239)
Reversal of zakat provision		-	-
Provision for employees' end of service benefits		1,059	479
		(55,509)	(26,001)
<b>Working capital adjustments:</b>			
Inventories		9,915	(7,215)
Trade receivables		44,438	4,964
Long term prepaid employees' benefits		2,105	14,433
Advances, prepayments and other receivables		(6,634)	(15,694)
Trade payables		(1,608)	18,213
Accrued expenses and other liabilities		5,997	7,659
<b>Net cash flows used in operations</b>		(1,296)	(3,641)
Zakat paid		(2,534)	(257)
Finance cost paid		(3,779)	(4,341)
Employees' end of service benefits paid		(500)	(450)
<b>Net cash flows used in operating activities</b>		(8,109)	(8,689)
<b>Investing activities</b>			
Additions to property, plant and equipment	5.1	(12,135)	(10,714)
Proceeds from disposal of assets		-	6,096
<b>Net cash flows used in investing activities</b>		(12,135)	(4,618)
<b>Financing activities</b>			
Proceeds from short term loans		23,163	13,322
Proceeds from long term loans		-	3,737
Repayment of long term loans		(1,500)	(12,002)
Lease liabilities settled		(3,640)	(1,950)
<b>Net cash flows from financing activities</b>		18,023	3,107
<b>Net change in cash and cash equivalents</b>		(2,221)	(10,200)
Exchange differences on translation of foreign operations		(71)	137
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>		755	4,383

for   
Sultan Al-Nammari  
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

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

FOR THE THREE AND SIX-MONTH PERIODS ENDED JUNE 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	
	June 30, 2025	June 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 six month periods ended June 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.

## **NAMA CHEMICALS COMPANY**

A SAUDI JOINT STOCK COMPANY

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

FOR THE THREE AND SIX-MONTH PERIODS ENDED JUNE 30, 2025

(ALL AMOUNTS IN SAUDI RIYALS THOUSANDS UNLESS OTHERWISE STATED)

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

#### **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 six-month period ended June 30, 2025 are not necessarily indicative of the results that may be expected for the year ending December 31, 2025.

#### **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 40 million and SR 64 million for the three-month and six-month periods ended on June 30, 2025, respectively. Also, the Group has incurred operating loss of SR 53 million and SR 93 million for the three-month and six-month periods ended on June 30, 2025, respectively. Further, its negative cashflows from operating activities were SR 8 million for the six month periods ended June 30, 2025. The Group's current liabilities exceeded its current assets by SR 630 million as of June 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 June 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 reduced 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 the investor. 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 now cash injection is agreed to be made during 60 days of effective date i.e. by 1 November 2025.

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.

**NAMA CHEMICALS COMPANY**

A SAUDI JOINT STOCK COMPANY

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

FOR THE THREE AND SIX-MONTH PERIODS ENDED JUNE 30, 2025

(ALL AMOUNTS IN SAUDI RIYALS THOUSANDS UNLESS OTHERWISE STATED)

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

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 Company or their application does not have any material impact on the interim condensed financial statements of the Company 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)
- 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 Company.

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**

	<i>Note</i>	<i>June 30, 2025</i> <i>(Unaudited)</i>	<i>December 31, 2024</i> <i>(Audited)</i>
Operating fixed assets	5.1	889,586	700,772
Right of use assets	5.2	10,628	13,232
		<u>900,214</u>	<u>714,004</u>
<b>5.1 Operating fixed assets</b>			
		<i>June 30, 2025</i> <i>(Unaudited)</i>	<i>December 31, 2024</i> <i>(Audited)</i>
<b>Cost:</b>			
At the beginning of the period/year		2,228,085	2,222,648
Additions		12,135	12,650
Disposals		-	(7,213)
At the end of the period/year		<u>2,240,220</u>	<u>2,228,085</u>
<b>Accumulated depreciation:</b>			
At the beginning of the period/year		1,053,594	994,864
Disposals		-	(1,117)
Charge for the period/year		31,087	59,847
At the end of the period/year		<u>1,084,681</u>	<u>1,053,594</u>
<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		<u>265,953</u>	<u>473,719</u>
<b>Net book value:</b>			
At the end of the period/year		<u>889,586</u>	<u>700,772</u>

**NAMA CHEMICALS COMPANY**

A SAUDI JOINT STOCK COMPANY

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

FOR THE THREE AND SIX-MONTH PERIODS ENDED JUNE 30, 2025

(ALL AMOUNTS IN SAUDI RIYALS THOUSANDS UNLESS OTHERWISE STATED)

**5. PROPERTY, PLANT AND EQUIPMENT (continued)**

During the six-month period ended June 30, 2025, the Company recognized SR 208 million reversal of previously recognized impairment losses. The reversal was based on as follows:

- In accordance with International Accounting Standard 36 ("IAS 36") recoverable amounts of property, plant and equipment (PPE) which is higher of Fair Value Less Cost of Disposal (FVLCD) and Value In Use (VIU) is compared with net carrying book value in order to assess if not book value of property, plant and equipment has been impaired or not.

