

NATIONAL INDUSTRIALIZATION COMPANY
(A Saudi Joint Stock Company)

INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)
FOR THE THREE AND SIX MONTH PERIODS ENDED 30 JUNE 2021
AND INDEPENDENT AUDITOR'S REVIEW REPORT

NATIONAL INDUSTRIALIZATION COMPANY
(A Saudi Joint Stock Company)

INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)
FOR THE THREE AND SIX MONTH PERIODS ENDED 30 JUNE 2021

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Report on review of Interim Financial Information

To the shareholders of National Industrialization Company
(Saudi Joint Stock Company)

Introduction

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

Scope of review

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

Conclusion

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

PricewaterhouseCoopers

Bader I. Benmohareb
License Number 471

8 August 2021



NATIONAL INDUSTRIALIZATION COMPANY
(A Saudi Joint Stock Company)

INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
(All amounts in SR'000 unless otherwise stated)

		As at 30 June 2021 (Unaudited)	As at 31 December 2020 (Audited)
ASSETS			
Non-current assets			
Property, plant and equipment	5	2,912,118	2,976,364
Projects under progress	6	1,893,530	1,916,318
Right-of-use assets		126,073	137,414
Intangible assets		118,810	124,534
Investments in equity accounted associates and joint ventures	7	11,596,193	10,662,306
Investment in equity instruments designated as FVOCI		897,139	805,423
Other non-current assets		506,812	526,063
Total non-current assets		18,038,278	17,148,422
Current assets			
Inventories		685,028	579,512
Accounts receivable		1,476,357	1,087,861
Prepayments and other current assets	8	1,063,133	850,222
Cash and cash equivalents		2,377,155	2,654,849
Total current assets		5,601,673	5,172,444
Total assets		23,639,948	22,320,866
EQUITY AND LIABILITIES			
Equity			
Share capital	9	6,689,142	6,689,142
Statutory reserve		1,422,937	1,354,512
Other reserves	10	(563,438)	(662,623)
Retained earnings / (accumulated losses)		504,450	(111,375)
Equity attributable to the equity holders of parent		8,053,091	7,269,656
Non-controlling interests		2,534,380	2,313,357
Total equity		10,587,471	9,583,013
Liabilities			
Non-current liabilities			
Long-term borrowings	11	6,207,330	6,544,745
Employee benefits obligations		520,397	514,644
Lease liabilities		118,428	119,780
Other non-current liabilities		1,888,452	1,917,989
Total non-current liabilities		8,734,607	9,097,158
Current liabilities			
Long-term borrowings – current portion	11	779,858	645,346
Lease liabilities – current portion		14,441	22,705
Accounts payable		1,839,536	1,388,416
Provisions and other current liabilities		1,104,152	1,057,658
Zakat and income tax payable	12	579,883	526,570
Total current liabilities		4,317,870	3,640,695
Total liabilities		13,052,477	12,737,853
Total equity and liabilities		23,639,948	22,320,866


Chief Financial Officer


Chief Executive Officer


Authorized Board Member

The accompanying notes from (1) to (22) form an integral part of these interim condensed consolidated financial statements.

NATIONAL INDUSTRIALIZATION COMPANY
(A Saudi Joint Stock Company)

INTERIM CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS (UNAUDITED)
(All amounts in SR'000 unless otherwise stated)

	For the three month period ended 30 June		For the six month period ended 30 June	
	2021	2020 (Restated note 19)	2021	2020 (Restated note 19)
	Note			
Revenue	780,415	437,281	1,505,790	1,091,652
Cost of revenue	(560,984)	(360,908)	(1,089,796)	(921,220)
Gross profit	219,431	76,373	405,994	170,432
Selling and distribution expenses	(41,200)	(37,604)	(82,823)	(83,253)
General and administrative expenses	(156,612)	(147,960)	(278,529)	(272,994)
Impairment of non-financial assets	-	(208,836)	-	(222,087)
Impairment of financial assets	(562)	(1,205)	(1,356)	(2,342)
Share of net profit from associates and joint ventures, net	587,643	169,372	1,127,360	323,149
Operating profit / (loss)	608,700	(149,860)	1,170,636	(87,075)
Other income	23,684	35,957	55,053	56,347
Other Expenses	(11,366)	(20,406)	(28,800)	(49,027)
Finance costs, net	(44,419)	(41,957)	(88,952)	(100,218)
Profit/ (loss) before zakat and income tax	576,809	(176,266)	1,107,937	(179,973)
Zakat and income tax	(61,619)	(29,636)	(141,421)	(58,390)
Profit / (loss) for the period	514,990	(205,902)	966,516	(238,363)
Attributable to:				
Equity holders of Parent	356,735	(180,226)	684,250	(231,980)
Non-controlling interests	158,255	(25,676)	282,266	(6,383)
	514,990	(205,902)	966,516	(238,363)
Basic and diluted earnings per share (SR)	13			
From operating profit / (loss)	0.91	(0.22)	1.76	(0.13)
From profit / (loss) attributable to equity holders of Parent	0.53	(0.27)	1.02	(0.35)



Chief Financial Officer



Chief Executive Officer



Authorized Board Member

The accompanying notes from (1) to (22) form an integral part of these interim condensed consolidated financial statements.

NATIONAL INDUSTRIALIZATION COMPANY
(A Saudi Joint Stock Company)

INTERIM CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (UNAUDITED)
(All amounts in SR'000 unless otherwise stated)

Note	For the three month period ended 30 June		For the six month period ended 30 June	
	2021	2020 (Restated note 19)	2021	2020 (Restated note 19)
Profit / (loss) for the period	614,980	(205,902)	966,516	(236,363)
Other comprehensive (loss) / income				
Items that may be reclassified to profit or loss in subsequent periods:				
Cash flow hedge reserve	-	2,492	2,897	4,728
Share of other comprehensive income / (loss) of associates and joint ventures, net	(4,103)	111,168	1,151	(230,859)
Total items that may be reclassified to profit or loss in subsequent periods	(4,103)	113,660	4,048	(226,131)
Items that will not be reclassified to profit or loss in subsequent periods:				
Income / (loss) from investments in equity instruments designated as FVOCI	45,847	35,528	81,715	(31,854)
Share of other comprehensive income / (loss) of associates and joint ventures, net	63,467	(983)	17,298	-
Total items that will not be reclassified to profit or loss in subsequent periods	99,314	34,545	99,013	(31,854)
Total other comprehensive income / (loss) for	95,211	148,205	103,061	(257,985)
Total comprehensive income / (loss) for the	610,201	(57,697)	1,069,577	(496,348)
Attributable to:				
Equity holders of Parent	441,579	(57,411)	783,435	(443,697)
Non-controlling interests	168,622	(286)	286,142	(52,651)
	610,201	(57,697)	1,069,577	(496,348)



Chief Financial Officer



Chief Executive Officer



Authorized Board Member

The accompanying notes from (1) to (22) form an integral part of these interim condensed consolidated financial statements.

