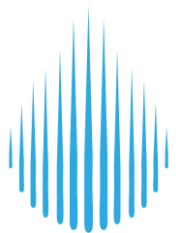




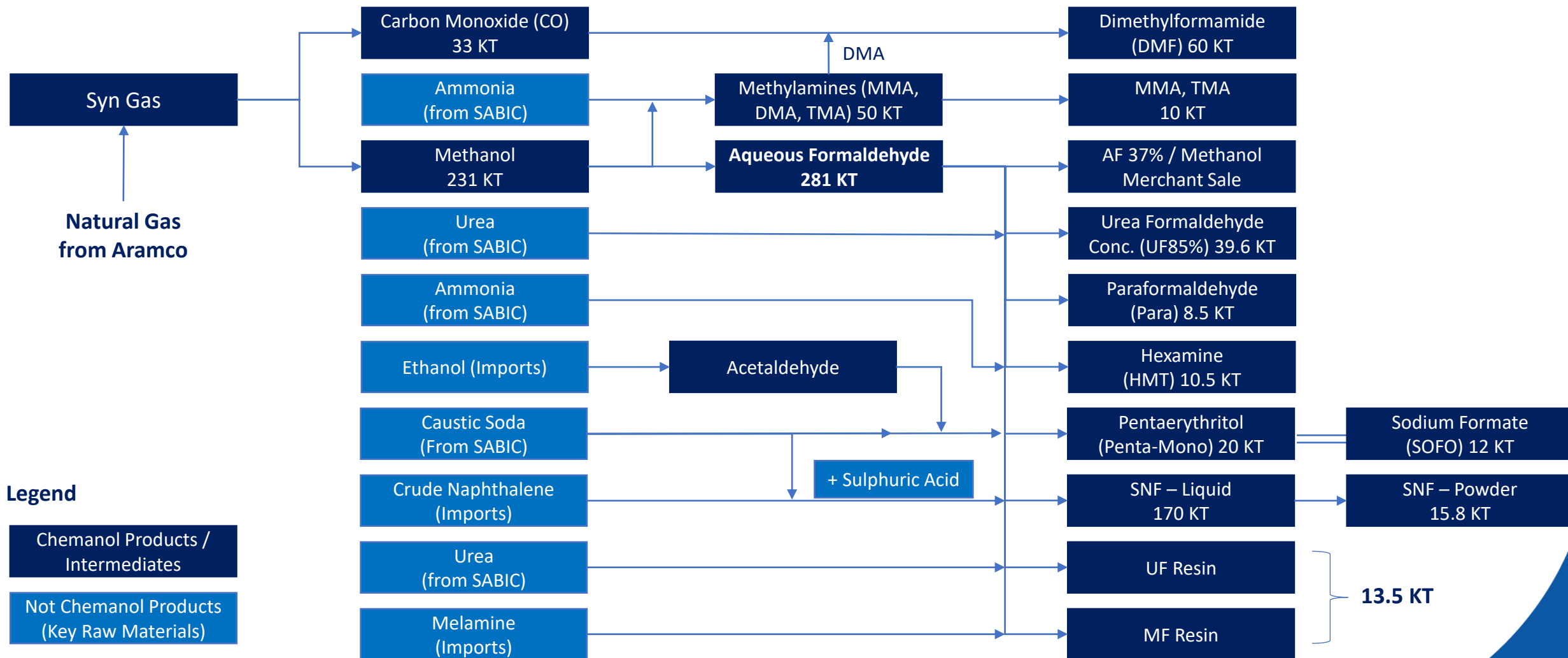
Chemanol Financial Position

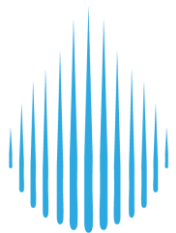
July 25, 2022

Chemanol Introduction & Current Status









Chemanol – Products Manufacturing Flowchart



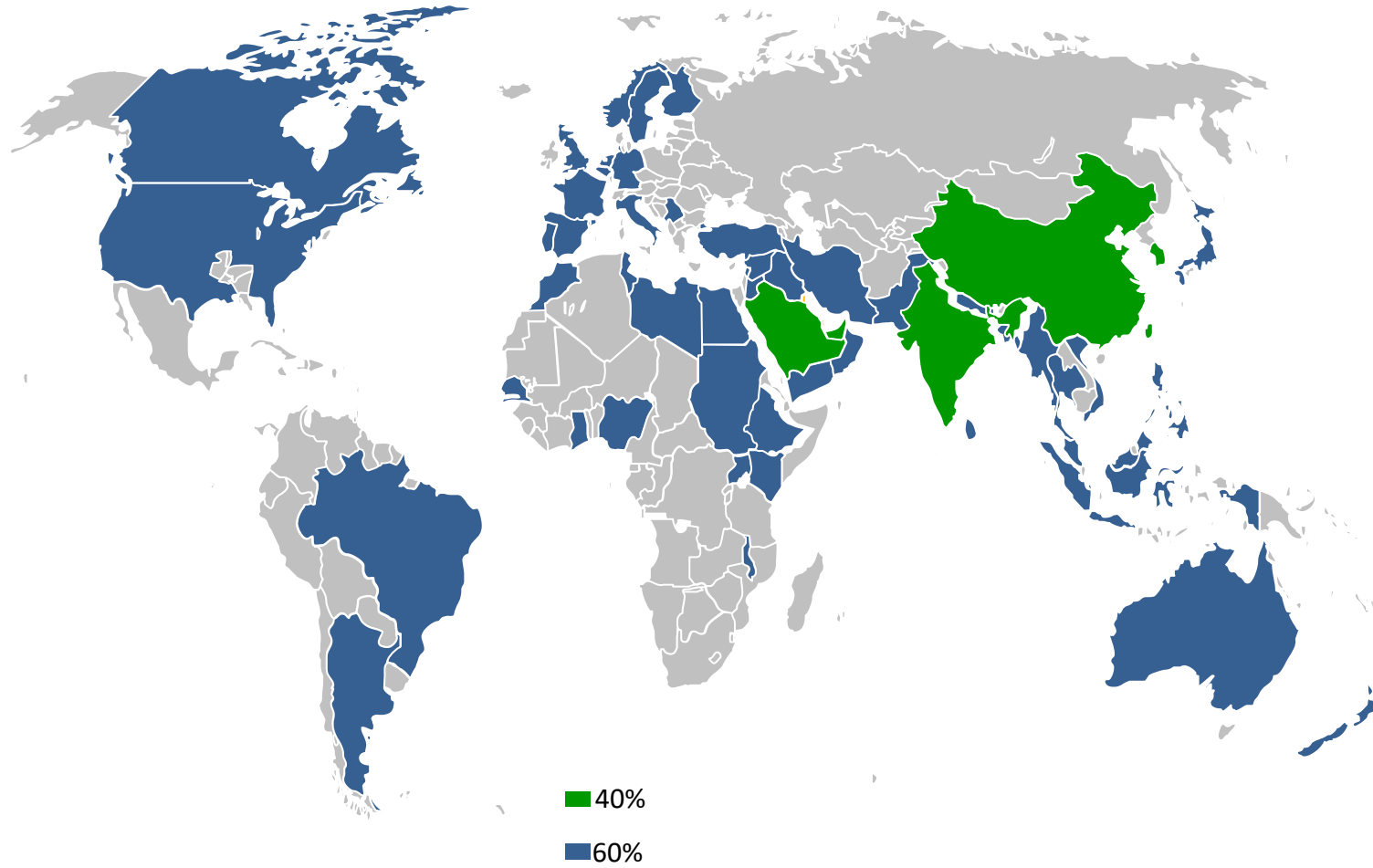


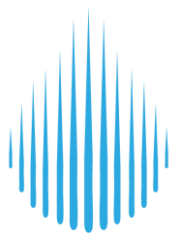
Products and Applications

HMT		DMF		Resins	
Explosives	Vulcanizing Agent	Pharmaceuticals	PU leather Solvent	Laminates	Wood boards
					
SNF		PENTA		SOFO	
Oilfield Chemicals	Construction Chemicals	Explosives	Synthetic Lubes	Oilfield Chemicals	Leather tanning
					
PARA		Formaldehyde AF/UF		Amines (MMA, DMA, TMA)	
Ion Exchange Resins	Friction Dust Industry	Oilfield formulations	Fertilizers	Oil & Gas treatment	Pharmaceuticals
					



WORLD PRESENCE





Chemanol vs Competitors

Product	Capacity (MT)	Other Producers			Remarks
		Saudi	GCC	MENA	
AF- 37 (Formaldehyde)	300,000	Yes	Yes	Yes	Chemanol is one of the largest producer in these regions
UF-85 (Formaldehyde)					
HMT	9,600	No	No	Iran	
PARA	8,000	No	No	No	
UF-RESIN	13,200	Yes	Yes	Yes	
MF-RESIN		Yes	Yes	Yes	
SNF-L	163,000	Yes	Yes	Yes	Chemanol is one of the largest producer in these regions
SNF-P					
PENTA	20,000	No	No	No	
PENTA (MIX)					
SOFO	12,000				
METHANOL	231,000	Yes	Yes	Yes	
METHYLAMINES	50,000	No	No	No	
DMF	60,000	No	No	No	

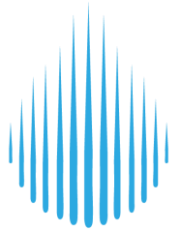


Achievements



- Achieved more than **15.8 Million safe man hours** for the first time in Chemanol history.
- Chemanol management has done significant improvements in the last three years to enhance plant reliability and believes that next few years will be the time to gain the benefits of such improvements.
