RABIGH REFINING AND PETROCHEMICAL COMPANY
(A Saudi Joint Stock Company)

UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS
FOR THE THREE-MONTH PERIOD ENDED MARCH 31, 2024
AND INDEPENDENT AUDITOR'S REVIEW REPORT ON
CONDENSED INTERIM FINANCIAL STATEMENTS

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Headquarters in Riyadh

كي بي إم جي للاستشارات المهنية
مركز زهران للأعمال
شارع الأمير سلطان
ص.ب 55078
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المملكة العربية السعودية
سجل تجاري رقم 4030290792

المركز الرئيسي في الرياض

Independent auditor's report on review of condensed interim financial statements

To the Shareholders of Rabigh Refining and Petrochemical Company

Opinion

We have reviewed the accompanying March 31, 2024 condensed interim financial statements of Rabigh Refining and Petrochemical Company ("the Company") which comprises:

- the condensed statement of profit or loss for the three-month period ended March 31, 2024;
- the condensed statement of comprehensive income for the three-month period ended March 31, 2024;
- the condensed statement of financial position as at March 31, 2024;
- the condensed statement of changes in equity for the three-month period ended March 31, 2024;
- the condensed statement of cash flows for the three-month period ended March 31, 2024; and
- the notes to the condensed interim financial statements for the three-month period ended March 31, 2024.

Management is responsible for the preparation and presentation of these condensed interim financial statements in accordance with IAS 34, 'Interim Financial Reporting' that is endorsed in the Kingdom of Saudi Arabia. Our responsibility is to express a conclusion on these condensed interim 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' that is endorsed in the Kingdom of Saudi Arabia. A review of condensed interim financial statements 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 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.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying March 31, 2024 condensed interim financial statements of Rabigh Refining and Petrochemical Company are not prepared, in all material respects, in accordance with IAS 34, 'Interim Financial Reporting' that is endorsed in the Kingdom of Saudi Arabia.

KPMG Professional Services

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Jeddah, May 13, 2024
Corresponding to Dhul Qadah 5, 1445H

RABIGH REFINING AND PETROCHEMICAL COMPANY
(A Saudi Joint Stock Company)
NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS
For the three-month period ended March 31, 2024 (Unaudited)
(All amounts in Saudi Riyals thousands unless otherwise stated)

	Notes	Three-month period ended March 31, 2024	2023
Sales	4	**7,983,988**	10,980,503
Cost of sales		**(8,489,007)**	(11,108,108)
Gross loss		**(505,019)**	(127,605)
Other income, net		**37,519**	15,972
Selling and marketing expenses		**(163,834)**	(191,556)
General and administrative expenses		**(198,809)**	(215,473)
Operating loss		**(830,143)**	(518,662)
Financial charges		**(605,869)**	(494,270)
Financial income		**5,518**	6,180
Net loss before Zakat and tax		**(1,430,494)**	(1,006,752)
Zakat	11	**-**	101
Tax	11	**65,480**	42,542
Net loss after Zakat and tax		**(1,365,014)**	(964,109)
Loss per share (Saudi Riyals) - Basic and diluted	5	**(0.82)**	(0.58)

Abdullah Jaber Al Faifi
Board Member and Chairman
of the Board Audit Committee

Othman A. Al Ghamdi
President and Chief Executive Officer

Akihiko Hiraoka
Chief Financial Officer

The accompanying notes 1 to 14 form an integral part of these condensed interim financial statements.

	Three-month period ended March 31,	
	2024	2023
Net loss after Zakat and tax	**(1,365,014)**	(964,109)
Other comprehensive income:		
Items that will not be reclassified to profit or loss:		
Remeasurement loss on defined benefit plan	**-**	-
Other comprehensive loss	**-**	-
Total comprehensive loss for the period	**(1,365,014)**	(964,109)

Abdullah Jaber Al Faifi
Board Member and Chairman
of the Board Audit Committee

Othman A. Al Ghamdi
President and Chief Executive Officer

Akihiko Hiraoka
Chief Financial Officer

The accompanying notes 1 to 14 form an integral part of these condensed interim financial statements.

