

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

UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS
FOR THE THREE-MONTH AND SIX-MONTH PERIODS ENDED
JUNE 30, 2024 AND INDEPENDENT AUDITOR'S REVIEW
REPORT ON CONDENSED INTERIM FINANCIAL STATEMENTS

RABIGH REFINING AND PETROCHEMICAL COMPANY
(A Saudi Joint Stock Company)
UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS
FOR THE THREE-MONTH AND SIX-MONTH PERIODS ENDED JUNE 30, 2024

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KPMG Professional Services

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Commercial Registration No 4030290792

Headquarters in Riyadh

كي بي إم جي للاستشارات المهنية

مركز زهران للأعمال
شارع الأمير سلطان
ص.ب. 55078
جدة 21534
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

Introduction

We have reviewed the accompanying June 30, 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 and six-month periods ended June 30, 2024;
- the condensed statement of comprehensive income for the three-month and six-month periods ended June 30, 2024;
- the condensed statement of financial position as at June 30, 2024;
- the condensed statement of changes in equity for the six-month period ended June 30, 2024;
- the condensed statement of cash flows for the six-month period ended June 30, 2024; and
- the notes to the condensed interim financial statements.

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 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 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 June 30, 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, a professional closed joint stock company registered in the Kingdom of Saudi Arabia with a paid-up capital of SAR40,000,000 (previously known as "KPMG Al Fozan & Partners Certified Public Accountants") and a non-partner member firm of the KPMG global organization of independent member firms affiliated with KPMG International Limited, a private English company limited by guarantee. All rights reserved.

كي بي إم جي للاستشارات المهنية شركة مهنية مساهمة مقفلة، مسجلة في المملكة العربية السعودية، رأس مالها (40,000,000) ريال سعودي مدفوع بالكامل، المسماة سابقاً "شركة كي بي إم جي القوزان وشركاه محاسبون ومراجعون قانونيون". و هي عضو غير شريك في الشبكة العالمية لشركات كي بي إم جي المستقلة والتابعة لـ كي بي إم جي العالمية المحدودة، شركة انجليزية محدودة بضمان. جميع الحقوق محفوظة.

Commercial Registration of the headquarters in Riyadh is 1010425494.

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

To the Shareholders of Rabigh Refining and Petrochemical Company

Emphasis of Matter

We draw attention to Note 2 to the condensed interim financial statements, which indicates that the accumulated losses reached Saudi Riyals 8,871 million as at June 30, 2024 exceeding 50% of its share capital. As further disclosed in Note 2, The Board of Directors of the Company is in the process of preparing a plan to comply with the applicable requirements of Article 132 of Companies law (issued on 1 Dhul Hijjah 1443 (corresponding to 30 June 2022)), which become applicable when accumulated losses reach 50% of share capital. Our conclusion is not modified in respect of this matter.

KPMG Professional Services



Nasser Ahmed Al Shutairy
License No. 454

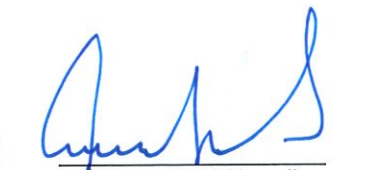


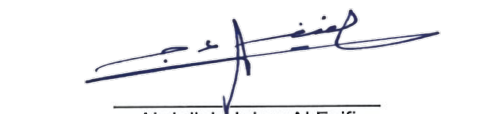
Jeddah, August 8, 2024
Corresponding to Safar 4, 1446H

RABIGH REFINING AND PETROCHEMICAL COMPANY
(A Saudi Joint Stock Company)
CONDENSED INTERIM STATEMENT OF PROFIT OR LOSS (UNAUDITED)
(All amounts in thousands of Saudi Riyals unless otherwise stated)