NATIONAL INDUSTRIALIZATION COMPANY
(A Saudi Joint Stock Company)

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE SIX MONTH PERIOD ENDED 30 JUNE 2021
(All amounts in SR'000 unless otherwise stated)

	Attributable to the equity holders of parent					Total equity	
	Share capital	Statutory reserve	Other reserves	Retained earnings / (accumulated losses)	Total shareholders' equity		Non-controlling interests
As at 1 January 2020 (Audited)- (note 19)	6,689,142	1,354,512	(552,434)	335,372	7,826,592	2,366,030	10,192,622
Loss for the period	-	-	-	(231,980)	(231,980)	(6,383)	(238,363)
Other comprehensive loss	-	-	(211,717)	-	(211,717)	(45,268)	(257,985)
Total comprehensive loss for the period	-	-	(211,717)	(231,980)	(443,697)	(52,651)	(496,348)
Dividend paid by subsidiaries to non-controlling interests	-	-	-	-	-	(39,550)	(39,550)
As at 30 JUNE 2020 (Unaudited)	6,689,142	1,354,512	(764,151)	103,392	7,382,895	2,273,829	9,656,724
As at 1 January 2021 (Audited)	6,689,142	1,354,512	(662,623)	(111,375)	7,269,656	2,313,357	9,583,013
Profit for the period	-	-	-	684,250	684,250	282,266	966,516
Other comprehensive income	-	-	99,185	-	99,185	3,876	103,061
Total comprehensive income for the period	-	-	99,185	684,250	783,435	286,142	1,069,577
Transfer to statutory reserve	-	68,425	-	(68,425)	-	-	-
Dividend paid by subsidiaries to non-controlling interests	-	-	-	-	-	(65,119)	(65,119)
As at 30 JUNE 2021 (Unaudited)	6,689,142	1,422,937	(563,438)	504,450	8,053,091	2,534,380	10,587,471


Chief Financial Officer


Authorized Board Member

The accompany notes from (1) to (22) form an integral part of these interim condensed consolidated financial statements.

NATIONAL INDUSTRIALIZATION COMPANY
(A Saudi Joint Stock Company)

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS (UNAUDITED)
FOR THE SIX MONTH PERIOD ENDED 30 JUNE 2021
(All amounts in SR'000 unless otherwise stated)

	2021	2020 (Restated note 19)
<u>CASH FLOWS FROM OPERATING ACTIVITIES</u>		
Profit / (loss) before zakat and income tax	1,107,937	(179,973)
Adjustments for:		
Depreciation and amortization	117,179	110,986
Right-of-use assets depreciation	11,328	12,414
Impairment / write-off of non-financial assets	-	222,433
Share of net profit from equity accounted associates and joint ventures	(1,127,350)	(323,149)
Impairment of financial assets	1,365	17,374
Employee benefits expenses	11,437	18,257
Finance costs	93,766	100,218
<i>Changes in operating assets and liabilities:</i>		
Other non-current assets	19,451	24,987
Inventories	(105,516)	37,747
Accounts receivables	(389,861)	358,413
Prepayments and other current assets	(212,911)	(32,188)
Other non-current liabilities	(29,537)	157,273
Accounts payables	451,120	(188,282)
Provisions and other current liabilities	49,390	(293,838)
Cash (used in) / generated from operations	(2,214)	42,672
Employee benefits paid	(5,684)	-
Zakat and income tax paid	(88,108)	-
Net cash (used in) / generated from operating activities	(96,006)	42,672
<u>CASH FLOWS FROM INVESTING ACTIVITIES</u>		
Additions to property, plant and equipment	(22,097)	(37,393)
Disposals of property, plant and equipment	3,628	11,003
Additions to projects under progress	(2,912)	1,530
Additions to / (disposals of) intangible assets	(839)	4,379
Dividend received	475,977	369,728
Loans (given to) / settled by joint ventures and associate	(260,000)	50,000
Net cash (used in) / generated from investing activities	193,767	399,247
<u>CASH FLOWS FROM FINANCING ACTIVITIES</u>		
Short-term facilities	-	(3,000)
Repayment of long-term borrowings	(202,903)	(178,203)
Finance costs paid	(75,140)	(143,151)
Repayment of lease liabilities	(32,283)	(3,486)
Dividend paid by subsidiaries to non- controlling interests	(65,119)	(39,550)
Net cash flows used in financing activities	(375,445)	(367,390)
Net (decrease) / increase in cash and cash equivalents	(277,694)	74,529
Cash and cash equivalents at beginning of the period	2,654,849	2,723,226
Cash and cash equivalents at end of the period	2,377,155	2,797,755


Chief Financial Officer


Chief Executive Officer


Authorized Board Member

The accompanying notes from (1) to (22) form an integral part of these interim condensed consolidated financial statements.

NATIONAL INDUSTRIALIZATION COMPANY
(A SAUDI JOINT STOCK COMPANY)

**NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE SIX MONTH PERIOD ENDED 30 JUNE 2021**
(All amounts in SR'000 unless otherwise noted)

1. STATUS AND NATURE OF ACTIVITIES

National Industrialization Company (the "Company" or "Tasnee") is a Saudi Joint Stock Company registered in Riyadh under Commercial Registration no. 1010059693 dated 7 Shawwal 1405H (corresponding to 25 June 1985G). The Company was formed pursuant to the Ministerial Resolution no. 601 dated 24 Dhul Hijja 1404H (corresponding to 19 September 1984G).