- Given the nature of the specialized assets (PPE) of the company, the Group management's expert (TAQEEM approved valuer, White Cubes, Licence No. 4302) has estimated the FV of the assets (PPE) using the Depreciated Replacement Cost (DRC) method, which has indicated FV of PPE exceeded their carrying value.

- Given the nature of the specialized property, plant and equipment of the Group, the Group management believes the Fair Value Less Cost of Disposal (FVLCD) would have broadly in line with the FV determined under the DRC method; and accordingly, the FV/FVLCD of property, plant and equipment would have exceeded their carrying value. As at reporting date, management has not performed an independent assessment of FVCLD and are planning to perform such assessment as of 31 December 2025.

During 2024, based on the management's estimates of the future projections using various assumptions that resulted in a higher recoverable value for the property, plant, and equipment to the corresponding carrying value, the Group reversed SR 181 million of previously recognized impairment losses.

**5.2 Right of use assets**

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

	<i>June 30, 2025</i>	<i>December 31, 2024</i>
	<i>(Unaudited)</i>	<i>(Audited)</i>
Opening balance	13,232	11,577
Addition	-	5,286
Depreciation for the period/year	(2,604)	(3,631)
Closing balance	<u>10,628</u>	<u>13,232</u>

**6. INVENTORIES**

	<i>June 30, 2025</i>	<i>December 31, 2024</i>
	<i>(Unaudited)</i>	<i>(Audited)</i>
Finished goods	11,023	22,450
Work-in-progress	24,924	24,937
Raw materials	19,583	19,440
Spare parts	27,462	27,577
Others	17,755	16,258
	<u>100,747</u>	<u>110,662</u>
Less: Provision for slow moving and obsolete inventories	(7,878)	(7,878)
	<u>92,869</u>	<u>102,784</u>

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**7. TRADE RECEIVABLES**

	<i>Note</i>	<i>June 30, 2025</i> <i>(Unaudited)</i>	<i>December 31, 2024</i> <i>(Audited)</i>
Trade receivables		37,597	82,035
Expected credit losses on trade receivables	7.1	(2,510)	(2,415)
		<u>35,087</u>	<u>79,620</u>

**7.1 Expected credit losses on trade receivables**

	<i>June 30, 2025</i> <i>(Unaudited)</i>	<i>December 31, 2024</i> <i>(Audited)</i>
Balance at the beginning of the period/year	2,415	7,806
Charge/(reversed) during the period/year	95	(5,391)
Balance at the end of the period/year	<u>2,510</u>	<u>2,415</u>

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

	<i>June 30, 2025</i> <i>(Unaudited)</i>	<i>December 31, 2024</i> <i>(Audited)</i>
Tawarruq financing - SAB Bank	87,621	63,984
<b>Short term loans</b>	<u>87,621</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 June 30, 2025, the Group obtained further short-term loan of SR 23.2 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 2.8 million during the period ended June 30, 2025 (June 30, 2024: SR 2.1 million).

**8.2 Long term loans**

	<i>Note</i>	<i>June 30, 2025</i> <i>(Unaudited)</i>	<i>December 31, 2024</i> <i>(Audited)</i>
SIDF loans	8.2.1	456,925	443,412
Murabaha loans	8.2.2	37,041	38,561
		<u>493,966</u>	<u>481,973</u>
Less: current portion		(460,175)	(448,162)
<b>Long term loans – non-current portion</b>		<u>33,791</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 an official 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 June 30, 2025. Moreover, as at June 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**

	<i>June 30, 2025</i>	<i>December 31, 2024</i>
	<i>(Unaudited)</i>	<i>(Audited)</i>
SIDF loans	412,164	412,164
Follow up fees	9,380	7,185
Impact of effective interest rate at the end of the period/year	35,381	24,063
<b>Total SIDF loans</b>	<b>456,925</b>	<b>443,412</b>
	<i>June 30, 2025</i>	<i>December 31, 2024</i>
	<i>(Unaudited)</i>	<i>(Audited)</i>
SIDF loans	422,609	406,188
Government grant	34,316	37,224
<b>Total SIDF loans</b>	<b>456,925</b>	<b>443,412</b>

**8.2.2 Murabaha loans**

During the year 2024, the Group entered into an agreement with NBK for rescheduling Murabaha loans repayment in 36 unequal monthly instalments of which SR 4 million is due in 12 months period.