- Achieved 67% Saudization.
- All 2021 & 2022 existing loans installments were paid in advance.
- Manage to get new loan with more 50% reduction in Finance cost.
- At the end of 2021, Chemanol secured along term Insurance policy for more than one year with competitive terms to protect the company interest.
- SAP-S4 HANA Implementation project selected Regional Finalist SAP Quality Awards for Customer Success - 2021 in the Rapid Time to Value category - Europe , Middle Ease & Africa.
- DMF is reaching highest prices in history derived by strong demand from SEA (especially in India) and weak supply from China and Europe. Chemanol managed to have significant portion of India DMF market share which is the highest price market for DMF.





Achievements



- Expand the sales geographically and reached new customers in Africa, Canada & Europe.
- Since we expanded geographically, we established credit insurance to give Chemanol an opportunity to cover more customers in different markets.
- UF85 and AF 37 demand is better than the levels before covid 19 and expected to continue the same due to new expansions at our customers sides especialy in Saudi and Nigeria.
- HMT is reaching highest prices in history derived by strong demand from Europe. Chemanol is managed to secure long-term agreement to sell more HMT

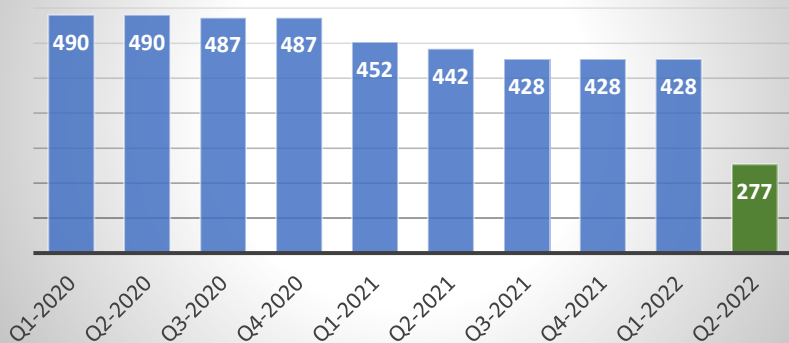


Chemanol Financial Results since Covid-19



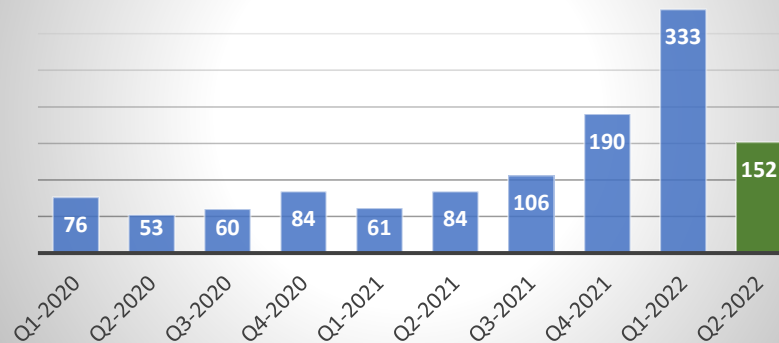
Commercial Loans

(Decrease by 44% in Q2'22 compared Q1'20)