The principal activities of the Company and its subsidiaries (collectively referred to as "the Group") comprises of industrial investment, transfer of advanced industrial technology to the Kingdom of Saudi Arabia, and to the Arab region in general, in the areas of manufacturing and transforming petrochemical and chemical, engineering and mechanical industries, management and ownership of petrochemical and chemical projects and marketing their products. The activities also comprise rendering technical industrial services and manufacturing of steel and non-steel castings, producing towed steel wires, spring wires, and steel wires for cables, twisted reinforcement wires to carry electrical conductors, twisted re-enforcement wires for concrete and welding wires. It also includes production and marketing of liquid batteries for vehicles and for industrial usage and the production and marketing of lead and sodium sulfate. It also includes conducting technical tests on industrial facilities, chemical, petrochemical and metal plants, and water desalination and electricity generating plants; setting up all types of plastic industries and production and marketing of acrylic boards; the production and marketing of titanium dioxide and the production of ethylene, polyethylene, propylene and polypropylene, owning mines and specialized operations for the production of Al-Rutayl which is the raw material for producing the titanium dioxide.

The registered office of the Company is as follows:
National Industrialization Company
P. O. Box 26707
Riyadh 11496, Kingdom of Saudi Arabia

1.1. Subsidiaries

The following are the subsidiaries included in these consolidated financial statements and the combined direct and indirect ownership percentages:

Company Name	Legal Form	Shareholding (%)	
		30 June 2021	31 December 2020
Rowad National Plastic Company ("Rowad") and its subsidiaries (1)	Limited liability	100.00	100.00
National Lead Smelting Company Ltd. ("Rassas") and its subsidiaries (2)	Limited liability	100.00	100.00
National Marketing and Industrial Services Company ("Khadamat II") (3)	Limited liability	100.00	100.00
Taldeen Plastic Solution Company Ltd. ("Taldeen") (4)	Limited liability	100.00	100.00
Al Khadra Environment Company for Industrials Waste Management ("Khadra") (5)	Limited liability	100.00	100.00
National Industrialization Petrochemical Marketing Company (6)	Limited liability	100.00	100.00
National Petrochemical Industrialization Company (7)	Limited liability	100.00	100.00
National Worldwide Industrial Advancement Company Ltd. (7)	Limited liability	100.00	100.00
NIPRAS National Technical Company Ltd. (7)	Limited liability	100.00	100.00
National Gulf Company for Petrochemical Technology (7)	Limited liability	100.00	100.00
National Industrialization Company for Industrial Investments (7)	Limited liability	100.00	100.00
National Operation and Industrial Services Company ("Khadamat") under liquidation (8)	Limited liability	96.67	96.67
Advanced Metal Industries Company Ltd. ("AMIC") (9)	Limited liability	89.50	89.50
The National Titanium Dioxide Company Ltd. ("Cristal") and its subsidiaries (10)	Limited liability	79.00	79.00
National Inspection and Technical Testing Company Ltd. ("Fahss") (11)	Limited liability	73.42	73.42
TUV – Middle East WLL ("TUV") (12)	Limited liability	73.42	73.42
Tasnee and Sahara Olefins Company and its subsidiaries (13)	Closed joint stock	60.45	60.45

NATIONAL INDUSTRIALIZATION COMPANY
(A SAUDI JOINT STOCK COMPANY)

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE SIX MONTH PERIOD ENDED 30 JUNE 2021
(All amounts in SR'000 unless otherwise noted)

1. STATUS AND NATURE OF ACTIVITIES (continued)

1.1. Subsidiaries (continued)

1. Rowad National Plastic Company and its subsidiaries ("Rowad")

Rowad National Plastic Company is a Saudi Limited Liability Company with its head office based in Riyadh, Saudi Arabia. The company is engaged in the manufacturing of all types of plastic production and managing and operating the industrial plants.

Rowad National Plastic Company owns 97% and 62.5% of equity interests in Rowad International Geosynthetics Company Ltd. and Rowad Global Packing Company Ltd., respectively, Saudi Limited Liability Companies registered in Dammam, Saudi Arabia.

2. National Lead Smelting Company and its subsidiary ("Rassas")

National Lead Smelting Company is a Saudi Limited Liability Company with its head office based in Riyadh, Saudi Arabia. The company is engaged in the manufacturing of lead as well as polypropylene and sodium sulfate.

National Lead Smelting Company Limited owns 100% of Technical Tetravalent Lead Smelting Company Limited ("TTLSP"), a Saudi Limited Liability Company, which is registered in Jeddah, Saudi Arabia.

National Lead Smelting Company Limited also owns 90% of equity interest in National Batteries Company ("Battariat"), a Saudi Limited Liability Company, which is registered in Riyadh, Saudi Arabia.

3. National Marketing and Industrial Services Company ("Khadamat II")

National Marketing and Industrial Services Company is a Saudi Limited Liability Company based in Riyadh, Saudi Arabia. The company is engaged in marketing, sale and distribution of industrial products, including car batteries, plastic sheets, imports and exports, trading agencies for industrial products and investment in industrial services fields.

4. Taldeen Plastic Solution Company limited ("Taldeen")

Taldeen Plastic Solutions Company Ltd. is a Saudi Limited Liability Company based in Hail, Saudi Arabia. The Company has four plants and engaged in producing plastic pallets, plastic pipes, agri-film and waste-water treatment units.

5. Al Khadra Environment Company for Industrials Waste Management ("Khadra")

Al Khadra Environment Company for Industrials Waste Management ("Khadra") is a Saudi Limited Liability Company based in Jeddah, Saudi Arabia. The Company is engaged in sale, gathering and recycling of used and damaged batteries, lead, plastics, industrial materials and environmental waste.

6. National Industrialization Petrochemical Marketing Company

National Industrialization Petrochemical Marketing Company is a Saudi Limited Liability Company based in Riyadh, Saudi Arabia. The company is engaged in the marketing services of chemical, petrochemical and plastic items including polypropylene and polyethylene.

7. Other subsidiaries

These are direct subsidiaries and are incorporated in the Kingdom of Saudi Arabia. These subsidiaries are mainly holding companies for the Group's investments.

8. National Operation and Industrial Services Company ("Khadamat") - under liquidation

National Operating and Industrial Services Company is a Saudi Limited Liability Company based in Riyadh, Saudi Arabia. The company is engaged in marketing, sale and distribution of industrial products, including car batteries, plastic sheets, imports and exports, trading agencies for industrial products and investment in industrial services fields. The Company is currently under liquidation and the procedures for liquidation are ongoing as at the date of these consolidated financial statements.

