

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

CONDENSED INTERIM FINANCIAL STATEMENTS (UNAUDITED)
FOR THE THREE-MONTH AND NINE-MONTH PERIODS ENDED
SEPTEMBER 30, 2023 TOGETHER WITH 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 NINE-MONTH PERIODS ENDED SEPTEMBER 30, 2023

	Page
Independent auditor's report on review of condensed interim financial statements	1
Condensed statement of profit or loss	2
Condensed statement of comprehensive income	3
Condensed statement of financial position	4
Condensed statement of changes in equity	5
Condensed statement of cash flows	6
Notes to the condensed interim financial statements	7 - 18



KPMG Professional Services

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Kingdom of Saudi Arabia
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 September 30, 2023 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 nine-month periods ended September 30, 2023;
- the condensed statement of comprehensive income for the three-month and nine-month periods ended September 30, 2023;
- the condensed statement of financial position as at September 30, 2023;
- the condensed statement of changes in equity for the nine-month period ended September 30, 2023;
- the condensed statement of cash flows for the nine-month period ended September 30, 2023; 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 September 30, 2023 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

Nasser Ahmed Al Shutairy
License No. 454



Jeddah, Rabi Al-Thani 24, 1445H
Corresponding to November 8, 2023


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كي بي إم جي للاستشارات المهنية شركة مهنية مساهمة مغلقة، مسجلة في المملكة العربية السعودية، رأس مالها (40,000,000) ريال سعودي مدفوع بالكامل، المسماة سابقاً "شركة كي بي إم جي للفرزان وشركاء محاسبين ومراجعين قانونيين". وهي 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.

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

		Three-month period ended September 30,		Nine-month period ended September 30,	
	Notes	2023	2022	2023	2022
Sales	4	12,647,455	12,644,859	34,309,760	45,146,490
Cost of sales		(12,337,482)	(13,416,816)	(34,329,425)	(42,417,604)
Gross profit (loss)		309,973	(771,957)	(19,665)	2,728,886
Other income, net		26,348	27,639	56,984	74,054
Selling and marketing expenses		(356,054)	(203,088)	(853,536)	(687,699)
General and administrative expenses		(574,083)	(199,213)	(999,288)	(637,260)
Operating (loss) profit		(593,816)	(1,146,619)	(1,815,505)	1,477,981
Financial charges		(576,226)	(373,608)	(1,619,740)	(910,907)
Financial income		4,937	23,207	17,669	265,936
(Loss) profit before Zakat and tax		(1,165,105)	(1,497,020)	(3,417,576)	833,010
Zakat	11	-	22,206	(5,341)	(16,735)
Tax	11	20,024	61,366	117,676	(120,234)
(Loss) profit for the period		(1,145,081)	(1,413,448)	(3,305,241)	696,041
(Loss) earnings per share (Saudi Riyals) – Basic and diluted	5	(0.69)	(0.86)	(1.98)	0.53


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.

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

	Three-month period ended September 30,		Nine-month period ended September 30,	
	2023	2022	2023	2022
(Loss) profit for the period	(1,145,081)	(1,413,448)	(3,305,241)	696,041
Other comprehensive income:				
<i>Items that will not be reclassified to profit or loss:</i>				
Remeasurement loss on defined benefit plan	-	-	-	-
Other comprehensive income	-	-	-	-
Total comprehensive (loss) income for the period	(1,145,081)	(1,413,448)	(3,305,241)	696,041


 Abdullah Jaber Al Faifi
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 Chief Financial Officer