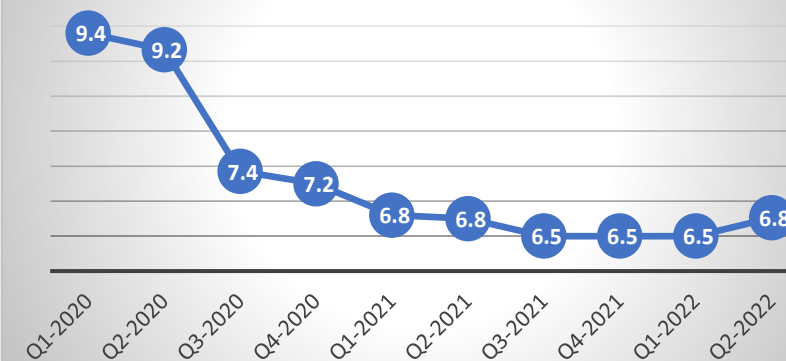
Cash and Cash Equivalents

(Increase by 99% in Q2'22 compared Q1'20)



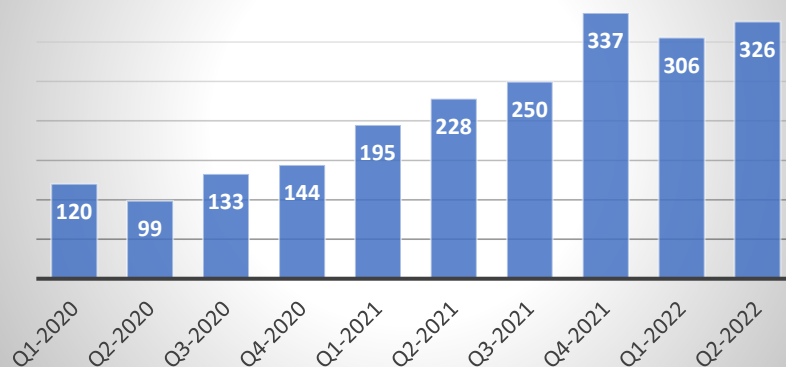
Finance Cost (SAR in Million)

(Decrease by 27% in Q2'22 compared Q1'20)



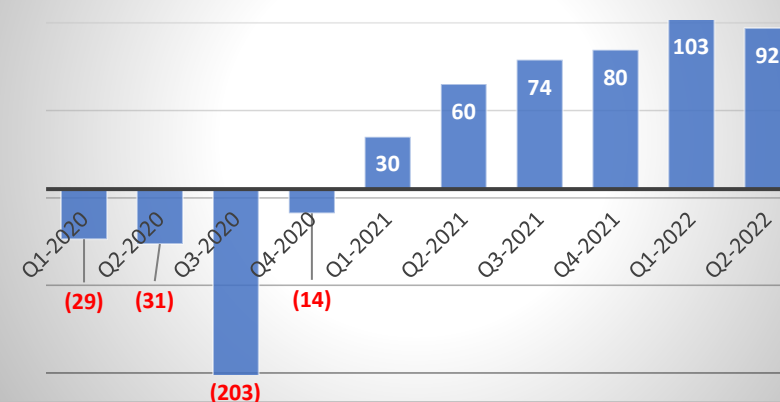
Revenues (SAR in Million)

(Increase by 171% in Q2'22 compared Q1'20)



Net Profit (SAR in Million)

(Increase by more than 200% in Q2'22 compared to Q1'21)



* Fair value gain (due to restructure) is not included in Q1-2021 Finance Cost.

** Amortized cost (due to refinance) is not included in Q2-2022 Finance Cost.



New Loans Restructure

Description	Year - Instalment	Existing Loans			New Loan
		Outstanding Balance	Repayment	Total Loans Jun 30, 2022	
Refinancing outstanding loans with saving more than 50% of finance cost	2022	259,257,336*	(136,257,336)	123,000,000	42,668,717
	2023	19,009,781	-	19,009,781	55,996,850
	2024	33,267,117	-	33,267,117	32,104,573
	2025	38,019,563	-	38,019,563	30,896,184
	2026	42,772,008	-	42,772,008	24,472,949
	2027	57,029,344	-	57,029,344	45,533,716
	2028	237,622,267	(150,720,080)**	86,902,187	46,545,226
	2029	-	-	-	53,530,432
	2030	-	-	-	123,251,353
Total		686,977,416	(286,977,416)	400,000,000	455,000,000