	Notes	Three-month period ended June 30,		Six-month period ended June 30,	
		2024	2023	2024	2023
Sales	4	10,010,919	10,681,802	17,994,907	21,662,305
Cost of sales		(10,158,320)	(10,883,835)	(18,647,327)	(21,991,943)
Gross loss		(147,401)	(202,033)	(652,420)	(329,638)
Other income, net		13,852	14,664	51,371	30,636
Selling and marketing expenses		(186,168)	(305,926)	(350,002)	(497,482)
General and administrative expenses		(210,083)	(209,732)	(408,892)	(425,205)
Operating loss		(529,800)	(703,027)	(1,359,943)	(1,221,689)
Financial charges		(615,855)	(549,244)	(1,221,724)	(1,043,514)
Financial income		2,371	6,552	7,889	12,732
Net loss before Zakat and tax		(1,143,284)	(1,245,719)	(2,573,778)	(2,252,471)
Zakat	11	-	(5,442)	-	(5,341)
Tax	11	43,488	55,110	108,968	97,652
Net loss after Zakat and tax		(1,099,796)	(1,196,051)	(2,464,810)	(2,160,160)
Loss per share (Saudi Riyals) – Basic and diluted	5	(0.66)	(0.72)	(1.48)	(1.29)


Shinji Horiuchi
Chief Financial Officer


Othman A. Al Ghamdi
President and Chief Executive Officer

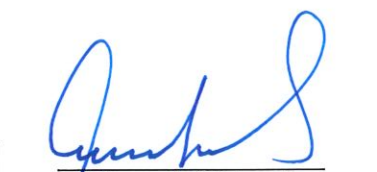

Abdullah Jaber Al Faifi
Board Member and Chairman of the Board Audit Committee

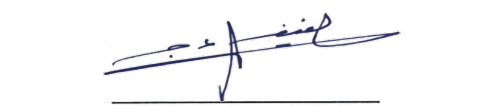
The accompanying notes 1 to 15 form an integral part of these condensed interim financial statements.

RABIGH REFINING AND PETROCHEMICAL COMPANY
(A Saudi Joint Stock Company)
CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UNAUDITED)
 (All amounts in thousands of Saudi Riyals unless otherwise stated)

	Three-month period ended June 30,		Six-month period ended June 30,	
	2024	2023	2024	2023
Net loss after Zakat and tax	(1,099,796)	(1,196,051)	(2,464,810)	(2,160,160)
Other comprehensive income:				
<i>Items that will not be reclassified to profit or loss:</i>				
Remeasurement loss on defined benefit plan	-	-	-	-
Other comprehensive loss	-	-	-	-
Total comprehensive loss for the period	(1,099,796)	(1,196,051)	(2,464,810)	(2,160,160)


 Shinji Horiuchi
 Chief Financial Officer


 Othman A. Al Ghamdi
 President and Chief Executive Officer

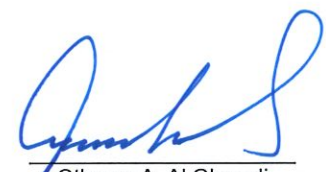

 Abdullah Jaber Al Faifi
 Board Member and Chairman of the Board Audit Committee

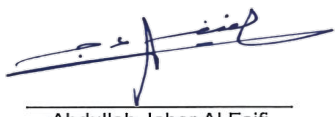
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RABIGH REFINING AND PETROCHEMICAL COMPANY
(A Saudi Joint Stock Company)
CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION
(All amounts in thousands of Saudi Riyals unless otherwise stated)

	Notes	June 30, 2024 (Unaudited)	December 31, 2023 (Audited)
Assets			
Non-current assets			
Property, plant and equipment	6	40,355,960	41,225,263
Right-of-use assets	7	8,953,851	9,309,306
Intangible assets		176,242	219,735
Long-term loans	8	276,099	268,746
Investment	8	10,000	10,000
Deferred tax asset		339,834	230,866
		<u>50,111,986</u>	<u>51,263,916</u>
Current assets			
Inventories		4,314,668	3,972,417
Trade receivables	8	5,207,329	5,190,684
Current portion of long-term loans	8	7,226	1,715
Prepayments and other receivables		1,388,477	1,402,006
Cash and cash equivalents		1,694,592	1,372,141
		<u>12,612,292</u>	<u>11,938,963</u>
Total assets		<u>62,724,278</u>	<u>63,202,879</u>
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		(8,870,958)	(6,406,148)
Total equity		<u>8,085,888</u>	<u>10,550,681</u>
Non-current liabilities			
Loans, borrowings and other long-term liability	8	18,883,233	19,610,740
Lease liabilities	7	9,157,349	9,471,708
Employees' benefits		847,898	813,526
		<u>28,888,480</u>	<u>29,895,974</u>
Current liabilities			
Current portion of loans and borrowings	8	11,103,165	9,082,981
Current portion of lease liabilities	7	638,015	630,368
Trade and other payables	8	12,927,369	11,856,665
Accrued expenses and other liabilities		1,081,361	1,186,210
		<u>25,749,910</u>	<u>22,756,224</u>
Total liabilities		<u>54,638,390</u>	<u>52,652,198</u>
Total equity and liabilities		<u>62,724,278</u>	<u>63,202,879</u>