	<i>June 30, 2025</i>	<i>December 31, 2024</i>
	<i>(Unaudited)</i>	<i>(Audited)</i>
Murabaha loan - NBK	32,000	34,757
Murabaha loan - AIS PCC	3,577	3,737
Interest on the loans	1,464	67
<b>Total Murabaha loans</b>	<b>37,041</b>	<b>38,561</b>

**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:

	<i>For the three-months ended</i>		<i>For the six-months ended</i>	
	<i>June 30, 2025</i>	<i>June 30, 2024</i>	<i>June 30, 2025</i>	<i>June 30, 2024</i>
	<i>(Unaudited)</i>	<i>(Unaudited)</i>	<i>(Unaudited)</i>	<i>(Unaudited)</i>
Short term benefits	1,405	1,214	2,786	2,351
Employees' end of service benefits	59	51	116	98
Board remunerations	772	705	1,502	1,400
	<b>2,236</b>	<b>1,970</b>	<b>4,404</b>	<b>3,849</b>



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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:

	<i>Epoxy resin products</i>	<i>Chloe Alkali products</i>	<i>Inter-Group eliminations</i>	<i>Others</i>	<i>Total</i>
<b>For the six-month period ended June 30, 2025 (Unaudited)</b>					
Revenue	67,192	47,854	(21,284)	35	93,797
Net profit	62,830	40,394	(99)	(4,646)	98,479
Total assets	591,100	560,478	-	79,216	1,230,794
Total liabilities	472,109	351,681	-	64,473	888,263

**For the six-month period ended June 30, 2024 (Unaudited)**

Revenue	124,440	112,374	(50,236)	54	186,632
Net profit	4,907	15,293	1,056	(2,488)	18,768
Total assets	573,545	398,331	-	88,140	1,060,016
Total liabilities	387,518	354,783	-	69,334	811,635

**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:

	<i>June 30, 2025 (Unaudited)</i>	<i>June 30, 2024 (Unaudited)</i>
<b>Revenue</b>		
Saudi Arabia	59,003	93,121
Gulf countries	16,569	54,499
Asia	813	1,215
Africa	1,871	11,780
Europe	13,745	21,852
Other territories	1,796	4,165
<b>Total revenue from contracts with customers</b>	<b>93,797</b>	<b>186,632</b>
<b>Non-Current Assets</b>		
Saudi Arabia	1,056,488	813,881

**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 10.33 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 ending June 30, 2025 is SR 4.3 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 June 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**

	<i>June 30, 2025</i>	<i>December 31, 2024</i>
	<i>(Unaudited)</i>	<i>(Audited)</i>
At the beginning of the period/year	14,006	18,236
Provided during the period/year	151	4,828
Provision reversed during the period/year	(1,299)	(8,362)
Paid during the period/year	(2,534)	(696)
At end of the period/year	10,324	14,006
Less: provision for zakat - current portion	(8,093)	14,006
Provision for zakat - non-current portion	2,231	-

**12.3 Outstanding assessment and zakat status**

The Group is subject to zakat in accordance with the Zakat, Tax and Customs Authority ("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 until the final assessment by ZATCA has been completed until which the Group retains exposure to additional zakat liability. 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.

The zakat assessments have been finalized with ZATCA upto 2019 except for 2014.

During 2024, the Company has filed a new return for the years 2014 and 2020 as per the new law (as per article 1007) with zero zakat liability, as a result a provision amounting to SR 5.381 million had been reversed during the year 2024. The revised returns are still under ZATCA review.

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

The zakat return for the year 2021 to 2024 has been approved by ZATCA. However, final assessments have not yet been raised by the ZATCA.

**13. EARNINGS PER SHARE**

	<b>Six-month ended June 30</b>	
	<b>2025</b>	<b>2024</b>
	<i>(Unaudited)</i>	<i>(Unaudited)</i>
Net profit for the period	98,479	18,768
Weighted average number of shares (in thousands)	23,520	23,520
<b>Earnings per share</b>		
- Basic and diluted (in Saudi Riyals)	4.19	0.80



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**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:

	<b>June 30, 2025</b>	<b>December 31, 2024</b>
	<b>(Unaudited)</b>	<b>(Audited)</b>
Borrowings	493,966	481,973
Lease liabilities	11,808	15,053
Cash and cash equivalents	(755)	(3,047)
Net debt	<b>505,019</b>	<b>493,979</b>

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

	<b>June 30, 2025</b>	<b>December 31, 2024</b>
	<b>(Unaudited)</b>	<b>(Audited)</b>
Net debts	505,019	493,979
Total Equity	342,531	244,123
Total capital employed	<b>847,550</b>	<b>738,102</b>
Gearing ratio	<b>60%</b>	<b>67%</b>

**15. CONTINGENCIES AND COMMITMENTS**

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

	<b>June 30, 2025</b>	<b>December 31, 2024</b>
	<b>(Unaudited)</b>	<b>(Audited)</b>
Letters of credit	7,289	11,028
Letters of guarantee	5,625	9,011

**16. SUBSEQUENT EVENTS**

In the opinion of the Group 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. RECLASSIFICATION OF PRIOR PERIODS FIGURES**

Certain of prior periods amounts have been reclassified to conform with the presentation in the current period.

**18. 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 August 10, 2025 corresponding to 16 Safar 1447H.