NATIONAL INDUSTRIALIZATION COMPANY
(A SAUDI JOINT STOCK COMPANY)

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE SIX MONTH PERIOD ENDED 30 JUNE 2021
(All amounts in SR'000 unless otherwise noted)

1. STATUS AND NATURE OF ACTIVITIES (continued)

1.1 Subsidiaries (continued)

9. Advanced Metal Industries Cluster Company Ltd. ("AMIC")

Advanced Metal Industries Cluster Company Ltd. ("AMIC") was established with direct ownership percentage of 50% each by Tasnee and Cristal. AMIC is a Saudi Limited Liability Company and registered in Jeddah, Saudi Arabia. The company is engaged in setting up industrial projects related to Titanium metals of various type and other related substances including Titanium ore, Iron ore and manufacturing of Titanium dioxide through high pressure oxidation.

10. The National Titanium Dioxide Limited Company ("Cristal")

The National Titanium Dioxide Limited Company is a Saudi Limited Liability Company with its head office based in Jeddah, Saudi Arabia.

Cristal owns 100% equity interest in Cristal International Holdings B.V., a limited liability company registered in The Netherlands and Sinclair Insurance Co. Ltd, incorporated in Bermuda.

During 2020, Cristal sold its 100% shares in Sinclair Insurance Company Ltd., a subsidiary company incorporated and registered in Bermuda.

11. National Inspection and Technical Testing Company Ltd. ("Fahss")

National Inspection and Technical Testing Company Ltd. is a Saudi Limited Liability Company based in Dammam, Saudi Arabia. The company is engaged in providing technical services in inspection, testing, calibration, maintenance and quality management and environment systems (ISO).

12. TUV – Middle East WLL

TUV - Middle East WLL is a Limited Liability Company incorporated in Kingdom of Bahrain. The Company is engaged in inspection of mechanical equipment and industrial instruments, quality management and environment systems (ISO), academic trainings, information technology consultancy and laboratory testing services for various products within GCC countries. TUV - Middle East WLL owns 100% beneficial ownership of a subsidiary, German Safety and Quality Inspection Company LLC, a limited liability company, which is registered in Doha, Qatar.

13. Tasnee and Sahara Olefins Company ("TSOC")

Tasnee and Sahara Olefins Company is a Saudi Closed Joint Stock Company with its head office based in Riyadh, Saudi Arabia. The main objectives of the company are the production and marketing of petrochemical and chemical materials.

Tasnee and Sahara Olefins Company owns 65% of Saudi Acrylic Acid Company ("SAAC"), a Saudi Limited Liability Company, which is registered in Riyadh, Saudi Arabia.

NATIONAL INDUSTRIALIZATION COMPANY
(A SAUDI JOINT STOCK COMPANY)

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE SIX MONTH PERIOD ENDED 30 JUNE 2021
(All amounts in SR'000 unless otherwise noted)

1. STATUS AND NATURE OF ACTIVITIES (continued)

1.2. Associates and Joint Arrangements

The following are the list of the Group's associated companies and joint arrangements included in these consolidated financial statements and effective ownership percentages:

Company Name	Relationship	Legal Form	Effective Shareholding (%)	
			30 June 2021	31 December 2020
Saudi Polyolefins Company ("SPC")	Joint Venture	Limited liability	75.00	75.00
Saudi Ethylene and Polyethylene Company (SEPC)	Joint Venture	Limited liability	45.34	45.34
Saudi Acrylic Monomers Company ("SAMCO")	Joint Venture	Limited liability	39.22	39.22
Saudi Acrylic Polymers Company ("SAPCO")	Joint Venture	Limited liability	39.22	39.22
Advanced Metal Industries Ltd. Company and Toho for Titanium Metal Ltd. Company ("ATTM")	Joint Venture	Limited liability	58.18	58.18
Saudi Butanol Company ("SABUCO")	Joint Operations	Limited liability	17.43	17.43
Clariant Masterbatches (Saudi Arabia) Ltd. ("Clariant")	Associate	Limited liability	40.00	40.00
National Metal Manufacturing and Casting Company ("Maadaniyah")	Associate	Saudi joint stock company	35.45	35.45
Evonik Tasnee Marketing Company ("ETM")	Associate	Limited liability	25.00	25.00
Tronox Holdings plc ("Tronox")	Associate	Listed in NYSE	19.33	20.92

2. BASIS OF PREPARATION

(i) Statement of Compliance

These interim condensed consolidated financial statements are prepared in accordance with the International Accounting Standard No. 34 – "Interim Financial Reporting" 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 Group has prepared the consolidated financial statements on the basis that it will continue to operate as a going concern.

These interim condensed consolidated financial statements do not include all information and disclosures required in the annual consolidated financial statements and should be read in conjunction with the Group's annual consolidated financial statements for the year ended 31 December 2020.

The interim results may not be an indicator of the annual results of the Group.

(ii) Functional and presentation currency

These interim condensed consolidated financial statements are presented in Saudi Riyals, which is also Tasnee's functional currency. All amounts have been rounded to the nearest thousand (SR '000), unless otherwise indicated.

3. SIGNIFICANT ACCOUNTING POLICIES

The accounting policies used in the preparation of these interim condensed consolidated financial statements are consistent with those used in the preparation of the Group's annual consolidated financial statements for the year ended 31 December 2020. There are no new standards effective from January 1, 2021, however, several amendments to existing standards are effective from 1 January 2021 and have been explained in the Group's annual consolidated financial statements. These amendments to existing standards do not have a material effect on these interim condensed consolidated financial statements.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE SIX MONTH PERIOD ENDED 30 JUNE 2021
(All amounts in SR'000 unless otherwise noted)

4. USE OF CRITICAL ESTIMATES AND JUDGMENTS

In preparing these interim condensed consolidated financial statements, management has made judgments, estimates and assumptions that affect the application of the accounting policies and the reported amount of assets, liabilities, income and expenses. Actual result may differ from these estimates. Estimates and judgments are regularly evaluated and are based on historical experience and other factors, including expectation of future events that are believed to be reasonable under the circumstances.