Shinji Horiuchi
Chief Financial Officer


Othman A. Al Ghamdi
President and Chief Executive Officer


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

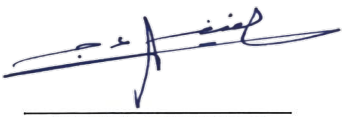
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RABIGH REFINING AND PETROCHEMICAL COMPANY
(A Saudi Joint Stock Company)
CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY
(All amounts in thousands of Saudi Riyals unless otherwise stated)

	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	-	-	-	(2,464,810)	(2,464,810)
Other comprehensive loss	-	-	-	-	-
Total comprehensive loss	-	-	-	(2,464,810)	(2,464,810)
Vesting of shares under employees' share ownership plan	-	-	17	-	17
Balance as at June 30, 2024 (Unaudited)	16,710,000	252,134	(5,288)	(8,870,958)	8,085,888
Balance as at January 1, 2023 (Audited)	16,710,000	252,134	(5,339)	(1,701,934)	15,254,861
Net loss after Zakat and tax	-	-	-	(2,160,160)	(2,160,160)
Other comprehensive loss	-	-	-	-	-
Total comprehensive loss	-	-	-	(2,160,160)	(2,160,160)
Vesting of shares under employees' share ownership plan	-	-	34	-	34
Zakat and income tax reimbursement	-	-	-	(61)	(61)
Balance as at June 30, 2023 (Unaudited)	16,710,000	252,134	(5,305)	(3,862,155)	13,094,674


Shinji Horiuchi
Chief Financial Officer


Othman A. Al Ghamdi
President and Chief Executive Officer

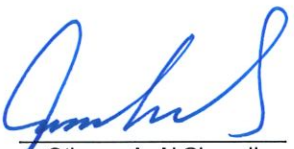

Abdullah Jaber Al Faifi
Board Member and Chairman of the Board Audit Committee

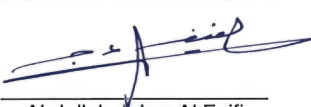
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RABIGH REFINING AND PETROCHEMICAL COMPANY
(A Saudi Joint Stock Company)
CONDENSED INTERIM STATEMENT OF CASH FLOWS (UNAUDITED)
(All amounts in thousands of Saudi Riyals unless otherwise stated)

	Note	Six-month period ended June 30,	
		2024	2023
Cash flows from operating activities			
Net loss before Zakat and tax		(2,573,778)	(2,252,471)
<u>Adjustments for non-cash items:</u>			
Depreciation		1,558,106	1,561,361
Financial charges		1,221,724	1,043,514
Financial income		(7,889)	(12,732)
Amortization		43,493	42,635
Provision for slow moving inventories		5,495	6,218
Loss on disposal of property, plant and equipment		-	10,092
(Gain) loss on derecognition of right-of-use assets and lease liabilities		(267)	285
		<u>246,884</u>	<u>398,902</u>
<u>Changes in:</u>			
Inventories		(347,745)	371,394
Trade receivables		(16,645)	82,746
Prepayments and other receivables		13,529	(1,458,788)
Trade and other payables		1,070,703	(369,351)
Accrued expenses and other liabilities		(116,256)	1,010,021
Employees' benefits		34,389	44,737
		<u>884,859</u>	<u>79,661</u>
Zakat paid		-	(31,310)
Interest received		7,889	12,558
Interest paid		(1,206,020)	(1,010,808)
Net cash used in operating activities		<u>(313,272)</u>	<u>(949,899)</u>
Cash flows from investing activities			
Purchase of property, plant and equipment		(333,613)	(707,065)
Net movement in long-term loans		(7,261)	(19,133)
Net cash used in investing activities		<u>(340,874)</u>	<u>(726,198)</u>
Cash flows from financing activities			
Proceeds from loans and borrowings		12,559,396	16,725,554
Repayments of loans and borrowings		(11,276,688)	(15,006,632)
Repayment of lease liabilities		(306,089)	(293,726)
Dividend paid		(22)	-
Net cash generated from financing activities		<u>976,597</u>	<u>1,425,196</u>
Net movement in cash and cash equivalents		<u>322,451</u>	<u>(250,901)</u>
Cash and cash equivalents at beginning of the period		1,372,141	2,044,793
Cash and cash equivalents at end of the period		<u>1,694,592</u>	<u>1,793,892</u>
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 Intangible assets through capital projects-in-progress		-	14,619
Addition to right-of-use assets	7.1	-	9,876


Shinji Horiuchi
Chief Financial Officer


Othman A. Al Ghamdi
President and Chief Executive Officer


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

The accompanying notes 1 to 15 form an integral part of these condensed interim financial statements.