(All amounts in Saudi Riyals thousands unless otherwise stated)

	Notes	March 31, 2024 (Unaudited)	December 31, 2023 (Audited)
Assets			
Non-current assets			
Property, plant and equipment	6	**40,788,307**	41,225,263
Right-of-use assets	7	**9,131,698**	9,309,306
Intangible assets		**197,989**	219,735
Long-term loans	8	**279,278**	268,746
Investment	8	**10,000**	10,000
Deferred tax asset		**296,346**	230,866
		50,703,618	51,263,916
Current assets			
Inventories		**3,974,018**	3,972,417
Trade receivables	8	**5,148,229**	5,190,684
Current portion of long-term loans	8	**4,522**	1,715
Prepayments and other receivables		**982,870**	1,402,006
Cash and cash equivalents		**689,453**	1,372,141
		10,799,092	11,938,963
Total assets		**61,502,710**	63,202,879
Equity and liabilities			
Equity			
Share capital	9	**16,710,000**	16,710,000
Statutory reserve	10	**252,134**	252,134
Employees' share ownership plan		**(5,288)**	(5,305)
Accumulated losses		**(7,771,162)**	(6,406,148)
Total equity		**9,185,684**	10,550,681
Non-current liabilities			
Loans, borrowings and other long-term liability	8	**19,289,432**	19,610,740
Lease liabilities	7	**9,316,488**	9,471,708
Employees' benefits		**832,433**	813,526
		29,438,353	29,895,974
Current liabilities			
Current portion of loans and borrowings	8	**12,199,576**	9,082,981
Current portion of lease liabilities	7	**633,099**	630,368
Trade and other payables	8	**9,073,047**	11,856,665
Accrued expenses and other liabilities		**972,951**	1,186,210
		22,878,673	22,756,224
Total liabilities		**52,317,026**	52,652,198
Total equity and liabilities		**61,502,710**	63,202,879

Abdullah Jaber Al Faifi Board Member and Chairman of the Board Audit Committee	Othman A. Al Ghamdi President and Chief Executive Officer	Akihiko Hiraoka Chief Financial Officer

The accompanying notes 1 to 14 form an integral part of these condensed interim financial statements.

(All amounts in Saudi Riyals thousands unless otherwise stated)

	Share capital	Statutory reserve	Employees' share ownership plan	Accumulated losses	Total
Balance as at January 1, 2024 (Audited)	**16,710,000**	**252,134**	**(5,305)**	**(6,406,148)**	**10,550,681**
Net loss after Zakat and tax	-	-	-	(1,365,014)	(1,365,014)
Other comprehensive loss	-	-	-	-	-
Total comprehensive loss	-	-	-	(1,365,014)	(1,365,014)
Vesting of shares under employees' share ownership plan	-	-	17	-	17
Balance as at March 31, 2024 (Unaudited)	**16,710,000**	**252,134**	**(5,288)**	**(7,771,162)**	**9,185,684**
Balance as at January 1, 2023 (Audited)	16,710,000	252,134	(5,339)	(1,701,934)	15,254,861
Net profit after Zakat and tax	-	-	-	(964,109)	(964,109)
Other comprehensive income	-	-	-	-	-
Total comprehensive income	-	-	-	(964,109)	(964,109)
Vesting of shares under employees' share ownership plan	-	-	34	-	34
Zakat and income tax reimbursement	-	-	-	(61)	(61)
Balance as at March 31, 2023 (Unaudited)	16,710,000	252,134	(5,305)	(2,666,104)	14,290,725

Abdullah Jaber Al Faifi
Board Member and Chairman of the Board Audit Committee

Othman A. Al Ghamdi
President and Chief Executive Officer

Akihiko Hiraoka
Chief Financial Officer

The accompanying notes 1 to 14 form an integral part of these condensed interim financial statements.

(All amounts in Saudi Riyals thousands unless otherwise stated)

	Notes	Three-month period ended March 31, 2024	2023
Cash flows from operating activities			
Net loss before Zakat and tax		**(1,430,494)**	(1,006,752)
Adjustments for non-cash items:			
Depreciation		**781,467**	766,151
Financial charges		**605,869**	494,270
Financial income		**(5,518)**	(6,180)
Amortization		**21,746**	21,074
Provision for slow moving inventories		**2,487**	(1,204)
Loss on disposal of property, plant and equipment		**-**	3,310
(Gain) loss on derecognition of right-of-use assets and lease liabilities		**(2)**	286
		(24,445)	270,955
Changes in:			
Inventories		**(4,088)**	490,842
Trade receivables		**42,454**	(1,268,596)
Prepayments and other receivables		**419,136**	(1,255,621)
Trade and other payables		**(2,783,618)**	(673,802)
Accrued expenses and other liabilities		**(311,796)**	941,023
Employees' benefits		**18,924**	25,584
		(2,643,433)	(1,469,615)
Zakat paid		**-**	(31,310)
Interest received		**5,518**	6,180
Interest paid		**(65,931)**	(224,108)
Net cash used in operating activities		**(2,703,846)**	(1,718,853)
Cash flows from investing activities			
Purchase of property, plant and equipment		**(166,856)**	(523,767)
Net movement in long-term loans		**(10,497)**	(12,780)
Net cash used in investing activities		**(177,353)**	(536,547)
Cash flows from financing activities			
Proceeds from loans and borrowings		**8,877,139**	7,642,500
Repayments of loans and borrowings		**(6,526,185)**	(6,285,000)
Repayment of lease liabilities		**(152,443)**	(145,086)
Net cash from financing activities		**2,198,511**	1,212,414
Net decrease in cash and cash equivalents		**(682,688)**	(1,042,986)
Cash and cash equivalents at beginning of the period		**1,372,141**	2,044,793
Cash and cash equivalents at end of the period		**689,453**	1,001,807
Supplemental schedule of non-cash information			
Zakat and income tax reimbursable from shareholders		**-**	61
Addition to property, plant and equipment through accrued expenses and other liabilities		**91**	91
Addition to right-of-use assets	7.1	**-**	9,876