* Includes SIDF Loan

** 2028 installment was paid in advance

Methanol

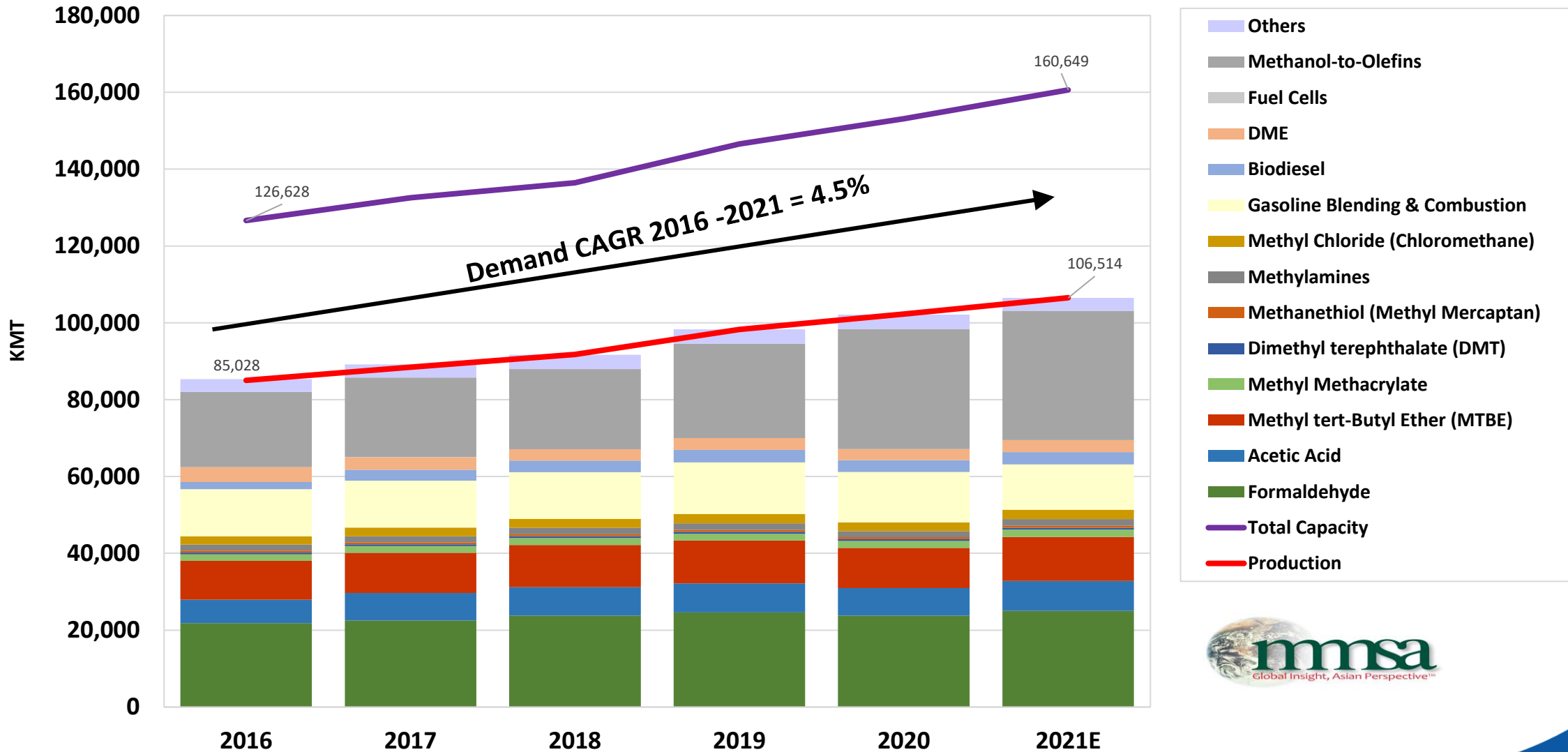
Amines

Methanol



Methanol: World Supply & Demand

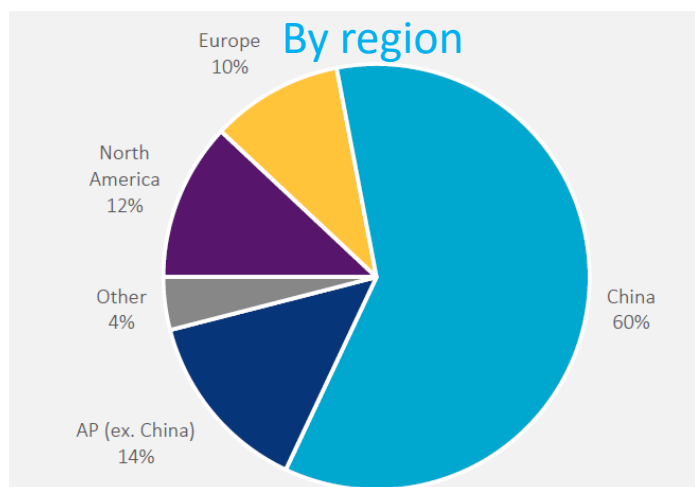
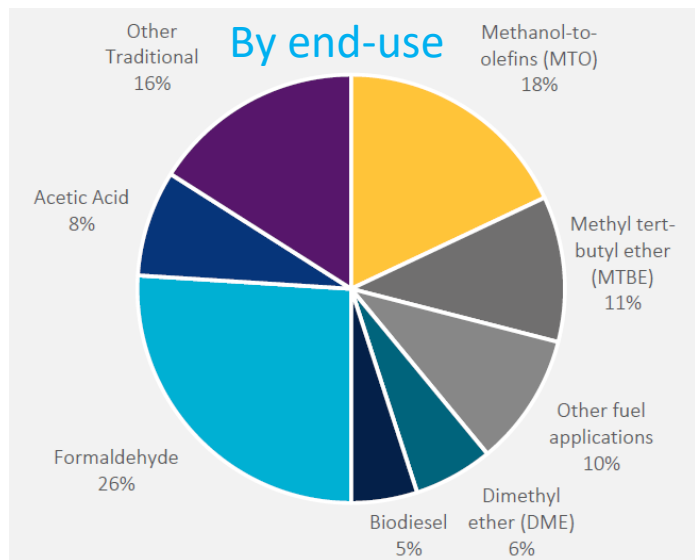
The current World Methanol demand is 106.5 million MT





Methanol: Demand Outlook

IHS forecasts strong methanol demand growth (2021-2025)