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 that were applied to the annual consolidated financial statements for the year ended 31 December 2020. However, the existence of novel coronavirus (Covid-19) was confirmed in early 2020 and has spread across the globe causing business and economic disruption including the Kingdom of Saudi Arabia and the declaration of this pandemic by the World Health Organization necessitated the Group's management to regularly review its significant judgments in applying the Group's accounting policies and the methods of computation and the key sources of estimation.

The Group's management has proactively assessed the potential of the Covid-19 pandemic for any further regulatory and government restrictions both locally and in the market in which the Group operates that could adversely affect the Group's supply chain and production capabilities, demand of the Group's products, as well as the sales distribution network that could cause a negative impact on the Group's financial performance. Management has concluded that the critical accounting judgements, estimates and assumptions remain appropriate under the current circumstances and the Group has sufficient liquidity to meet its financial obligations for the foreseeable future. Management believes that the Covid-19 pandemic has had no material effect on financial results for the period ended 30 June 2021. However, in view of the current uncertainty, any future change in the assumptions and estimates could result in outcomes that could require a material adjustment to the carrying amounts of the assets or liabilities affected in the future periods. Management will continue to assess the impact based on prospective developments.

5. PROPERTY, PLANT AND EQUIPMENT

During the six months period ended 30 June 2021, the Group added property, plant and equipment with a cost of SR 38.7 million (six months period ended 30 June 2020: SR 37.4 million). Property, plant and equipment with a net book value of SR 8.6 million were disposed-off during the six months period ended 30 June 2021 (six months period ended 30 June 2020: SR 11 million).

6. PROJECTS UNDER PROGRESS

This includes costs of establishing "Slagger Project", a project relating to Titanium metals of various types and other related substances including Titanium ore, Iron ore and manufacturing of Titanium dioxide through high pressure oxidation at Jizan by a subsidiary. During the six months period ended 30 June 2021, there is no additional cost capitalized for Slagger Project.

Further, during the six months period ended 30 June 2021, the Group has additions pertaining to certain capital improvements projects related to existing property, plant and equipment amounting to SR 8.7 million (six months period ended 30 June 2020: SR 1 million).

7. INVESTMENTS IN EQUITY ACCOUNTED ASSOCIATES AND JOINT VENTURES

	30 June 2021 (Unaudited)	31 December 2020 (Audited)
Investments in associates (note 7.1)	2,250,631	2,212,112
Investments in joint ventures (note 7.2)	9,345,562	8,450,194
	<u>11,596,193</u>	<u>10,662,306</u>

7.1 Investment in associates includes equity stake in Tronox which is held by the Group through Cristal International Holdings B.V. ("CIH"), a wholly owned subsidiary of Cristal. The equity stake held by CIH in Tronox as of 30 June 2021 was 24.47% (30 June 2020: 26.18%).

7.2 During the six months period ended 30 June 2021, the Group has provided additional funding to support operations of a joint venture amounting SR 260 million. As per the terms of the agreements, the loan is interest free and is repayable on demand. The management does not expect to demand this loan within the next 12 months.

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8. SHARE CAPITAL

Share capital amounted to SR 6,689,142 thousand as at 30 June 2021 and 31 December 2020 consisting of 668,914 thousand shares of SR 10 each.

9. PREPAYMENTS AND OTHER CURRENT ASSETS

	30 June 2021	31 December 2020
	(Unaudited)	(Audited)
Due from related parties - non-trade (note 38.2)	713,138	515,969
Employees' receivables	80,214	92,149
Prepaid expenses	227,773	192,368
Advances to suppliers	41,044	39,658
Other receivables	964	10,078
	1,063,133	850,222

10. OTHER RESERVES

As at 30 June 2021, other reserves mainly consist of gain from equity investments through FVOCI amounting to SR 81.7 million (31 December 2020: SR (50) million) and foreign currencies translation reserves amounting to SR 13.3 million (31 December 2020: SR 37 million), hedging reserves amounting to SR 18.6 million (31 December 2020: SR 5 million) and a reserve relating to the acquisition of non-controlling interests amounting to SR (926) million (31 December 2020: SR (926) million).

11. LONG-TERM BORROWINGS

The Group's long-term borrowings are as follows:

		30 June 2021	31 December 2020
	Note	(Unaudited)	(Audited)
Saudi Industrial Development Fund	11.1	1,333,998	1,324,488
Commercial banks	11.2	5,653,190	5,865,603
Total loans		6,987,188	7,190,091
Less: Long term borrowings – current portion		(779,858)	(645,346)
Total non-current loans		6,207,330	6,544,745

11.1 Saudi Industrial Development Fund ("SIDF")

The Group has multiple long-term facilities from the Saudi Industrial Development Fund. The total outstanding balance of these loans as at 30 June 2021 amounted to SR 1,334 million (31 December 2020: SR 1,324 million). Up-front and annual administrative fees are charged by SIDF under the loan agreements. These facilities are secured by mortgages on all property, plant, and equipment of the subsidiaries for which the loans were granted and promissory notes, and corporate guarantees from the shareholders. The maturities of the loans based on their respective repayment schedules spread from 2015 through 2025. The loan agreements contain certain covenants which require that pertinent companies maintain specified financial ratios, mainly current ratio and tangible net worth ratio. The Group was in compliance with all the covenants except of certain financial ratios for two subsidiaries, which is not considered as an event of default.

11.2 Commercial banks

The Group has multiple Islamic long-term loan facilities from commercial banks. The outstanding balance of these loans as at 30 June 2021 amounted to SR 5,653 million (31 December 2020: SR 5,866 million). These loans are secured by promissory notes and carry a commission which commensurate with prevailing commercial rates. The maturities of the loans based on their respective repayment schedules spread from 2016 through 2029. The loan agreements contain certain covenants which among others, require that pertinent companies maintain specified financial ratios, mainly current ratio, gearing ratio and interest cover ratio. The covenants are monitored regularly by Management, and in case of breach, actions are taken to ensure compliance. At 30 June 2021, the Group was in compliance of these covenants.

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12. ZAKAT AND INCOME TAX PAYABLE

Status of Zakat and income tax returns and assessments

The Company

During 2015, the Parent Company received an approval from Zakat Tax and Customs Authority ("ZTCA") in the Kingdom of Saudi Arabia to file consolidated zakat returns of the Parent Company and its 100% owned Saudi subsidiaries since 2008. The Company has filed consolidated zakat returns while non-wholly subsidiaries have filed their zakat and income tax returns with ZTCA up to the year ended 31 December 2020. The Company has finalized its Zakat and income tax status with ZTCA up to 2007 and received initial assessments for the years up to 2018 resulting in additional liability of SR 246 million. The Company has filed appeals against these assessments, which are still under review. The management believes that sufficient provisions are recorded, and no material additional liability is likely to arise from open assessments, once finalized.