Abdullah Jaber Al Faifi Board Member and Chairman of the Board Audit Committee	Othman A. Al Ghamdi President and Chief Executive Officer	Akihiko Hiraoka Chief Financial Officer

The accompanying notes 1 to 14 form an integral part of these condensed interim financial statements.

1 General information

Rabigh Refining and Petrochemical Company ("the Company" or "PetroRabigh") is a company registered in the Kingdom of Saudi Arabia under Commercial Registration No. 4602002161 issued by the Ministry of Commerce and Investment, Jeddah, on Shaaban 15, 1426H (September 19, 2005) subsequently revised by Ministry of Commerce and Investment, Riyadh on Shawal 22, 1428H (November 3, 2007).

The Company is engaged in the development, construction and operation of an integrated refining and petrochemical complex (the Complex), including the manufacturing and sales of refined and petrochemical products.

The Company's registered address is P.O. Box 101, Rabigh 21911, Kingdom of Saudi Arabia.

2 Basis of preparation

These condensed interim financial statements of the Company have been prepared in accordance with IAS 34 "Interim Financial Reporting" as endorsed by Saudi Organization for Chartered and Professional Accountants (SOCPA) in the Kingdom of Saudi Arabia as well as other standards and pronouncements issued by SOCPA.

These condensed interim financial statements do not include all the information required for a complete set of financial statements prepared in accordance with International Financial Reporting Standards (IFRS) as endorsed in the Kingdom of Saudi Arabia and should be read in conjunction with the Company's last annual financial statements for the year ended December 31, 2023. However, selected explanatory notes are included to explain the events and transactions that are significant to an understanding of changes in the Company's financial position and performance since the last annual financial statements. An interim period is considered as an integral part of the whole fiscal year, however, the results of operations for the interim periods may not be a fair indication of the results of the full year operations.

The Company has incurred a comprehensive loss of Saudi Riyals 1,365 million for the three-month period ended March 31, 2024 (March 31, 2023: Saudi Riyals 964 million), and as at that date the accumulated losses reached Saudi Riyals 7,771 million (December 31, 2023: Saudi Riyals 6,406 million). Furthermore, as at March 31, 2024, the Company's current liabilities exceeded its current assets by Saudi Riyals 12,080 million (December 31, 2023: Saudi Riyals 10,817 million).

The Directors have performed a going concern assessment to validate the continued application of the going concern basis in the preparation of the condensed interim financial statements of the Company.

The Directors also evaluated the Company's funding position and liquidity to assess the Company's ability to meet its obligations as they fall due for a period of at least 12 months from the date of signing the Company's condensed interim financial statements ("Assessment Period").

In evaluating whether the going concern basis of preparation of the Company's financial statements is appropriate, the Directors of the Company revisited the approved Business Plan for the years 2024, 2025 and 2026 (originally approved on December 27, 2023), including cash-flows forecasts for the Assessment Period, reviewed potential sponsors support through payment term adjustments and crude diet changes, reviewed the economics and cashflow projections of two mega projects, Debottlenecking Project (DBN) and Diesel Hydrotreater Project (DHT), and assessed its impact on the Company's profitability and cashflows, which is expected to favorably impact the Company's profitability in the medium and long term. The Directors of the Company have also evaluated several initiatives which were started under the Transformation Program, whereby the Company has implemented 185 initiatives since 2021 with the objective of reducing the Company's operational cost and increase revenue. The Directors have also reviewed 40 new initiatives intended to further reduce the operating losses during the year 2024.

After rigorously evaluating relevant available information, the Directors have concluded that there are no events or conditions that cast significant doubt upon the Company's ability to continue as a going concern during the Assessment Period and the Company is expected to have adequate resources to continue its operations and is expected to be able to discharge its liabilities as and when they fall due. Accordingly, these condensed interim financial statements are prepared on the basis of going concern assumption.