Global methanol demand growth forecast ~4% CAGR



Source: IHS, Methanex



Methanol: Price Outlook

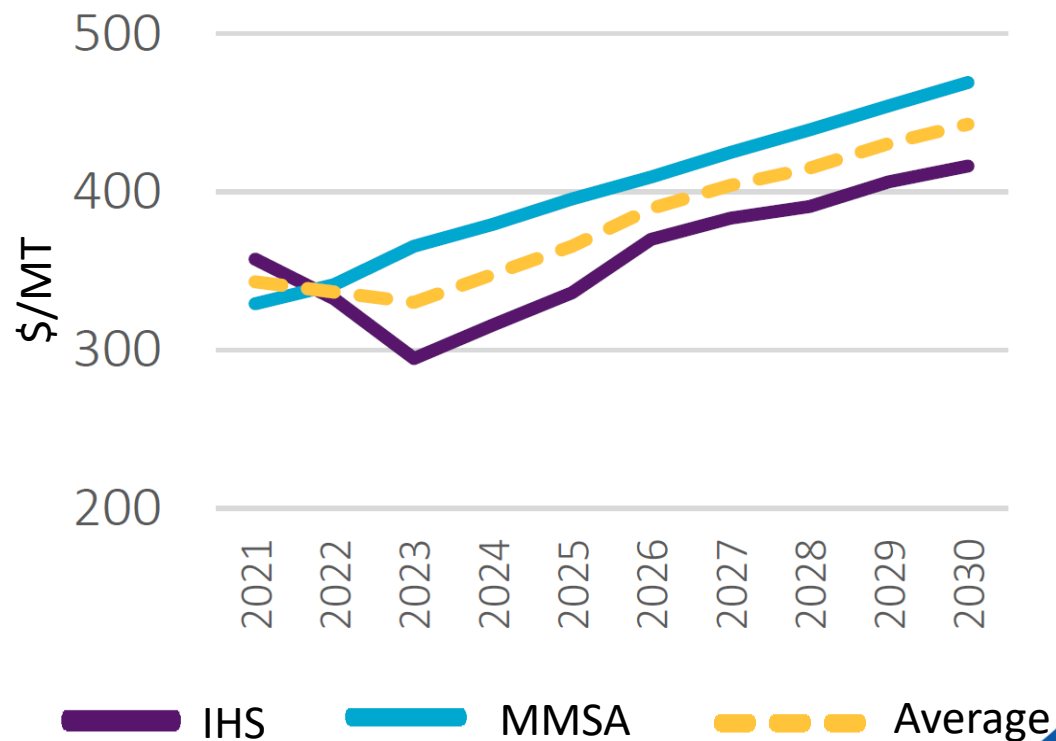
Strong near-term pricing Outlook

- ❖ Higher methanol prices and tight market conditions supported by:
 - Steady Methanol demand
 - Low global inventory levels
 - Ongoing industry supply challenges
 - Higher energy price environment
- ❖ Significant steepening of industry cost curve
 - Global energy shortages and higher energy prices provide firm methanol price support
 - Marginal producer includes high-cost coal-based methanol producers and natural-gas based producers in China
- ❖ Methanol process have averaged ~\$350/MT over the last 10 years and have been over \$300/MT over 70% of the time

Independent Consultants Price Forecasts

Industry forecasts show pricing at:

- \$300-330/MT in the near-term
- \$400+/MT in the long-term





Methanol Revamp Project

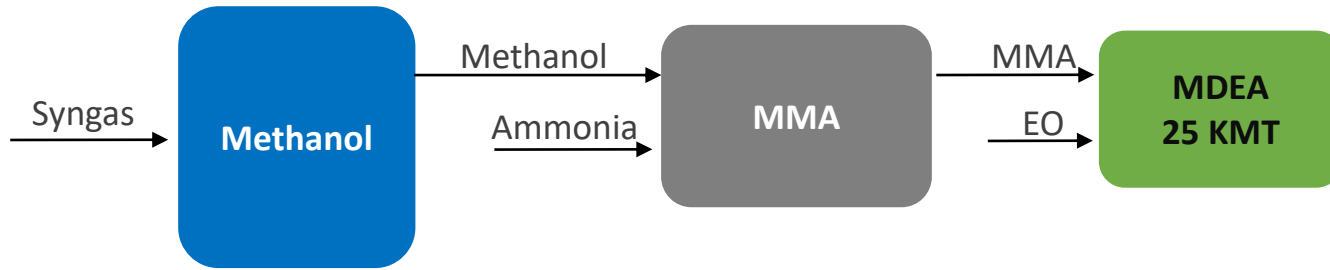


- ❖ Gas allocation was approved by Ministry of Energy.
- ❖ This project will be an expansion on the same Methanol site to increase the capacity by more than 40% (100 KMT) which will generate an average annual net profit of \$ 12 Mn.
- ❖ Construction period will be around two years and the project IRR will be more than 20%.
- ❖ Basic Engineering for this project started in Q1-2022.