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

		September 30, 2023 (Unaudited)	December 31, 2022 (Audited)
	Notes		
Assets			
Non-current assets			
Property, plant and equipment	6	41,656,202	42,637,598
Right-of-use assets	7	9,486,902	10,010,148
Intangible assets		241,482	291,283
Long-term loans	8	271,147	244,540
Investment	8	10,000	10,000
Deferred tax asset		242,030	124,354
		<u>51,907,763</u>	<u>53,317,923</u>
Current assets			
Inventories		3,412,312	4,028,765
Trade receivables	8	7,251,567	5,377,367
Current portion of long-term loans	8	10,467	4,151
Prepayments and other receivables		822,365	805,733
Cash and cash equivalents		2,099,812	2,044,793
		<u>13,596,523</u>	<u>12,260,809</u>
Total assets		<u>65,504,286</u>	<u>65,578,732</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		(5,305)	(5,339)
Accumulated losses		(5,007,236)	(1,701,934)
Total equity		<u>11,949,593</u>	<u>15,254,861</u>
Non-current liabilities			
Loans and borrowings	8	20,753,989	12,577,390
Lease liabilities	7	9,632,068	10,095,476
Employees' benefits		785,331	719,725
		<u>31,171,388</u>	<u>23,392,591</u>
Current liabilities			
Current maturity of loans and borrowings	8	7,656,056	13,435,306
Current maturity of lease liabilities	7	629,604	602,365
Trade and other payables	8	12,820,087	12,117,925
Accrued expenses and other liabilities		1,277,558	744,273
Zakat and tax payable		-	31,411
		<u>22,383,305</u>	<u>26,931,280</u>
Total liabilities		<u>53,554,693</u>	<u>50,323,871</u>
Total equity and liabilities		<u>65,504,286</u>	<u>65,578,732</u>


Abdullah Jaber Al Faihi
Board Member and Chairman of the
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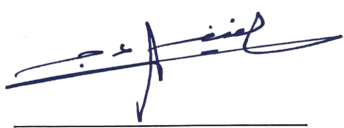

Othman A. Al Ghamdi
President and Chief Executive Officer



Akihiko Hiraoka
Chief Financial Officer

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RABIGH REFINING AND PETROCHEMICAL COMPANY
(A Saudi Joint Stock Company)
CONDENSED 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, 2023 (Audited)	16,710,000	252,134	(5,339)	(1,701,934)	15,254,861
Loss for the period	-	-	-	(3,305,241)	(3,305,241)
Other comprehensive income	-	-	-	-	-
Total comprehensive loss	-	-	-	(3,305,241)	(3,305,241)
Vesting of shares under employees' share ownership plan	-	-	34	-	34
Zakat and income tax reimbursement	-	-	-	(61)	(61)
Balance as at September 30, 2023 (Unaudited)	16,710,000	252,134	(5,305)	(5007,236)	11,949,593
Balance as at January 1, 2022 (Audited)	8,760,000	252,134	(4,510)	(701,713)	8,305,911
Profit for the period	-	-	-	696,041	696,041
Other comprehensive income	-	-	-	-	-
Total comprehensive income	-	-	-	696,041	696,041
Increase in share capital	7,950,000	-	(1,618)	-	7,948,382
Transaction cost	-	-	-	(47,013)	(47,013)
Vesting of shares under employees' share ownership plan	-	-	789	-	789
Zakat and income tax reimbursements	-	-	-	22,092	22,092
Balance as at September 30, 2022 (Unaudited)	16,710,000	252,134	(5,339)	(30,593)	16,926,202


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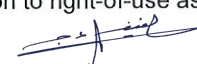

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RABIGH REFINING AND PETROCHEMICAL COMPANY
(A Saudi Joint Stock Company)
CONDENSED STATEMENT OF CASH FLOWS (UNAUDITED)
(All amounts in thousands of Saudi Riyals unless otherwise stated)