(All amounts in Saudi Riyals thousands unless otherwise stated)

2 Basis of preparation (continued)

2.1 New standards, interpretations and amendments

Standards, interpretations and amendments issued but not yet effective

The standards, interpretations and amendments issued, but not yet effective up to the date of issuance of the condensed interim financial statements are disclosed below. The Company intends to adopt these standards, where applicable, when they become effective.

Standard / Interpretation	*Description*	*Effective from periods beginning on or after the following date*
IAS 21	Lack of Exchangeability (Amendments to IAS 21)	January 1, 2025
IFRS 10 and IAS 28	Sale or contribution of assets between investor and its associate or joint venture (amendments to IFRS 10 and IAS 28)	Available for optional adoption / effective date deferred indefinitely

The Company is currently assessing the implications of adopting the above-mentioned standards, amendments or interpretations on the Company's financial statements on adoption.

2.2 Critical accounting estimates and judgments

The preparation of Company's condensed interim financial statements requires management to make judgments, estimates and assumptions that affect the application of accounting policies and reported amounts of revenues, expenses, assets, liabilities and accompanying disclosures. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of the asset or liability affected in future periods.

The Company based its assumptions and estimates on parameters available when the condensed interim financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising beyond the control of the Company. Such changes are reflected in the assumptions when they occur.

The significant judgments exercised in applying the Company's accounting policies and the key sources of estimation uncertainty were the same as those described in the last annual financial statements for the year ended December 31, 2023.

3 Material accounting policies

The accounting policies used by the Company for the preparation of these condensed interim financial statements are consistent with those followed in preparation of the Company's annual financial statements for the year ended December 31, 2023, except for the adoption of the following amendments effective as at January 1, 2024 and do not have material impact on these condensed interim financial statements:

Standard / Interpretation	*Description*
IFRS 16	Lease Liability in a Sale and Leaseback (Amendments to IFRS 16)
IAS 1	Classification of liabilities as current or non-current (amendments to IAS 1)
IAS 1	Non-current liabilities with covenants (amendments to IAS 1)
IAS 7 and IFRS 7	Supplier Finance Arrangements (Amendments to IAS 7 and IFRS 7)
IFRS S1 and IFRS S2	IFRS S1 General Requirements for Disclosure of Sustainability-related Financial Information and IFRS S2 Climate-related Disclosures (Subject to endorsement of the standards by SOCPA.)

(All amounts in Saudi Riyals thousands unless otherwise stated)

4 Segment information

4.1 Operating segment

The Company operates an integrated refinery and petrochemical complex. The primary format for segment reporting is based on operating segments and is determined on the basis of management's internal reporting structure. The Management Committee (collectively considered to be the Chief Operating Decision Maker) monitors the operating results of its operating segments for the purpose of making decisions about resource allocation and performance assessment. The Company's segment profit measure is operating profit (loss).

The Company's operating segments comprise of refined products and petrochemicals. Information as of and for the three-month period ended March 31, is summarized below:

2024 (Unaudited)	**Refined products**	**Petrochemicals**	**Total**
Sales – external customers	**5,766,509**	**2,217,479**	**7,983,988**
Depreciation and amortization	**168,675**	**634,538**	**803,213**
Operating loss	**(603,321)**	**(226,822)**	**(830,143)**
2023 (Unaudited)			
Sales – external customers	8,710,131	2,270,372	10,980,503
Depreciation and amortization	149,573	637,652	787,225
Operating loss	(351,303)	(167,359)	(518,662)

March 31, 2024 (Unaudited)	**Refined products**	**Petrochemicals**	**Unallocated**	**Total**
Total assets	**19,288,373**	**41,228,539**	**985,798**	**61,502,710**
Total liabilities	**15,423,512**	**33,320,410**	**3,573,104**	**52,317,026**
Capital expenditure	**93,319**	**73,628**	**-**	**166,947**

December 31, 2023 (Audited)	**Refined products**	**Petrochemicals**	**Unallocated**	**Total**
Total assets	19,241,954	42,357,918	1,603,007	63,202,879
Total liabilities	16,892,843	32,496,855	3,262,500	52,652,198
Capital expenditure	271,404	779,724	-	1,051,128

The Company's revenue from external customers amounts to Saudi Riyals 7,939 million (March 31, 2023: Saudi Riyals 10,901 million) generated from 5 customers in the period ended March 31, 2024 (March 31, 2023: 5 customers).

Geographical information for the three-month period ended March 31, is as follows:

2024 (Unaudited)	**Middle East**	**Asia Pacific**	**Others**	**Total**
Sales				
Refined products	**5,048,077**	**549,539**	**168,893**	**5,766,509**
Petrochemicals	**613,061**	**1,582,778**	**21,640**	**2,217,479**
Total	**5,661,138**	**2,132,317**	**190,533**	**7,983,988**

2023 (Unaudited)	**Middle East**	**Asia Pacific**	**Others**	**Total**
Sales				
Refined products	7,189,984	1,520,147	-	8,710,131
Petrochemicals	754,514	1,482,412	33,446	2,270,372
Total	7,944,498	3,002,559	33,446	10,980,503

Middle East market primarily includes Kingdom of Saudi Arabia whereas Asia Pacific primarily includes Singapore and China.