Status of Zakat and income tax returns and assessments

Subsidiaries

Non-wholly owned subsidiaries in KSA file their zakat and income tax returns individually. Some of these subsidiaries have received initial assessments for several years from the ZTCA, resulting in additional liability amounting to SR 291 million. Included in this is an amount of SR 67 million pertaining to an initial assessment received during the period in respect of a subsidiary for the years from 2016 to 2018. The subsidiaries have submitted appeals against these assessments which are still under review. The management believes sufficient provisions are recorded by the Group wherever necessary and no material additional liability is likely to arise from open assessments, once finalized. Any additional zakat and income tax liabilities or adjustments are recorded when known and finalized.

13. BASIC AND DILUTED EARNINGS PER SHARE

Basic and diluted earnings per share are calculated by dividing operating profit and net profit attributable to equity holder of parent by the weighted average number of ordinary shares issued, that is 668,914 thousand shares as at 30 June 2021 (30 June 2020: 668,914 thousand shares).

14. RELATED PARTIES TRANSACTIONS AND BALANCES

In the ordinary course of its activities, the Group transacts business with related parties, based on mutually agreed terms and conditions. Balances and transactions between the Company and its subsidiaries are eliminated. A summary of such transactions and balances with the related parties are as follows:

14.1 Trading transactions

The following are the significant related party transactions:

	Sale of goods and services		Purchase of goods and services		Other income/expenses*	
	For the six-months period ended		For the six-months period ended		For the six-months period ended	
	30 June 2021 (Unaudited)	30 June 2020 (Unaudited)	30 June 2021 (Unaudited)	30 June 2020 (Unaudited)	30 June 2021 (Unaudited)	30 June 2020 (Unaudited)
Associates	-	-	6,507	8,007	39,009	3,721
Joint ventures	444,124	257,133	436,089	325,369	310,848	363,803

Sale of goods and services also includes the provision of utilities and administrative services for the six months period ended 30 June 2021 of SR 66 million (for the six months ended 30 June 2020: SR 69 million) to its related parties at cost plus basis and marketing services charge for the six months period ended 30 June 2021 of SR 91 million (for the six months ended 30 June 2020: SR 58 million).

Purchases of goods includes purchase of petrochemical products from related parties at agreed prices.

Other income / expenses include subsidy provided to affiliates for the six months period ended 30 June 2021 amounting to SR 30 million (for the six months period ended 30 June 2020: SR 86 million) and commission income for the six months period ended 30 June 2021 is SR 3.9 million (for the six months period ended 30 June 2020: SR 5.8 million).

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14. RELATED PARTIES TRANSACTIONS AND BALANCES (continued)

14.2 Amounts due from / to related parties

The following balances are outstanding at the end of reporting period:

	Due from related parties		Due to related parties	
	30 June 2021 (Unaudited)	31 December 2020 (Audited)	30 June 2021 (Unaudited)	31 December 2020 (Audited)
Associates				
Trade	-	-	19,308	49,324
Other non-trade	12,957	11,296	186,625	187,907
Loans	-	-	494,019	491,532

Other non-trade payables from associates are mainly related to the reimbursement of VAT and certain shared cost.

Loans payable mainly includes interest bearing loan provided by an associate, Tronox to a subsidiary at market rates.

	Due from related parties		Due to related parties	
	30 June 2021 (Unaudited)	31 December 2020 (Audited)	30 June 2021 (Unaudited)	31 December 2020 (Audited)
Joint ventures				
Trade	162,968	81,659	1,448,865	1,029,194
Other non-trade	464,396	265,177	129,008	132,110
Loans	577,023	318,058	395,884	422,760
Loans from minority shareholders'				
Loans	-	-	323,013	318,813

Other non-trade receivable is mainly related to the provision of services to the Group's joint ventures, funding support and the reimbursement of VAT.

Loans receivable mainly includes loan receivable from ATTM at market interest rate, the loan is a prepayment under the forward sale agreement. Loans payable mainly includes loan provided by SEPC and SPC to the Group for employees' housing ownership and housing loan program. In case where these loans are interest free, they are fair valued at market interest rate.

14.3 Compensation of key management personnel

Key managerial personnel are those individuals having authority and responsibility for planning, directing and controlling the activities of the Group, directly or indirectly, includes senior management and board of directors (executive or otherwise). The remuneration of key management personnel during the period are as follows:

	For the six months period ended	
	30 June 2021 (Unaudited)	30 June 2020 (Unaudited)
Short-term benefits (salaries and allowances)	12,349	17,954
Post-employment benefits	841	780

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15. SEGMENT INFORMATION

For management purposes, the Group is organized into business units based on their products and services and has three reportable segments, Chemicals, Petrochemicals and Downstream & Others described as follows:

Segment	Description of activities
Chemicals	Includes the Group's investment in TiO2 business, production of Titanium sponge and its by-products, project under progress for production of Titanium metals of various types and related substances including Titanium and Iron ore.
Petrochemicals	Includes basic chemicals and polymers.
Downstream & Others	Includes the production of liquid batteries for cars, production of lead and sodium sulfate, all kinds of plastic productions and the production of acrylic panels. Also, includes the operations of the head office, and technical centers, innovations and investment activities.

The Board of Directors (BoD), who has been identified as the Chief Operating Decision Maker (CODM) monitors the operating results of its business units separately for the purpose of making decisions about resource allocation and performance assessment. Transactions between the operating segments are on terms approved by the management. Inter segment revenue are eliminated upon consolidation and reflected in adjustments and eliminations column. All other eliminations are part of detailed reconciliation as stated below.