	Notes	Nine-month period ended September 30,	
		2023	2022
Cash flows from operating activities			
(Loss) profit before Zakat and tax		(3,417,576)	833,010
<u>Adjustments for non-cash items</u>			
Depreciation		2,350,964	2,209,005
Financial charges		1,619,740	910,907
Financial income		(17,669)	(265,936)
Amortization		64,420	62,624
Provision for slow moving inventories		10,606	43,735
Provision for claim		365,715	-
Loss on disposal of property, plant and equipment		10,092	185
Loss (gain) on derecognition of right-of-use assets and lease liabilities		285	(45)
Provision for deferred employee service		-	1,618
		<u>986,577</u>	<u>3,795,103</u>
<u>Changes in:</u>			
Inventories		605,847	(877,896)
Trade receivables		(1,874,200)	2,342,672
Prepayments and other receivables		(16,693)	224,607
Trade and other payables		336,447	1,981,653
Accrued expenses and other liabilities		467,308	(852,502)
Employees' benefits		65,641	69,089
		<u>570,927</u>	<u>6,682,726</u>
Zakat and income tax paid		(36,752)	(41,814)
Interest received		17,669	265,214
Interest paid		(1,112,916)	(629,910)
Net cash (used in) from operating activities		<u>(561,072)</u>	<u>6,276,216</u>
Cash flows from investing activities			
Purchase of property, plant and equipment		(861,442)	(463,590)
Net movement in long-term loans		(26,002)	(59,199)
Net cash used in investing activities		<u>(887,444)</u>	<u>(522,789)</u>
Cash flows from financing activities			
Proceeds from loans and borrowings		24,999,004	1,782,500
Repayments of loans and borrowings		(23,049,514)	(8,588,704)
Increase in share capital, net		-	1,985,882
Transaction cost		-	(47,013)
Repayment of lease liabilities		(445,955)	(432,279)
Dividend paid		-	(15)
Net cash from (used in) financing activities		<u>1,503,535</u>	<u>(5,299,629)</u>
Net increase in cash and cash equivalents		<u>55,019</u>	<u>453,798</u>
Cash and cash equivalents at beginning of the period		<u>2,044,793</u>	<u>3,971,961</u>
Cash and cash equivalents at end of the period		<u>2,099,812</u>	<u>4,425,759</u>
Supplemental schedule of non-cash information			
Loans and other liability converted into share capital		-	5,962,500
Zakat and income tax reimbursable from shareholders		61	22,092
Addition to property, plant and equipment through accrued expenses and other liabilities		91	91
Addition to intangible assets through property, plant and equipment		14,619	-
Addition to right-of-use assets		9,876	-


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The accompanying notes 1 to 14 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 nine-month periods ended September 30, 2023 (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, 2022. 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 net loss of Saudi Riyals 3,305 million for the nine-month period ended September 30, 2023 and as at that date the accumulated losses reached Saudi Riyals 5,007 million. Furthermore, as at September 30, 2023, the Company's current liabilities exceeded current assets by Saudi Riyals 8,787 million.

The Board of Directors of the Company has approved the business plan for the years ending December 31, 2023 and 2024 and believes that the Company has the resources to continue in business for the foreseeable future. Accordingly, the condensed interim financial statements of the Company continue to be prepared on a going concern basis.

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>
IFRS 16	Lease Liability in a Sale and Leaseback (Amendments to IFRS 16)	January 1, 2024
IAS 1	Classification of liabilities as current or non-current (amendments to IAS 1)	January 1, 2024
IAS 1	Non-current liabilities with covenants (amendments to IAS 1)	January 1, 2024
IAS 7 and IFR 7	Supplier Finance Arrangements (Amendments to IAS 7 and IFRS 7)	January 1, 2024
IFRS S1 and IFRS S2	IFRS S1 General Requirements for Disclosure of Sustainability-related Financial Information and IFRS S2 Climate-related Disclosures	January 1, 2024
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.

RABIGH REFINING AND PETROCHEMICAL COMPANY
(A Saudi Joint Stock Company)
NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS
For the three-month and nine-month periods ended September 30, 2023 (Unaudited)
(All amounts in thousands of Saudi Riyals unless otherwise stated)

2 Basis of preparation (continued)

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. Also see Note 13.

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, 2022.

3 Significant 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, 2022, except for the adoption of the following amendments effective as at January 1, 2023 and do not have material impact on these condensed interim financial statements:

<i>Standard / Interpretation</i>	<i>Description</i>
IFRS 17	Insurance contracts
IAS 1	Classification of liabilities as current or non-current (amendments to IAS 1)
IAS 8	Definition of Accounting Estimate – Amendment
IAS 12	Deferred Tax related to Assets and Liabilities arising from a Single Transaction
IAS 12	International Tax Reform—Pillar Two Model Rules – Amendments to IAS 12
IAS 1 and IFRS Practice Statement 2	Disclosure of Accounting Policies

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 nine-month periods ended September 30, is summarized below:

	For the three-month period ended			For the nine-month period ended		
	Refined products	Petro-chemicals	Total	Refined products	Petro-chemicals	Total
September 30, 2023 (Unaudited)						
Sales – external customers	9,309,083	3,338,372	12,647,455	25,160,721	9,149,039	34,309,760
Depreciation and amortization	154,164	657,224	811,388	458,923	1,956,461	2,415,384
Operating profit (loss)	16,342	(610,158)	(593,816)	(1,147,717)	(667,788)	(1,815,505)

RABIGH REFINING AND PETROCHEMICAL COMPANY
(A Saudi Joint Stock Company)
NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS
For the three-month and nine-month periods ended September 30, 2023 (Unaudited)
(All amounts in thousands of Saudi Riyals unless otherwise stated)