RABIGH REFINING AND PETROCHEMICAL COMPANY
(A Saudi Joint Stock Company)
NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS
For the three-month and six-month periods ended June 30, 2024 (Unaudited)
(All amounts in thousands of Saudi Riyals unless otherwise stated)

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 2,465 million for the six-month period ended June 30, 2024 (June 30, 2023: Saudi Riyals 2,160 million), and as at that date the accumulated losses reached Saudi Riyals 8,871 million (December 31, 2023: Saudi Riyals 6,406 million) representing 53.09% of the Company's share capital. Furthermore, as at June 30, 2024, the Company's current liabilities exceeded its current assets by Saudi Riyals 13,138 million (December 31, 2023: Saudi Riyals 10,817 million). The Board of Directors of the Company is in the process of preparing a plan to ensure compliance with the requirements of Article 132 of the Companies' Law and related Capital Market Authority's (CMA) Regulations which explains the Board of Directors responsibilities with respect to the announcement of the accumulated losses and the recommendations relating thereto and certain other procedures.

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, and evaluated several initiatives which were started under the Transformation Program. Through the Transformation Program, the Company has implemented 185 initiatives since 2021 with the objective of reducing the Company's operational cost and increase its revenue. The Directors have also reviewed 40 plus new initiatives intended to further reduce the operating losses during the year 2024.

The Directors also reviewed potential support from Saudi Arabian Oil Company (Saudi Aramco) and Sumitomo Chemical Company (Sumitomo Chemical) (together the 'founding shareholders') to improve Company's short-term cashflow needs and margin improvement. Some of the support measures include (i) payment term adjustments for both refined and petrochemical products with reduction of credit period depending on the Company's cash flow needs; and (ii) additional credit period on the crude invoices as required.

The Directors also reviewed the economics and cashflow projections of the Debottlenecking Project (DBN) and assessed its impact on the Company's profitability and cashflows in the medium and long term. The DBN project is intending to increase the capacity of the High Olefins Fluid Catalytic Cracker (HOFCC) unit to 109% and the Ethane Cracker (ECR) unit to 105%. The project has already been awarded and is expected to complete at the end of 2025.

2 Basis of preparation (continued)

Further, on August 7, 2024, the founding shareholders announced on Saudi Exchange (Tadawul) and Tokyo Stock Exchange, that they have taken certain steps which aim to improve the Company's financial position and facilitate its turnaround strategy. These measures are subject to certain conditions, including regulatory or third-party approvals set out in the Sale Purchase Agreement (also see Note 14). The announcements of the founding shareholders mainly included:

- (i) Waiving existing revolving shareholder loans amounting to USD 1.5 billion (Saudi Riyals 5.625 billion) with USD 1 billion (Saudi Riyals 3.75 billion) to be waived in 2024 and USD 0.5 billion (Saudi Riyals 1.875 billion) to be waived in 2025; and
- (ii) Subject to the closing of the Share Purchase transaction, injecting Saudi Riyals 5.26 billion collectively (Saudi Riyals 2.63 billion from each of the founding shareholders) as additional funds through a mechanism to be agreed with the Company.

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.

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.

<i>Standard / Interpretation</i>	<i>Description</i>	<i>Effective from periods beginning on or after the following date</i>
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.

RABIGH REFINING AND PETROCHEMICAL COMPANY
(A Saudi Joint Stock Company)
NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS
For the three-month and six-month periods ended June 30, 2024 (Unaudited)
(All amounts in thousands of Saudi Riyals unless otherwise stated)

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.)