4 Segment information (continued)

4.2 Adjustments

Financial charges, financial income, Zakat and tax, cash and cash equivalents, loans and borrowings and certain assets and liabilities are not allocated to operating segments as they are managed on a Company-wide basis.

Capital expenditure consists of additions to property, plant and equipment and intangible assets.

4.3 Reconciliation of net loss

	2024	2023
	(Unaudited)	(Unaudited)
Operating loss	**(830,143)**	(518,662)
Financial charges	**(605,869)**	(494,270)
Financial income	**5,518**	6,180
Net loss before Zakat and tax	**(1,430,494)**	(1,006,752)
Zakat	**-**	101
Tax	**65,480**	42,542
Net loss after Zakat and tax	**(1,365,014)**	(964,109)

5 Loss per share

Basic loss per share is calculated by dividing the net loss for the period by the weighted average number of ordinary shares outstanding during the period.

Diluted loss per share is calculated by dividing the net loss by the weighted average number of ordinary shares outstanding during the period plus the weighted average number of ordinary shares that would be issued on conversion of all the dilutive potential ordinary shares into ordinary shares.

	2024	2023
	(Unaudited)	(Unaudited)
Net loss for the period for basic and dilutive loss per share	**(1,365,014)**	(964,109)
Weighted average number of shares outstanding during the period (thousands)	**1,671,000**	1,671,000
Adjustment for the effect of dilution in weighted average number of shares outstanding during the period due to ESOP (thousands)	**334**	335
Basic and diluted loss per share (Saudi Riyals)	**(0.82)**	(0.58)

(All amounts in Saudi Riyals thousands unless otherwise stated)

6 Property, plant and equipment

	Buildings and infrastructure	Plant, machinery and operating equipment	Vehicles and related equipment	Furniture and IT equipment	Capital projects-in-progress	Total
Cost						
January 1, 2024	11,192,064	59,963,963	46,446	612,502	727,251	72,542,226
Additions	-	30,256	-	-	136,691	166,947
Transfers	906	4,331	-	-	(5,237)	-
March 31, 2024	**11,192,970**	**59,998,550**	**46,446**	**612,502**	**858,705**	**72,709,173**
Accumulated depreciation						
January 1, 2024	3,552,561	27,324,629	39,745	400,028	-	31,316,963
Charge for the period	61,353	534,505	370	7,675	-	603,903
March 31, 2024	**3,613,914**	**27,859,134**	**40,115**	**407,703**	**-**	**31,920,866**
Carrying Value						
At March 31, 2024 (Unaudited)	**7,579,056**	**32,139,416**	**6,331**	**204,799**	**858,705**	**40,788,307**
At December 31, 2023 (Audited)	7,639,503	32,639,334	6,701	212,474	727,251	41,225,263

7 Leases

7.1 Right-of-use assets

	Land, buildings and infrastructure	Plant and machinery	Vehicles	Total
Cost				
January 1, 2024	1,260,813	11,660,838	167,802	13,089,453
Derecognition	-	-	(185)	(185)
March 31, 2024	**1,260,813**	**11,660,838**	**167,617**	**13,089,268**
Accumulated depreciation				
January 1, 2024	337,061	3,328,828	114,258	3,780,147
Charge for the period	8,884	163,245	5,435	177,564
Released on derecognition	-	-	(141)	(141)
March 31, 2024	**345,945**	**3,492,073**	**119,552**	**3,957,570**
Carrying value				
At March 31, 2024 (Unaudited)	**914,868**	**8,168,765**	**48,065**	**9,131,698**
At December 31, 2023 (Audited)	**923,752**	**8,332,010**	**53,544**	**9,309,306**

(All amounts in Saudi Riyals thousands unless otherwise stated)

7 Leases (continued)

7.2 Lease liabilities

Lease liabilities at March 31, 2024 are as follows:

	March 31, 2024			December 31, 2023
	Minimum lease payments	**Interest**	**Present value of minimum lease payments**	Present value of minimum lease payments
	(Unaudited)	**(Unaudited)**	**(Unaudited)**	(Audited)
Land, buildings and infrastructure	**2,527,470**	**1,466,746**	**1,060,724**	1,065,517
Plant and machinery	**11,071,873**	**2,233,239**	**8,838,634**	8,980,882
Vehicles	**53,107**	**2,878**	**50,229**	55,677
	13,652,450	**3,702,863**	**9,949,587**	10,102,076