4 Segment information (continued)

	For the three-month period ended			For the nine-month period ended		
	Refined products	Petro-chemicals	Total	Refined products	Petro-chemicals	Total
September 30, 2022 (Unaudited)						
Sales – external customers	8,653,583	3,991,276	12,644,859	32,122,265	13,024,225	45,146,490
Depreciation and amortization	139,040	620,227	759,267	416,017	1,855,612	2,271,629
Operating (loss) profit	(351,386)	(795,233)	(1,146,619)	1,476,021	1,960	1,477,981

September 30, 2023 (Unaudited)	Refined products	Petrochemicals	Unallocated	Total
Total assets	20,755,807	42,406,636	2,341,843	65,504,286
Total liabilities	16,972,612	34,576,381	2,005,700	53,554,693
Capital expenditure	190,116	686,036	-	876,152

December 31, 2022 (Audited)	Refined products	Petrochemicals	Unallocated	Total
Total assets	20,120,408	43,270,330	2,187,994	65,578,732
Total liabilities	16,212,813	33,432,648	678,410	50,323,871
Capital expenditure	124,248	678,198	-	802,446

The Company's revenue from external customers amounts to Saudi Riyals 33,919 million (September 30, 2022: Saudi Riyals 44,647 million) generated from 5 customers for the period ended September 30, 2023 (September 30, 2022: 5 customers).

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

Three-month period ended September 30, 2023 (Unaudited)	Middle East	Asia Pacific	Others	Total
Sales – external customers				
Refined products	7,687,530	1,621,553	-	9,309,083
Petrochemicals	751,955	2,524,670	61,747	3,338,372
Total	8,439,485	4,146,223	61,747	12,647,455

Nine-month period ended September 30, 2023 (Unaudited)	Middle East	Asia Pacific	Others	Total
Sales – external customers				
Refined products	21,315,508	3,845,213	-	25,160,721
Petrochemicals	2,494,600	6,490,010	164,429	9,149,039
Total	23,810,108	10,335,223	164,429	34,309,760

Three-month period ended September 30, 2022 (Unaudited)	Middle East	Asia Pacific	Others	Total
Sales – external customers				
Refined products	7,606,856	1,046,727	-	8,653,583
Petrochemicals	1,105,718	2,808,927	76,631	3,991,276
Total	8,712,574	3,855,654	76,631	12,644,859

Nine-month period ended September 30, 2022 (Unaudited)	Middle East	Asia Pacific	Others	Total
Sales – external customers				
Refined products	28,768,084	3,342,078	12,103	32,122,265
Petrochemicals	3,324,825	9,366,834	332,566	13,024,225
Total	32,092,909	12,708,912	344,669	45,146,490

RABIGH REFINING AND PETROCHEMICAL COMPANY
(A Saudi Joint Stock Company)
NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS
For the three-month and nine-month periods ended September 30, 2023 (Unaudited)
(All amounts in thousands of Saudi Riyals unless otherwise stated)

4 Segment information (continued)

Middle East market primarily includes the 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) profit

	Three-month period ended September 30,		Nine-month period ended September 30,	
	2023	2022	2023	2022
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
Operating (loss) profit	(593,816)	(1,146,619)	(1,815,505)	1,477,981
Financial charges	(576,226)	(373,608)	(1,619,740)	(910,907)
Financial income	4,937	23,207	17,669	265,936
(Loss) profit before Zakat and tax	(1,165,105)	(1,497,020)	(3,417,576)	833,010
Zakat	-	22,206	(5,341)	(16,735)
Tax	20,024	61,366	117,676	(120,234)
(Loss) profit for the period	(1,145,081)	(1,413,448)	(3,305,241)	696,041

5 (Loss) earnings per share

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

Diluted (loss) earnings per share is calculated by dividing the net (loss) profit 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.

The weighted average number of shares has been retrospectively adjusted for the prior period to reflect the element of the rights issue as required by IAS 33, "Earnings per share" as follows:

	Three-month period ended September 30,		Nine-month period ended September 30,	
	2023	2022	2023	2022
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
Issued ordinary shares at January 1	1,671,000	876,000	1,671,000	876,000
Rights issue adjustment	-	761,101	-	438,957
Weighted average number of shares (thousands)	1,671,000	1,637,101	1,671,000	1,314,957

The weighted average number of shares for the prior periods is computed using an adjustment factor of 1.31, which is a ratio of the theoretical ex-right price of Saudi Riyals 15.29 and the closing price per share of Saudi Riyals 20.10 per share on June 13, 2022, the last day on which the shares were traded before the rights issue.