The Group's total revenue, expenses items for the six months period ended 30 June 2021 and 2020 by operating segments, are as follows:

	Chemicals	Petrochemicals	Downstream & others	Eliminations / adjustments	Total
For the six-months period ended 30 June 2021 (Unaudited)					
Sale of goods	-	786,996	478,623	62,910	1,328,529
Rendering of services	-	-	52,134	-	52,134
Others	-	68,332	120,466	(63,671)	125,127
Total Segment revenue	-	855,328	651,223	(761)	1,505,790
Segment expenses	98,966	634,065	728,712	761	1,462,504
Share of profit (loss) from associates and joint ventures, net	59,621	1,071,283	(3,554)	-	1,127,350
Depreciation and amortization	3,193	51,860	73,452	-	128,505
Segment EBITDA	(83,663)	849,320	559,737	-	1,325,394
For the six-months period ended 30 June 2020 (Unaudited)					
Sale of goods	-	477,473	406,241	60,176	943,890
Rendering of services	-	-	61,511	-	61,511
Others	-	109,910	37,422	(61,081)	86,251
Total Segment revenue	-	587,383	505,174	(905)	1,091,652
Segment expenses	95,411	626,968	574,394	905	1,297,678
Share of profit (loss) from associates and joint ventures, net	(50,023)	378,627	(5,455)	-	323,149
Depreciation and amortization	2,462	42,112	78,826	-	123,400
Segment EBITDA	(370,588)	241,144	173,089	-	43,645

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15. SEGMENT INFORMATION (continued)

The Group's total assets and liabilities as at 30 June 2021 and 31 December 2020 by operating segments are as follows:

	Chemicals	Petro-chemicals	Downstream & others	Eliminations / adjustments	Total
As at 30 June 2021 (Unaudited)					
Segment assets	5,197,609	9,179,277	18,023,809	(8,760,747)	23,639,948
Segment liabilities	2,937,074	2,795,660	7,569,801	(250,058)	13,052,477
Investments in equity accounted associates and joint ventures	2,381,877	9,077,961	136,355	-	11,596,193
As at 31 December 2020 - Audited					
Segment assets	5,093,140	8,585,532	16,582,358	(7,940,164)	22,320,866
Segment liabilities	2,772,202	2,731,294	7,503,295	(268,938)	12,737,853
Investments in equity accounted associates and joint ventures	2,066,375	8,458,905	137,026	-	10,662,306

16. FAIR VALUE MEASUREMENT OF FINANCIAL INSTRUMENTS

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or liability, the Group takes into account the characteristics of the assets or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date.

All financial assets and liabilities have been accounted at amortized cost except for the investments in equity instruments designated at FVOCI and derivative instruments which have been carried at fair value either through the interim condensed consolidated statement of profit or loss or interim condensed consolidated statement of comprehensive income depending on whether hedge accounting is followed or not.

The management assessed that other current financial assets and liabilities approximate their carrying amounts largely due to the short-term maturities of these instruments.

16.1 Fair valuation techniques

For financial reporting purposes, the Group has used the fair value hierarchy categorized in level 1, 2 and 3 based on the degree to which the inputs to the fair value measurement are observable and significance of the inputs to the fair value measurement in its entirety, and describe as follows:

- **Level 1** - quoted prices (unadjusted) in active markets for identical assets or liabilities that the Group can assess at the measurement date.
- **Level 2** - inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- **Level 3** - inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The valuation of each publicly traded investment is classified as Level 1 and based upon the closing market price of that stock as of the valuation date, less a discount if the security is restricted.

Fair values of investments in unquoted equity shares classified in Level 2 & 3 are determined based on the investees' latest reported net asset values as at the date of interim condensed consolidated statement of financial position. Interest rate swaps and caps are classified as Level 2.

The following table shows the carrying amounts and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy. It does not include fair value information for financial assets and financial liabilities not measured at fair value if the carrying amount is a reasonable approximation of fair value:

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16. FAIR VALUE MEASUREMENT OF FINANCIAL INSTRUMENTS (continued)

Nature of financial instrument	Carrying value	Level 1	Level 2	Level 3
As at 30 June 2021				
Financial Assets				
Investments in quoted equity shares	366,884	366,884	-	-
Investments in unquoted equity shares	520,255	-	42,178	478,077
Financial Liabilities				
Interest rate swaps and caps	4,208	-	4,208	-
As at 31 December 2020				
Financial Assets				
Investments in quoted equity shares	285,168	285,168	-	-
Investments in unquoted equity shares	520,255	-	42,178	478,077
Financial Liabilities				
Interest rate swaps and caps	7,868	-	7,868	-

Apart from the above financial instruments, other financial instruments have been carried at amortized cost.

16.2 Transfers between Levels 1 and 2

There have been no transfers between the levels during the six-months period ended 30 June 2021. There were also no changes made to any of the valuation techniques applied as of 31 December 2020.

17. DERIVATIVE FINANCIAL INSTRUMENTS

	30 June 2021 (Unaudited)	31 December 2020 (Audited)
Derivatives designated as hedges		
Interest rate swaps and caps	4,208	7,868

The Group is exposed to fluctuations in variable interest rates on its short term and long-term debt. The Group maintains an interest rate risk management strategy that uses derivative instruments to economically convert a portion of its variable rate debt to fixed rate debt. The Group has entered into interest rate swap contracts and interest rate caps with certain local banks. The fair value amounts of such contracts outstanding as at 30 June 2021 was SR 4.2 million (31 December 2020: SR 7.9 million).

18. COMMITMENTS AND CONTINGENCIES

18.1 Capital commitments:

The Group's capital commitments as of reporting date are as follows:

	30 June 2021 (Unaudited)	31 December 2020 (Audited)
Capital commitments for projects under progress	28,112	29,103

18.2 Contingencies

The Group's contingencies as of reporting date are as follows:

	30 June 2021 (Unaudited)	31 December 2020 (Audited)
Letters of guarantee	313,991	314,623
Letters of credit	12,502	913
	326,493	315,536

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18. COMMITMENTS AND CONTINGENCIES (continued)

Additionally, the Group has issued corporate guarantees to commercial banks and Saudi Industrial Development Fund by its share owned in share capital of some joint ventures against the loans, which have been obtained by these joint ventures from such parties. As at 30 June 2021 such guarantees amounted to SR 1,915 million (31 December 2020: SR 2,020 million).

The Group bears the obligations of pre-closing tax liabilities resulting from any final assessments determined by relevant tax authorities of subsidiaries disposed-off by the Group. The ultimate outcome of any such final assessments and their timeline are not presently known, however, the management based on its best estimates has provided for such potential obligations in the interim condensed consolidated financial statements.