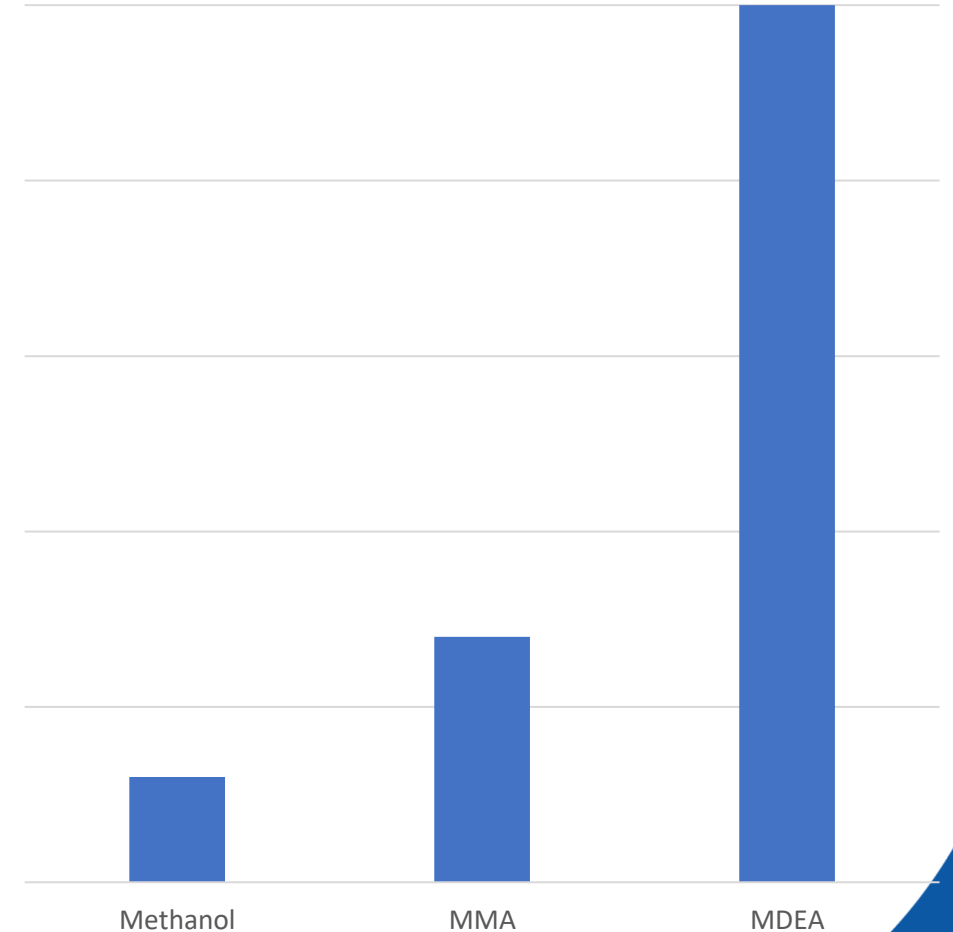


Amines Unit (MDEA) (Revamp Project)

Product Value Chain



Value Addition



Product Applications



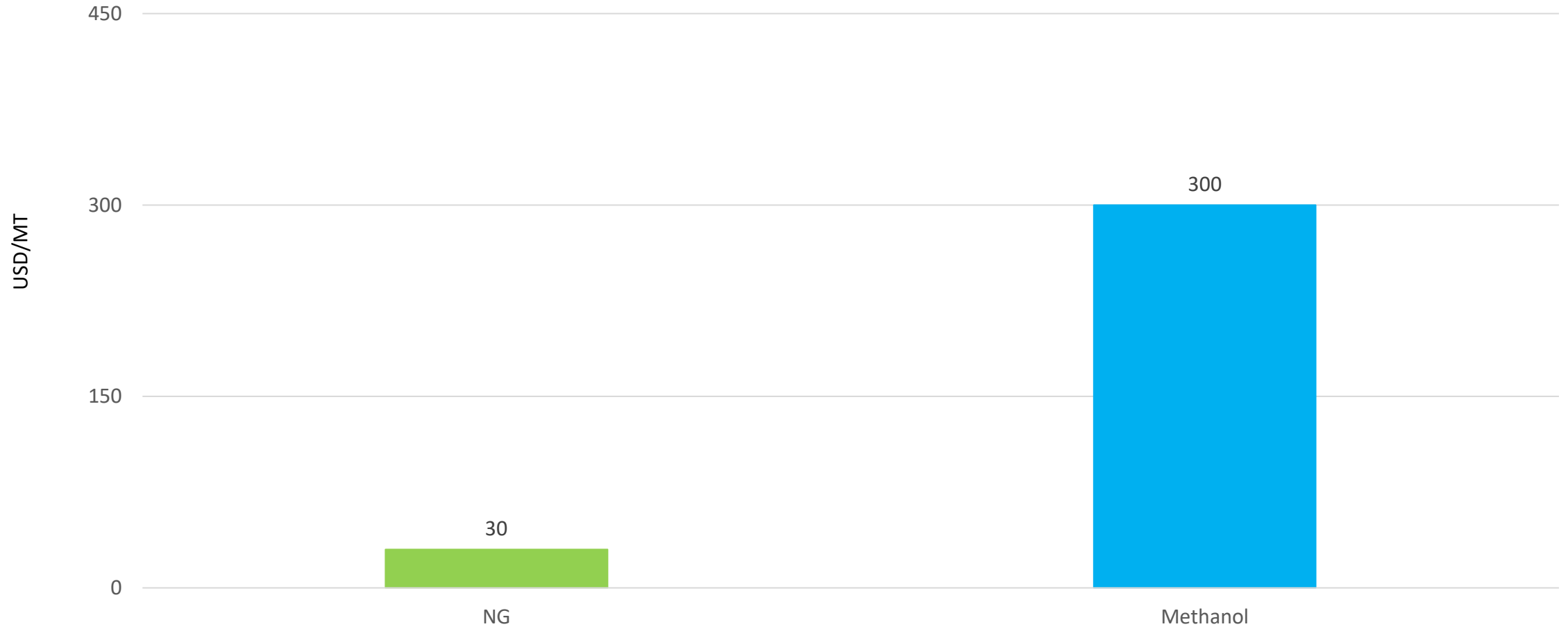
MDEA is used in tail gas treating and hydrogen sulphide and Carbon dioxide enrichment units for selectively removing hydrogen sulphide from gas streams containing carbon dioxide. Some sweetening technologies uses MDEA as a main solvent with additives such as Piperazine & Sulfolane.



MDEA (with Piperazine Solution) has been consuming in many power station plants as a solvent for the CO2 Capture (CCU & CCS). MDEA blend with Piperazine or other amines is the most used solvent in CO2 capture industry.