RABIGH REFINING AND PETROCHEMICAL COMPANY
(A Saudi Joint Stock Company)
NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS
For the three-month and nine-month periods ended September 30, 2023 (Unaudited)
(All amounts in thousands of Saudi Riyals unless otherwise stated)

5 (Loss) earnings per share (continued)

The basic and diluted (loss) earnings per share is calculated as follows:

	Three-month period ended September 30,		Nine-month period ended September 30,	
	2023	2022	2023	2022
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
(Loss) profit for the period for basic and diluted earnings per share	(1,145,081)	(1,413,448)	(3,305,241)	696,041
Weighted average number of shares outstanding during the period (number of shares in thousands)	1,671,000	1,637,101	1,671,000	1,314,957
Adjustment for the effect of dilution in weighted average number of shares outstanding during the period due to ESOP (number of shares in thousands)	335	337	335	337
Basic and diluted (loss) earnings per share (Saudi Riyals)	(0.69)	(0.86)	(1.98)	0.53

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, 2023	11,193,297	58,934,898	46,602	609,850	822,243	71,606,890
Additions	-	149,323	-	-	712,210	861,533
Transfers						
- Within property, plant and equipment	22,043	810,259	-	1,224	(833,526)	-
- Intangible assets	-	-	-	-	(14,619)	(14,619)
Disposals	(28,814)	(55,751)	(156)	(1,708)	-	(86,429)
September 30, 2023	11,186,526	59,838,729	46,446	609,366	686,308	72,367,375
Accumulated depreciation						
January 1, 2023	3,336,430	25,234,099	38,420	360,343	-	28,969,292
Charge for the period	183,694	1,600,049	1,111	33,364	-	1,818,218
Released on disposals	(28,801)	(45,715)	(156)	(1,665)	-	(76,337)
September 30, 2023	3,491,323	26,788,433	39,375	392,042	-	30,711,173
Carrying Value At September 30, 2023 (Unaudited)	7,695,203	33,050,296	7,071	217,324	686,308	41,656,202
At December 31, 2022 (Audited)	7,856,867	33,700,799	8,182	249,507	822,243	42,637,598

6.1 Planned periodic maintenance

The Company conducted planned periodic maintenance activity for its Phase - 2 operational facilities and production plants that required shutdown of the Phase – 2 operational facilities and production plants from December 1, 2022 to January 23, 2023. The net book value of such periodic maintenance costs as at September 30, 2023 amounted to Saudi Riyals 582 million, which is included in plant, machinery and operating equipment.

RABIGH REFINING AND PETROCHEMICAL COMPANY
(A Saudi Joint Stock Company)
NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS
For the three-month and nine-month periods ended September 30, 2023 (Unaudited)
(All amounts in thousands of Saudi Riyals unless otherwise stated)

7 Leases

7.1 Right-of-use assets

	Land, buildings and infrastructure	Plant and machinery	Vehicles	Total
Cost				
January 1, 2023	1,260,813	11,660,838	158,804	13,080,455
Additions	-	-	9,876	9,876
Derecognition	-	-	(840)	(840)
September 30, 2023	1,260,813	11,660,838	167,840	13,089,491
Accumulated depreciation				
January 1, 2023	301,524	2,675,848	92,935	3,070,307
Charge for the period	26,652	489,735	16,359	532,746
Released on derecognition	-	-	(464)	(464)
September 30, 2023	328,176	3,165,583	108,830	3,602,589
Carrying value				
At September 30, 2023 (Unaudited)	932,637	8,495,255	59,010	9,486,902
At December 31, 2022 (Audited)	959,289	8,984,990	65,869	10,010,148

7.2 Lease liabilities

Lease liabilities are as follows:

	September 30, 2023		December 31, 2022	
	Minimum lease payments	Interest	Present value of minimum lease payments	Present value of minimum lease payments
	(Unaudited)	(Unaudited)	(Unaudited)	(Audited)
Land, buildings and infrastructure	2,568,977	1,492,699	1,076,278	1,090,059
Plant and machinery	11,505,857	2,381,519	9,124,338	9,540,732
Vehicles	65,077	4,021	61,056	67,050
	14,139,911	3,878,239	10,261,672	10,697,841