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 comprised of refined products and petrochemicals. Information as at and for the three-month and six-month periods ended June 30, is summarized below:

	For the three-month period ended			For the six-month period ended		
	Refined products	Petro-chemicals	Total	Refined products	Petro-chemicals	Total
June 30, 2024 (Unaudited)						
Sales – external customers	7,281,054	2,729,865	10,010,919	13,047,563	4,947,344	17,994,907
Depreciation and amortization	167,661	630,725	798,386	336,336	1,265,263	1,601,599
Operating loss	(262,629)	(267,171)	(529,800)	(895,950)	(463,993)	(1,359,943)
	For the three-month period ended			For the six-month period ended		
	Refined products	Petro-chemicals	Total	Refined products	Petro-chemicals	Total
June 30, 2023 (Unaudited)						
Sales – external customers	7,141,507	3,540,295	10,681,802	15,851,638	5,810,667	21,662,305
Depreciation and amortization	155,186	661,585	816,771	304,759	1,299,237	1,603,996
Operating (loss) profit	(812,757)	109,730	(703,027)	(1,164,060)	(57,629)	(1,221,689)
	Refined products	Petrochemicals		Unallocated		Total
June 30, 2024 (Unaudited)						
Total assets	19,237,636	41,452,215		2,034,427		62,724,278
Total liabilities	19,240,036	32,144,760		3,253,594		54,638,390
Capital expenditure	157,918	175,785		-		333,703
	Refined products	Petrochemicals		Unallocated		Total
December 31, 2023 (Audited)						
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 17,862 million (June 30, 2023: Saudi Riyals 21,484 million) generated from 5 customers in the period ended June 30, 2024 (June 30, 2023: 5 customers).

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4 Segment information (continued)

Geographical information for the three-month and six-month periods ended June 30, is as follows:

Three-month period ended June 30, 2024 (Unaudited)	Middle East	Asia Pacific	Others	Total
Sales – external customers				
Refined products	6,731,444	410,658	138,952	7,281,054
Petrochemicals	762,927	1,889,938	77,000	2,729,865
Total	7,494,371	2,300,596	215,952	10,010,919
Six-month period ended June 30, 2024 (Unaudited)	Middle East	Asia Pacific	Others	Total
Sales – external customers				
Refined products	11,779,520	960,198	307,845	13,047,563
Petrochemicals	1,375,988	3,472,715	98,641	4,947,344
Total	13,155,508	4,432,913	406,486	17,994,907
Three-month period ended June 30, 2023 (Unaudited)	Middle East	Asia Pacific	Others	Total
Sales – external customers				
Refined products	6,437,994	703,513	-	7,141,507
Petrochemicals	988,131	2,482,929	69,235	3,540,295
Total	7,426,125	3,186,442	69,235	10,681,802
Six-month period ended June 30, 2023 (Unaudited)	Middle East	Asia Pacific	Others	Total
Sales – external customers				
Refined products	13,627,978	2,223,660	-	15,851,638
Petrochemicals	1,742,645	3,965,340	102,682	5,810,667
Total	15,370,623	6,189,000	102,682	21,662,305

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

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

	Three-month period ended June 30,		Six-month period ended June 30,	
	2024	2023	2024	2023
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
Operating loss	(529,800)	(703,027)	(1,359,943)	(1,221,689)
Financial charges	(615,855)	(549,244)	(1,221,724)	(1,043,514)
Financial income	2,371	6,552	7,889	12,732
Net loss before Zakat and tax	(1,143,284)	(1,245,719)	(2,573,778)	(2,252,471)
Zakat	-	(5,442)	-	(5,341)
Tax	43,488	55,110	108,968	97,652
Net loss after Zakat and tax	(1,099,796)	(1,196,051)	(2,464,810)	(2,160,160)

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5 Loss per share

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

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

	Three-month period ended June 30,		Six-month period ended June 30,	
	2024 (Unaudited)	2023 (Unaudited)	2024 (Unaudited)	2023 (Unaudited)
Loss for the period for basic and dilutive earnings per share	(1,099,796)	(1,196,051)	(2,464,810)	(2,160,160)
Weighted average number of shares outstanding during the period (thousands)	1,671,000	1,671,000	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	334	335
Basic and diluted loss per share (Saudi Riyals)	(0.66)	(0.72)	(1.48)	(1.29)