The Group is involved in legal litigation claims in the ordinary course of business, which are being defended; there are also some claims under the process of final settlement. The ultimate results of these claims cannot be determined with certainty as of the date of preparing the interim condensed consolidated financial statements; the Group's management does not expect that these claims will have a material adverse effect on the Group's interim condensed consolidated financial statements.

19. PURCHASE OPTION AGREEMENT FOR SLAGGER ASSET IN ADVANCED METAL INDUSTRIES CLUSTER COMPANY LIMITED ("AMIC")

A subsidiary "AMIC" has signed an Option agreement with Tronox Holdings Plc ("Tronox"). Under the Option Agreement, AMIC shall incorporate a wholly owned Special Purpose Vehicle ("SPV") in the Kingdom of Saudi Arabia and subject to certain exceptions as set out in the Option Agreement, transfer the assets, liabilities and contracts used for its Jazan-based titanium slag smelting Slagger Business to the SPV; and subject to the satisfaction of certain conditions precedent set out in the Option Agreement including reaching the Sustainable Operations, AMIC shall have an option to require Tronox to purchase, and Tronox shall have an option to require AMIC to sell, 90% of AMIC's ownership in the SPV.

At the interim condensed consolidated statement of financial position date, the Group management is of the view that the high probability test of transaction completion as required by IFRS 5: "Non-current Assets Held-for-Sale and Discontinued Operations" before assets and liabilities are reclassified as "held for sale" had not been met due to uncertainty with respect to the conditions for the exercise of call or put Option, and consequently no reclassification has occurred.

20. RESTATEMENT OF PRIOR YEAR FIGURES

As explained in the Group's annual consolidated financial statements for the year ended 31 December 2020, the Group had restated certain of the prior year amounts of its consolidated statement of financial position and consolidated statement of changes in equity, which are also adjusted in these interim condensed consolidated financial statements. Consistent with these changes a restatement of the Group's interim condensed consolidated statement of profit or loss and interim condensed consolidated statement of cash flows has also been made and is explained below:

- a) The Group has adjusted certain revenues and cost of revenue related to intercompany eliminations for its joint operation amounting to SR 49.035 million and SR 54.098 million for the three months and six months periods ended 30 June 2020 respectively.
- b) The Group has reversed the amortization of deferred cost amounting to SR 5.779 million and SR 12.799 million for the three months and six months periods ended 30 June 2020 respectively, as this amount of deferred cost was charged off in prior period as disclosed in annual consolidated financial statements for the year ended 31 December 2020.
- c) The Group has reversed the impairment on asset held for sale amounting to SR 2.837 million recorded in the three months period ended 30 June 2020, as the value of asset held for sale was charged off in prior period as disclosed in annual consolidated financial statements for the year ended 31 December 2020.
- d) The Group has reversed goodwill written off amounting to SR 17.69 million recorded in the six months period ended 30 June 2020, as this goodwill was derecognized in prior period as disclosed in annual consolidated financial statements for the year ended 31 December 2020.
- e) The Group has reclassified income on murabaha based deposits amounting to SR 14.31 million and SR 30.14 million for the three months and six months periods ended 30 June 2020 respectively from other income to finance cost, and also research center expenses amounting to SR 16.509 million and SR 41.326 million for the three months and six months periods ended 30 June 2020 respectively from general and administrative expenses to other expenses. Further, the management has shown impairment of financial and non-financial assets separately on the face of the interim condensed consolidated statement of profit or loss which were previously classified under general and administrative expenses.

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20. RESTATEMENT OF PRIOR YEAR FIGURES (continued)

Impact on interim condensed consolidated statement of profit or loss for the three months and six months periods ended 30 June 2020 is as follows:

	Note	For the three month period ended 30 June 2020 (Unaudited)			For the six month period ended 30 June 2020 (Unaudited)		
		As reported	Restatement	Restated	As reported	Restatement	Restated
Revenue	a)	486,316	(49,035)	437,281	1,145,750	(54,098)	1,091,652
Cost of revenue	a)	(409,944)	49,035	(360,909)	(975,318)	54,098	(921,220)
General and administrative expenses	c), e)	(173,149)	25,189	(147,960)	(337,368)	64,374	(272,994)
Impairment of non-financial assets	e)	(204,198)	(4,638)	(208,836)	(204,198)	(17,869)	(222,067)
Impairment of financial assets	e)	-	(1,205)	(1,205)	-	(2,342)	(2,342)
Operating loss		(169,206)	19,346	(149,860)	(131,238)	44,163	(87,075)
Other income / (loss), net	e)	46,373	(46,373)	-	61,096	(61,096)	-
Other income	d), e)	-	35,957	35,957	-	56,347	56,347
Other expenses	e)	-	(20,406)	(20,406)	-	(49,027)	(49,027)
Finance costs	b), e)	(62,049)	20,092	(41,957)	(143,157)	42,939	(100,218)
Loss before zakat and income tax		(184,882)	8,616	(176,266)	(213,299)	33,326	(179,973)
Loss after zakat and income tax		(214,518)	8,616	(205,902)	(271,689)	33,326	(238,363)
Basic and diluted earnings per share		(0.28)	0.01	(0.27)	(0.40)	0.05	(0.35)

Impact on interim condensed consolidated statement of cash flows (extract) for the six month period ended 30 June 2020

	As reported	Restatement	Restated
Net cash flows from operating activities	88,019	(2,780)	85,239
Net cash flows from investing activities	333,669	65,578	399,247
Net cash flows from financing activities	(347,159)	(62,798)	(409,957)
Net decrease in cash and cash equivalents	74,529	-	74,529

21. EVENTS AFTER THE REPORTING DATE

Subsequent to the reporting date, the Group has entered into an agreement with one of its minority shareholders in relation to certain projects, which were executed by the Group in prior years. As per the agreement minority shareholder will pay SR 285 million to the Group as full and final settlement to abandon any rights and waive all obligations associated with these projects.

No other material events have occurred subsequent to the reporting date and before the issuance of these interim condensed consolidated financial statements which require adjustment to, or disclosure, in these interim condensed consolidated financial statements.

22. APPROVAL OF THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

These interim condensed consolidated financial statements were approved from the Board of Directors on 8 August 2021G (corresponding to 29 Dhu-Al-Hijjah 1442H).