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

	September 30, 2023	December 31, 2022
	(Unaudited)	(Audited)
Current portion	629,604	602,365
Non-current portion	9,632,068	10,095,476
	10,261,672	10,697,841

The minimum lease payments together with the present value of minimum lease payments are as follows:

	September 30, 2023		December 31, 2022	
	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	969,130	629,604	961,665	602,365
One to five years	3,786,178	2,605,770	3,788,082	2,565,374
More than five years	9,384,603	7,026,298	10,098,682	7,530,102
Total minimum lease payments	14,139,911	10,261,672	14,848,429	10,697,841
Less: finance charges	(3,878,239)	-	(4,150,588)	-
Present value of minimum lease payments	10,261,672	10,261,672	10,697,841	10,697,841

RABIGH REFINING AND PETROCHEMICAL COMPANY
(A Saudi Joint Stock Company)
NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS
For the three-month and nine-month periods ended September 30, 2023 (Unaudited)
(All amounts in thousands of Saudi Riyals unless otherwise stated)

7 Leases (continued)

7.3 During the period ended September 30, 2023, the Company's expenses relating to short-term leases and low value assets are Saudi Riyals Nil (September 30, 2022: Saudi Riyals 2,303 thousands) and Saudi Riyals 664 thousands (September 30, 2022: Saudi Riyals 1,605 thousands), respectively.

8 Financial assets and financial liabilities

8.1 Financial assets measured at amortized cost

Long-term loans:

		September 30, 2023	December 31, 2022
	Notes	(Unaudited)	(Audited)
Loans to employees	8.1.1	281,614	248,691
Less: current portion of long-term loans		(10,467)	(4,151)
Non-current portion of long-term loans		271,147	244,540
Trade receivables	8.1.2	7,251,567	5,377,367

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:

	September 30, 2023	December 31, 2022
	(Unaudited)	(Audited)
Trade receivables – related parties	7,200,816	5,344,931
Trade receivables – others	50,751	32,436
	7,251,567	5,377,367

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	
September 30, 2023 (Unaudited)	7,251,567	7,217,260	10,749	22,029	199	201	1,129	-
December 31, 2022 (Audited)	5,377,367	5,231,094	94,399	50,388	318	-	1,168	-

Financial assets also include cash and cash equivalents amounting to Saudi Riyals 2,100 million (December 31, 2022: Saudi Riyals 2,045 million) and other receivables amounting to Saudi Riyals 39.5 million (December 31, 2022: Saudi Riyals 78 million) that are measured at amortized cost.

8.2 Financial assets measured at fair value through profit and loss

	September 30, 2023	December 31, 2022
	(Unaudited)	(Audited)
Investment in RAWEC	10,000	10,000

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

RABIGH REFINING AND PETROCHEMICAL COMPANY
(A Saudi Joint Stock Company)
NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS
For the three-month and nine-month periods ended September 30, 2023 (Unaudited)
(All amounts in thousands of Saudi Riyals unless otherwise stated)

8 Financial assets and financial liabilities (continued)

8.3 Financial liabilities measured at amortized cost

Loans, borrowings and other liability

	Notes	September 30, 2023 (Unaudited)	December 31, 2022 (Audited)
Loans and facilities from banks, financial institutions, founding shareholders and their affiliates	8.3.1	23,270,786	22,217,212
Loan from Saudi Industrial Development Fund (SIDF)	8.3.2	3,128,664	3,145,908
Other facilities	8.3.3	2,010,595	649,576
		28,410,045	26,012,696
Less: current portion		(7,656,056)	(13,435,306)
Non-current portion		20,753,989	12,577,390
Trade and other payables	8.3.4	12,820,087	12,117,925

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 period ended September 30, 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 is payable in two instalments and is amortised over the term of restructured EBLs. The restructured EBLs are financed by commercial banks and a related party (Aramco Overseas Company, a wholly owned subsidiary of Saudi Aramco), 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 and cash and cash equivalents of the Company with a carrying value of Saudi Riyals 41,656 million and Saudi Riyals 2,100 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 utilized to the extent of Saudi Riyals 3,525 million as at September 30, 2023.