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	-	67,612	-	-	266,091	333,703
Transfers	1,214	71,345	-	739	(73,298)	-
June 30, 2024	11,193,278	60,102,920	46,446	613,241	920,044	72,875,929
Accumulated depreciation						
January 1, 2024	3,552,561	27,324,629	39,745	400,028	-	31,316,963
Charge for the period	122,714	1,064,279	741	15,272	-	1,203,006
June 30, 2024	3,675,275	28,388,908	40,486	415,300	-	32,519,969
Carrying Value At June 30, 2024 (Unaudited)	7,518,003	31,714,012	5,960	197,941	920,044	40,355,960
At December 31, 2023 (Audited)	7,639,503	32,639,334	6,701	212,474	727,251	41,225,263

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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	-	-	(1,321)	(1,321)
June 30, 2024	1,260,813	11,660,838	166,481	13,088,132
Accumulated depreciation				
January 1, 2024	337,061	3,328,828	114,258	3,780,147
Charge for the period	17,768	326,490	10,842	355,100
Released on derecognition	-	-	(966)	(966)
June 30, 2024	354,829	3,655,318	124,134	4,134,281
Carrying value				
At June 30, 2024 (Unaudited)	905,984	8,005,520	42,347	8,953,851
At December 31, 2023 (Audited)	923,752	8,332,010	53,544	9,309,306

7.2 Lease liabilities

Lease liabilities as at June 30, 2024 are as follows:

	June 30, 2024		December 31, 2023	
	Minimum lease payments (Unaudited)	Interest (Unaudited)	Present value of minimum lease payments (Unaudited)	Present value of minimum lease payments (Audited)
Land, buildings and infrastructure	2,509,773	1,453,870	1,055,903	1,065,517
Plant and machinery	10,856,067	2,160,840	8,695,227	8,980,882
Vehicles	46,598	2,364	44,234	55,677
	13,412,438	3,617,074	9,795,364	10,102,076

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

	June 30, 2024 (Unaudited)	December 31, 2023 (Audited)
Current portion	638,015	630,368
Non-current portion	9,157,349	9,471,708
	9,795,364	10,102,076

The minimum lease payments together with the present value of minimum lease payments as at June 30, 2024 are as follows:

	June 30, 2024		December 31, 2023	
	Minimum lease payments (Unaudited)	Present value of minimum lease payments (Unaudited)	Minimum lease payments (Audited)	Present value of minimum lease payments (Audited)
Within twelve months	962,862	638,015	969,110	630,368
One to five years	3,764,334	2,653,391	3,777,773	2,623,085
More than five years	8,685,242	6,503,958	9,145,062	6,848,623
Total minimum lease payments	13,412,438	9,795,364	13,891,945	10,102,076
Less: finance charges	(3,617,074)	-	(3,789,869)	-
Present value of minimum lease payments	9,795,364	9,795,364	10,102,076	10,102,076

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7 Leases (continued)

7.3 During the period ended June 30, 2024, the Company's expenses relating to low value leased assets amounted to Saudi Riyals 1,114 thousands (June 30, 2023: Saudi Riyals 213 thousands).

8 Financial assets and financial liabilities

8.1 Financial assets measured at amortized cost

Long-term loans:

	Notes	June 30, 2024 (Unaudited)	December 31, 2023 (Audited)
Loans to employees	8.1.1	283,325	270,461
Less: current portion of long-term loans		(7,226)	(1,715)
Non-current portion of long-term loans		276,099	268,746
Trade receivables	8.1.2	5,207,329	5,190,684

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:

	June 30, 2024 (Unaudited)	December 31, 2023 (Audited)
Trade receivables – related parties	5,192,230	5,185,181
Trade receivables – others	15,099	5,503
	5,207,329	5,190,684

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

	Total	Neither past due nor impaired	Past due but not impaired					More than 24 months impaired
			Less than 6 months	6 to 12 months	12 to 18 months	18 to 24 months	More than 24 months	
June 30, 2024 (Unaudited)	5,207,329	5,178,578	27,495	21	-	-	1,235	-
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 1,695 million (December 31, 2023: Saudi Riyals 1,372 million) and other receivables amounting to Saudi Riyals 36 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

	June 30, 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.

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8 Financial assets and financial liabilities (continued)

8.3 Financial liabilities measured at amortized cost

Loans and borrowings

	Notes	June 30, 2024 (Unaudited)	December 31, 2023 (Audited)
Loans and facilities from banks, financial institutions, founding shareholders and their affiliates	8.3.1	23,924,982	22,417,798
Loan from Saudi Industrial Development Fund (SIDF)	8.3.2	2,915,915	3,006,741
Other facilities	8.3.3	3,145,501	3,269,182
		29,986,398	28,693,721
Less: current portion		(11,103,165)	(9,082,981)
Non-current portion		18,883,233	19,610,740
Trade and other payables	8.3.4	12,927,369	11,856,665

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 40,356 million and Saudi Riyals 1,695 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 June 30, 2024 (also see Notes 2 (i) and 14).