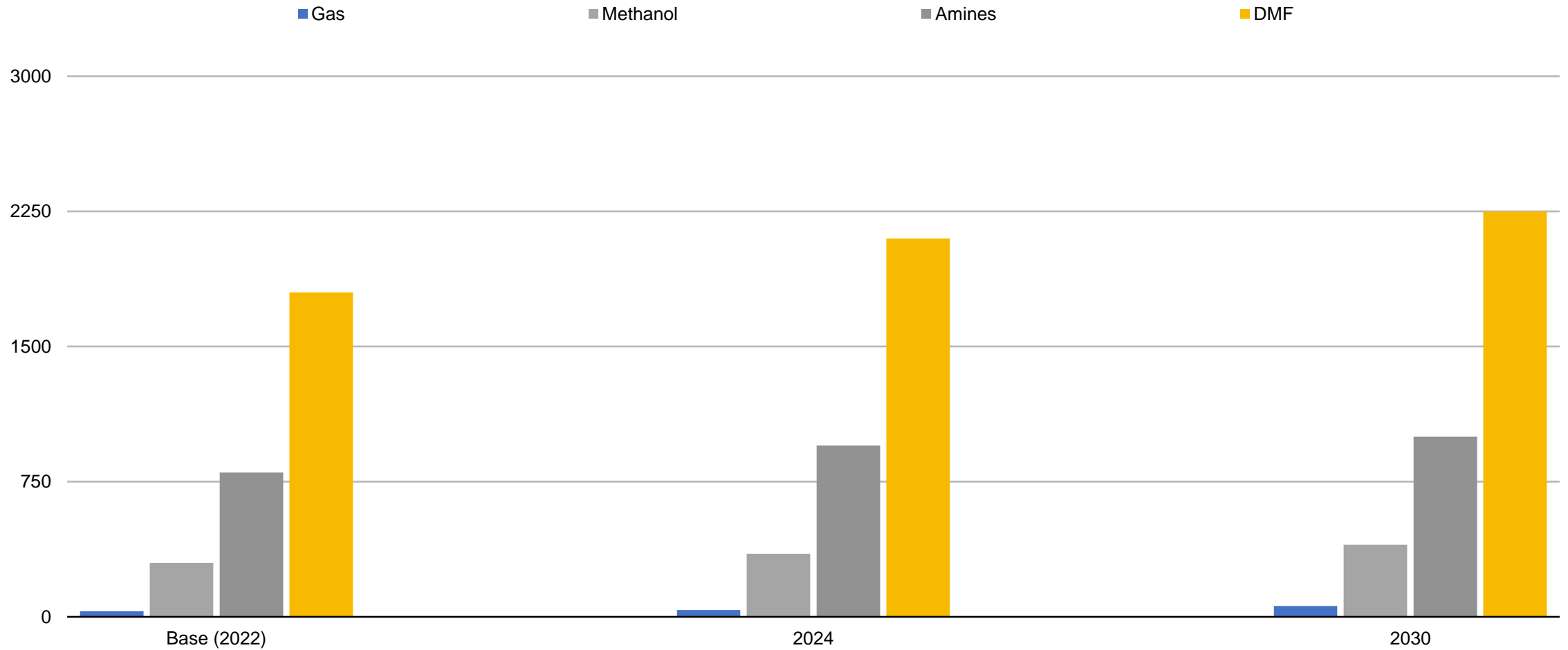


Methanol Value Addition





Impact of Gas Increase vs Methanol & Amines Prices

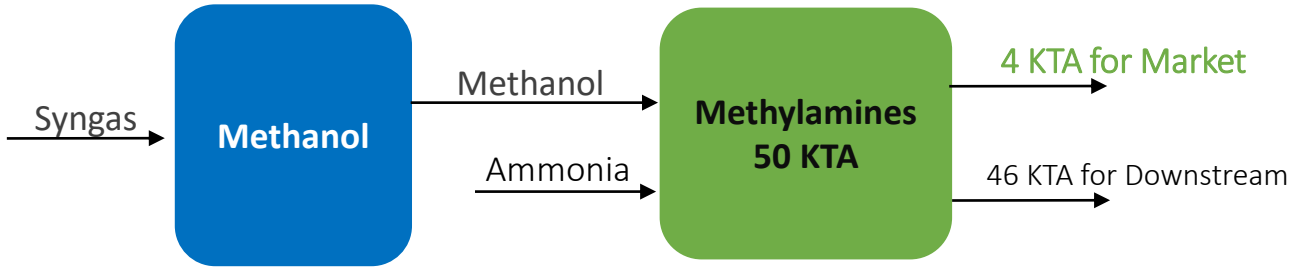


Amines

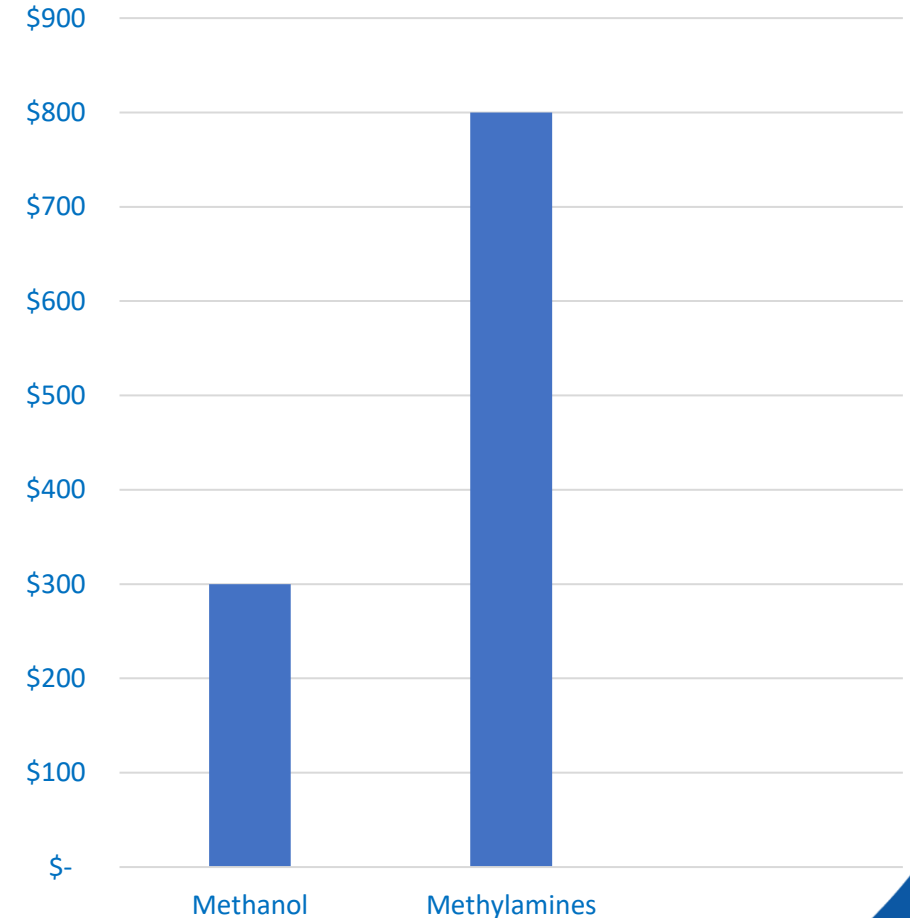


Methylamines (MMA,DMA, and TMA)

Product Value Chain



Methylamines Value Addition



Product Applications



Different methylamines are used to make intermediates for many Agri chemicals including herbicides, fungicides, insecticides, biocides & miticides. For instance; MMA reacted with carbon disulfide & caustic produces metam-sodium: which is used as a soil fumigant & sterilant (replacing methyl bromide- ozone depleter).



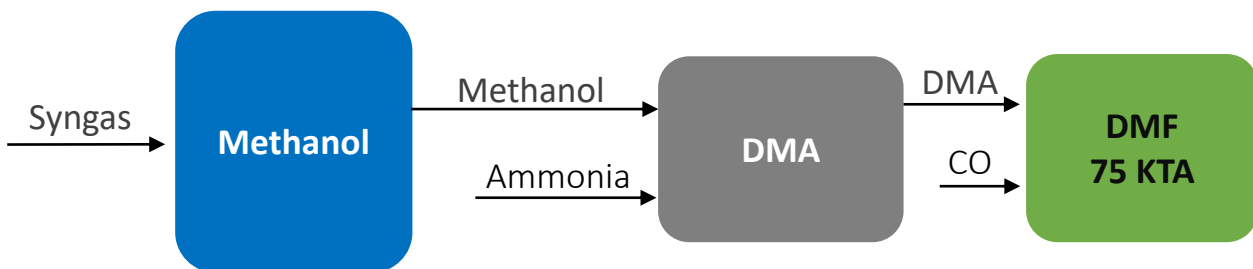
Methylamines are also used directly as catalysts or as raw materials to produce other compounds with catalytic activity.



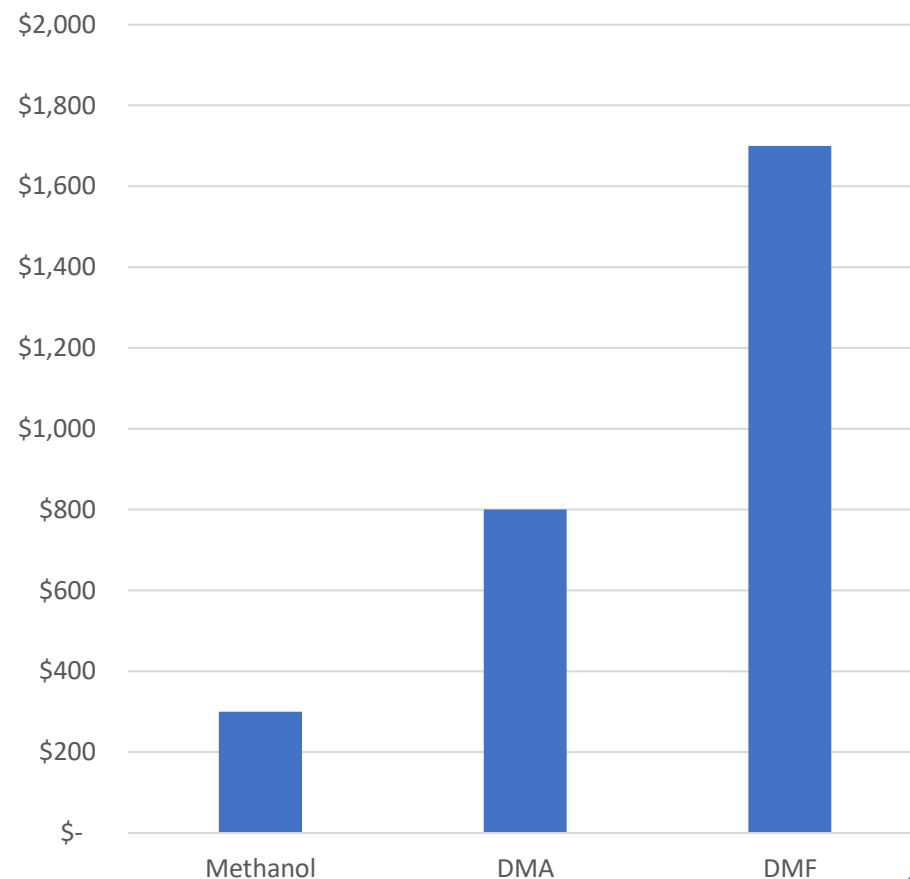


Dimethylformamide (DMF)

Product Value Chain



DMF Value Addition



Product Applications



DMF is widely used in the production and processing of polymers, Spinning solvent for polyacrylonitrile fibre and polyurethane fibre (spandex) and processing solvent for production of polyurethane artificial and synthetic leather.



DMF is an excellent solvent for sulfonamide, vitamins, nitrofurans, quinoline, adrenaline, aminechlorides, etc. It is widely used in the production of pharmaceuticals as a reaction solvent, extracting solvent and crystallizing bath.





Future Strategical Growth

- ❖ Chemanol appointed third party consultant to do master plan for growth strategy.
- ❖ Chemanol currently is working with Ministry of Energy for allocation of Gas for the future growth.
- ❖ Study was completed and the outcomes will be announced upon receiving the formal approvals.

Thank You



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