Lease liabilities are presented in the condensed interim statement of financial position as follows:

	March 31, 2024	December 31, 2023
	(Unaudited)	(Audited)
Current portion	**633,099**	630,368
Non-current portion	**9,316,488**	9,471,708
	9,949,587	10,102,076

The minimum lease payments together with the present value of minimum lease payments as of March 31, 2024 are as follows:

	March 31, 2024		December 31, 2023	
	Minimum lease payments	**Present value of minimum lease payments**	Minimum lease payments	Present value of minimum lease payments
	(Unaudited)	**(Unaudited)**	(Audited)	(Audited)
Within twelve months	**964,908**	**633,099**	969,110	630,368
One to five years	**3,771,218**	**2,638,351**	3,777,773	2,623,085
More than five years	**8,916,324**	**6,678,137**	9,145,062	6,848,623
Total minimum lease payments	**13,652,450**	**9,949,587**	13,891,945	10,102,076
Less: finance charges	**(3,702,863)**	**-**	(3,789,869)	-
Present value of minimum lease payments	**9,949,587**	**9,949,587**	10,102,076	10,102,076

7.3 During the period ended March 31, 2024, the Company's expense relating to low value assets is Saudi Riyals 412 thousands (March 31, 2023: Saudi Riyals 124 thousands) respectively.

8 Financial assets and financial liabilities

8.1 Financial assets measured at amortized cost

Long-term loans:	**Notes**	**March 31, 2024**	December 31, 2023
		(Unaudited)	(Audited)
Loans to employees	8.1.1	**283,800**	270,461
Less: current portion of long-term loans		**(4,522)**	(1,715)
Non-current portion of long-term loans		**279,278**	268,746
Trade receivables	8.1.2	**5,148,229**	5,190,684

(All amounts in Saudi Riyals thousands unless otherwise stated)

8 Financial assets and financial liabilities (continued)

8.1.1 The Company's eligible employees are provided with loans under an employees' home ownership program upon completion of four years of service with the Company. The cost of the land is advanced to employees free of interest cost while the construction cost of the house is amortized and repayable free of interest to the Company to the extent of 90% over a period of seventeen years provided the employee completes ten years of service from the date of first disbursement of the loan. The remaining 10% is amortized over the term of the loan (seventeen years). These loans are secured by mortgages on the related housing units. Ownership of the housing unit is transferred to the employee upon full payment of the loan.

8.1.2 Trade receivables of the Company are as follows:

	March 31, 2024 (Unaudited)	December 31, 2023 (Audited)
Trade receivables – related parties	**5,145,166**	5,185,181
Trade receivables – others	**3,063**	5,503
	5,148,229	5,190,684

Following is the ageing matrix used by the Company for analysis of trade receivables:

			Past due but not impaired					
	Total	**Neither past due nor impaired**	**Less than 6 months**	**6 to 12 months**	**12 to 18 months**	**18 to 24 months**	**More than 24 months**	**More than 24 months impaired**
March 31, 2024 (Unaudited)	**5,148,229**	**5,042,922**	**100,452**	**3,714**	**-**	**-**	**1,141**	**-**
December 31, 2023 (Audited)	5,190,684	5,174,556	14,986	-	-	-	1,142	-

Financial assets also include cash and cash equivalents amounting to Saudi Riyals 689 million (December 31, 2023: Saudi Riyals 1,372 million) and other receivables amounting to Saudi Riyals 34 million (December 31, 2023: Saudi Riyals 31 million) that are measured at amortized cost.

8.2 Financial assets measured at fair value through profit and loss

	March 31, 2024 (Unaudited)	December 31, 2023 (Audited)
Investment in RAWEC	**10,000**	10,000

The Company holds 1% shares in the capital of RAWEC, a Saudi limited liability company.

8.3 Financial liabilities measured at amortized cost

Loans and borrowings

	Notes	**March 31, 2024 (Unaudited)**	December 31, 2023 (Audited)
Loans and facilities from banks, financial institutions, founding shareholders and their affiliates	8.3.1	**24,984,923**	22,417,798
Loan from Saudi Industrial Development Fund (SIDF)	8.3.2	**3,037,716**	3,006,741
Other facilities	8.3.3	**3,466,369**	3,269,182
		31,489,008	28,693,721
Less: current portion		**(12,199,576)**	(9,082,981)
Non-current portion		**19,289,432**	19,610,740
Trade and other payables	8.3.4	**9,073,047**	11,856,665