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 June 30, 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 June 30, 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.

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8 Financial assets and financial liabilities (continued)

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 period ended June 30, 2024, drawdowns and repayments amounting to Saudi Riyals 9,986 million and Saudi Riyals 10,468 million, respectively have been made by the Company with a closing balance of Saudi Riyals 2,780 million as at June 30, 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 June 30, 2024, the facility has been utilized to an extent of Saudi Riyals 361 million (December 31, 2023: Saudi Riyals Nil).

8.3.4 Trade and other payables

	June 30, 2024 (Unaudited)	December 31, 2023 (Audited)
Trade payables:		
- Related parties	11,777,425	10,777,474
- Others	1,081,821	1,000,340
	12,859,246	11,777,814
Other payables – related parties (see below)	68,123	78,851
	12,927,369	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 June 30, 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 and six-month periods ended June 30, is as follows:

	Three-month period ended June 30,		Six-month period ended June 30,	
	2024	2023	2024	2023
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
Zakat for the period	-	5,442	-	5,341
Income tax for the period	-	-	-	-
Deferred tax income for the period	(43,488)	(55,110)	(108,968)	(97,652)
	(43,488)	(49,668)	(108,968)	(92,311)

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11 Zakat and tax (continued)

Income tax and deferred tax for the three-month and six-month periods ended June 30, has been recognised as follows:

	Three-month period ended June 30,		Six-month period ended June 30,	
	2024	2023	2024	2023
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
Condensed interim statement of profit or loss:				
- Income tax	-	-	-	-
- Deferred tax income	(43,488)	(55,110)	(108,968)	(97,652)
	(43,488)	(55,110)	(108,968)	(97,652)

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 its Zakat and income tax assessments with ZATCA up to 2020.

12 Related party 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 June 30, are summarized as follows:

	2024	2023
	(Unaudited)	(Unaudited)
Saudi Aramco and its associated companies		
Purchase of goods	16,107,983	18,821,691
Sale of refined products and petrochemical products	15,472,982	18,791,711
Financial charges	230,896	122,551
Rentals	12,887	12,218
Secondees' costs	5,171	5,980
Service and other cost charges, net	20,438	6,361
Sumitomo Chemical and its associated companies		
Purchase of goods	38,155	32,086
Sale of petrochemical products	2,100,483	2,238,291
Financial charges	93,732	38,263
Secondees' costs	1,292	3,001
Service and other cost charges, net	350	533

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 condensed interim statement of financial position in non-trade receivables and accrued expenses and other liabilities amounting to Saudi Riyals 7.5 million (December 31, 2023: Saudi Riyals 8.6 million) and Saudi Riyals 233.5 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 5,738 million as at June 30, 2024 (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 7.7 million (June 30, 2023: Saudi Riyals 6.7 million) of which Saudi Riyals 3.3 million (June 30, 2023: Saudi Riyals 3.3 million) are included in secondees' costs (Note 12.1). The remuneration paid to directors amounted to Saudi Riyals 1.05 million (June 30, 2023: Saudi Riyals 1.05 million).

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 June 30, 2024 amounted to Saudi Riyals 1,811 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 June 30, 2024 amounted to Saudi Riyals 1,002 million (December 31, 2023: Saudi Riyals 466 million).

14 Subsequent event

Subsequent to June 30, 2024, the founding shareholders of the Company announced on the Saudi Exchange (Tadawul) and Tokyo Stock Exchange that they entered into a Sale and Purchase Agreement, pursuant to which Saudi Aramco will acquire from Sumitomo Chemical; 375,974,998 shares representing approximately 22.5% of the share capital of the Company. Upon completion of the regulatory or third-party approvals and requirements of Share Purchase transaction, Saudi Aramco and Sumitomo Chemical will own approximately 60% and 15% of the share capital of the Company, respectively. The public will continue to own 25% of the share capital of the Company. Further, the founding shareholders have agreed to take certain specific steps which aim to improve the Company's financial position and facilitate its turnaround strategy (Note 2).

15 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 Safar 3, 1446H (August 7, 2024).