8 Financial assets and financial liabilities (continued)

8.3.1 Loans and facilities from banks, financial institutions, founding shareholders and their affiliates

8.3.1 (a) During the year 2015, the Company had entered into Consortium Loan Agreements with commercial banks and financial institutions for Phase II Expansion Project. The facilities available under these loan agreements amounted to Saudi Riyals 30,630 million which have been utilized in full by the Company. The loan amounting to Saudi Riyals 19,380 million is repayable in semi-annual instalments from June 2019 to June 2031. During the year ended December 2020, a portion of loans amounting to Saudi Riyals 3,312 million has been repaid from the proceeds of loan from SIDF (Note 8.3.2). During the year ended December 31, 2022, the equity bridge loans guaranteed by founding shareholders amounting to Saudi Riyals 11,250 million were partially repaid to an extent of Saudi Riyals 1,940 million out of the proceeds of the rights issue carried out by the Company in the year 2022. The equity bridge loans had an initial maturity of July 1, 2019, which during the previous year ended December 31, 2023, have been restructured (the “restructured EBLs”) and are now repayable in unequal annual instalments commencing from December 2024 to December 2027 whilst continuing to be guaranteed by founding shareholders. An Extension fee amounting to Saudi Riyals 135 million was payable in two instalments and is amortised over the term of the restructured EBLs. The restructured EBLs are financed by commercial banks and a related party (Aramco Overseas Company, a wholly owned subsidiary of Saudi Aramco, a founding shareholder), to an extent of Saudi Riyals 6,310 million and Saudi Riyals 3,000 million respectively.

The aforementioned loans are denominated in US Dollars and bear financial charges based on prevailing market rates and certain covenants requirements. The loans are secured by property, plant and equipment (Note 6) and cash and cash equivalents of the Company with a carrying value of Saudi Riyals 40,788 million and Saudi Riyals 689 million, respectively.

8.3.1 (b) During the year 2020, the Company entered into Revolving corporate facilities with Saudi Aramco and Sumika Finance Company Limited, a wholly owned subsidiary of Sumitomo Chemical. The facilities available under each of these agreements amount to Saudi Riyals 2,812.5 million (collectively Saudi Riyals 5,625 million) and are fully utilized as at March 31, 2024.

Further, the Company entered into a corporate facility agreement with Saudi Aramco during 2020. The facility available under this agreement amounts to Saudi Riyals 1,875 million and is utilized to an extent of Saudi Riyals 112.5 million as at March 31, 2024.

The aforementioned facilities bear financial charges based on prevailing market rates and are secured by promissory notes issued by the Company in favour of the lenders to the extent of drawdowns made.

8.3.2 Loan from SIDF

During the year 2019, the Company entered into a loan agreement with SIDF to replace a portion of the loans for Phase II Expansion Project (see Note 8.3.1). The facility available under this loan agreement amounts to Saudi Riyals 3,600 million and is fully utilized as at March 31, 2024. The loan is repayable in unequal semi-annual instalments commencing from Rabi Aakhir 1443H (corresponding to November 2021) to Shawwal 1453H (corresponding to January 2032). Upfront fee amounting to Saudi Riyals 288 million was deducted at the time of receipt of the loan and is amortised over the loan term. The loan also bears a follow up fee to be paid on semi-annual basis. The loan has certain covenants, which among other things requires certain financial ratios to be maintained. The loan facility is secured by a mortgage on the property, plant and equipment of the Company amounting to Saudi Riyals 7,200 million.

8.3.3 Other facilities

(a) The Company has working capital facilities of Saudi Riyals 3,375 million with local commercial banks on prevailing market rates. During the three-month period ended March 31, 2024, drawdowns and repayments amounting to Saudi Riyals 6,347 million and Saudi Riyals 6,466 million, respectively have been made by the Company with a closing balance of Saudi Riyals 3,143 million as at March 31, 2024 (December 31, 2023: Saudi Riyals 3,262 million).

(b) The Company has a credit facility of Saudi Riyals 375 million with a local commercial bank on prevailing market rates. As at March 31, 2024, the facility has been utilized to an extent of Saudi Riyals 318 million (December 31, 2023: Saudi Riyals Nil).

(All amounts in Saudi Riyals thousands unless otherwise stated)

8 Financial assets and financial liabilities (continued)

8.3.4 Trade and other payables

	March 31, 2024	December 31, 2023
	(Unaudited)	(Audited)
Trade payables:		
- Related parties	**8,074,646**	10,777,474
- Others	**932,598**	1,000,340
	9,007,244	11,777,814
Other payables – related parties (see below)	**65,803**	78,851
	9,073,047	11,856,665

Other payables principally relate to payments made by founding shareholders on behalf of the Company in respect of seconded employees and other charges, remaining accumulated interest on shareholders loans amounting to Saudi Riyals 45.1 million and withholding tax on the remaining unpaid accumulated interest on loan from Sumitomo Chemical amounting to Saudi Riyals 1.2 million.

9 Share capital

The Company's authorised and issued share capital of Saudi Riyals 16.71 billion at March 31, 2024 and December 31, 2023 consists of 1,671 million fully paid shares of Saudi Riyals 10 each. The founding shareholders of the Company are Saudi Aramco and Sumitomo Chemical and each of them hold 37.5% of the shares.

10 Statutory reserve

In accordance with the Regulation for Companies in the Kingdom of Saudi Arabia, the Company is required to transfer each year at least 10% of its net income, after absorbing accumulated deficit, to a statutory reserve until such reserve equal 30% of its share capital. This reserve is not available for distribution to shareholders.

11 Zakat and Tax

11.1 Charge for the period

Zakat and tax for the three-month period ended March 31, is as follows:

	2024	2023
	(Unaudited)	(Unaudited)
Zakat adjustment for previous years	**-**	(101)
Deferred tax (income) expense for the period	**(65,480)**	(42,542)
	(65,480)	(42,643)

Income tax and deferred tax for the three-month period ended March 31, has been recognised as follows:

	2024	2023
	(Unaudited)	(Unaudited)
Condensed interim statement of profit or loss:		
- Income tax	**-**	-
- Deferred tax (income) expense	**(65,480)**	(42,542)
	(65,480)	(42,542)

11.2 Status of assessments

The Company has filed its Zakat and income tax returns with the Zakat, Tax and Customs Authority (ZATCA) up to 2023 and obtained the Zakat certificate, valid until April 30, 2025. The Company has finalized Zakat and income tax assessments with ZATCA up to 2020.

(All amounts in Saudi Riyals thousands unless otherwise stated)

12 Related parties transactions and balances

Related parties comprise of founding shareholders of the Company being Saudi Aramco and Sumitomo Chemical, (having significant influence on the Company) entities controlled, jointly controlled or significantly influenced by such parties (associated companies) and key management personnel.

12.1 Transactions with related parties

Transactions with related parties arise mainly from purchases, sales of refined and petrochemical products, credit facilities, secondments and various lease arrangements and are undertaken at approved contractual terms. Significant related party transactions for the three-month period ended March 31, are summarized as follows:

	2024	2023
	(Unaudited)	(Unaudited)
Saudi Aramco and its associated companies		
Purchase of goods	**7,033,044**	9,281,058
Sale of refined products and petrochemical products	**6,997,127**	9,904,648
Financial charges	**112,575**	36,645
Rentals	**6,430**	6,096
Secondees' costs	**1,184**	2,912
Service and other cost charges, net	**13,003**	6,970
Sumitomo Chemical and its associated companies		
Purchase of goods	**11,279**	18,008
Sale of petrochemical products	**787,166**	807,218
Financial charges	**43,902**	17,362
Secondees' costs	**762**	1,632
Service and other cost charges, net	**350**	9

12.2 Balances with related parties

In addition to Trade receivables (Note 8.1.2), loans and facilities from founding shareholders and their affiliates (Note 8.3.1) and trade and other payables (Note 8.3.4), the related party transactions result in receivable and payable balances as set out in the interim statement of financial position in non-trade receivables and accrued expenses and other liabilities amounting to Saudi Riyals 5.7 million (December 31, 2023: Saudi Riyals 8.6 million) and Saudi Riyals 323.4 million (December 31, 2023: Saudi Riyals 320.4 million), respectively.

The Company has borrowing arrangements with governmental agencies at market terms (Notes 8.3.1 and 8.3.2) having an ending balance of Saudi Riyals 6,061 million as at December 31, 2023 (December 31, 2023: Saudi Riyals 6,030 million).

12.3 Transactions with key management personnel

Transactions with key management personnel on account of short-term benefits amounted to Saudi Riyals 4.3 million (March 31, 2023: Saudi Riyals 3.3 million) of which Saudi Riyals 1.8 million (March 31, 2023: Saudi Riyals 1.8 million) are included in secondees' costs (Note 12.1). The remuneration paid to directors amounted to Saudi Riyals Nil (March 31, 2023: Saudi Riyals Nil).

13 Contingencies and commitments

(i) In addition to the amounts disclosed in notes 8.3.1 (b), bank guarantees and letters of credit issued on behalf of the Company as at March 31, 2024 amounted to Saudi Riyals 1,823 million (December 31, 2023: Saudi Riyals 1,683 million).

(ii) In addition to the amounts disclosed in note 7.2, capital commitments contracted for but not incurred as at March 31, 2024 amounted to Saudi Riyals 998 million (December 31, 2023: Saudi Riyals 466 million).

14 Approval and authorization for issue

These condensed interim financial statements were approved and authorized for issue by the Board Audit Committee, as delegated by the Board of Directors on Dhul Qadah 5, 1445H (May 13, 2024).