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 unutilized as at September 30, 2023.

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 ended December 31, 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 September 30, 2023. 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.

RABIGH REFINING AND PETROCHEMICAL COMPANY
(A Saudi Joint Stock Company)
NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS
For the three-month and nine-month periods ended September 30, 2023 (Unaudited)
(All amounts in thousands of Saudi Riyals unless otherwise stated)

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 September 30, 2023, drawdowns and repayments amounting to Saudi Riyals 23,649 million and Saudi Riyals 22,290 million, respectively have been made by the Company with a closing balance of Saudi Riyals 2,006 million as at September 30, 2023 (December 31, 2022: Saudi Riyals 647 million).
- (b) The Company has a credit facility of Saudi Riyals 375 million with a local commercial bank on prevailing market rates. As at September 30, 2023, the facility has been unutilized (December 31, 2022: Saudi Riyals Nil).

8.3.4 Trade and other payables

	September 30, 2023	December 2022
	(Unaudited)	(Audited)
Trade payables:		
- Related parties	11,394,768	10,865,318
- Others	1,326,267	1,152,886
	12,721,035	12,018,204
Other payables – related parties (see below)	99,052	99,721
	12,820,087	12,117,925

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 September 30, 2023 and December 31, 2022 consists of 16,710 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 (income) for the period

Zakat and tax for the three-month and nine-month periods ended September 30, is as follows:

	Three-month period ended September 30,		Nine-month period ended September 30,	
	2023	2022	2023	2022
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
Zakat for the period	-	(22,206)	5,341	16,735
Income tax for the period	-	(72,216)	-	12,052
Deferred tax (income) expense for the period	(20,024)	10,850	(117,676)	108,182
	(20,024)	(83,572)	(112,335)	136,969

RABIGH REFINING AND PETROCHEMICAL COMPANY
(A Saudi Joint Stock Company)
NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS
For the three-month and nine-month periods ended September 30, 2023 (Unaudited)
(All amounts in thousands of Saudi Riyals unless otherwise stated)

11 Zakat and Tax (continued)

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

	Three-month period ended September 30,		Nine-month period ended September 30,	
	2023	2022	2023	2022
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
Condensed interim statement of profit or loss:				
- Income tax	-	(72,216)	-	12,052
- Deferred tax (income) expense	(20,024)	10,850	(117,676)	108,182
	(20,024)	(61,366)	(117,676)	120,234

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 2022 and obtained the Zakat certificate, valid until April 30, 2024. The Company has finalized Zakat and income tax assessments with ZATCA up to 2020.

During the period ended September 30, 2023, ZATCA requested certain information regarding the returns filed for the years 2021 and 2022, which the Company has already provided to the ZATCA.

12 Related party transactions and balances

Related parties comprised of founding shareholders of the Company being Saudi Aramco and Sumitomo Chemical, their subsidiaries and associates and other companies with common directorship with significant influence on other 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 period ended September 30, are summarized as follows:

	2023	2022
	(Unaudited)	(Unaudited)
Saudi Aramco and its associated companies		
Purchase of goods	29,492,719	38,792,427
Sale of refined products and petrochemical products	29,528,370	38,676,457
Financial charges	217,689	108,212
Rentals	16,240	17,416
Secondees' costs	9,090	10,244
Service and other cost charges, net	11,441	21,041

During the period ended September 30, 2023 Aramco Overseas Company, a wholly owned subsidiary of Saudi Aramco has provided with a restructured EBL of Saudi Riyals 3,000 million (Note 8.3.1a).

Sumitomo Chemical and its associated companies

Purchase of goods	49,911	62,809
Sale of petrochemical products	3,621,171	5,398,289
Financial charges	65,737	62,093
Secondees' costs	3,835	5,350
Service and other cost charges, net	321	12,083

12.2 Balances with related parties

In addition to Trade receivables (Note 8.1.2), loans and facilities from founding shareholders and 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 7.6 million (December 31, 2022: Saudi Riyals 50.7 million) and Saudi Riyals 651.6 million (December 31, 2022: Saudi Riyals 251.2 million), respectively.

12.3 Transactions with key management personnel

Transactions with key management personnel on account of short-term benefits amounted to Saudi Riyals 10.2 million (September 30, 2022: Saudi Riyals 10.9 million) of which Saudi Riyals 5.8 million (September 30, 2022: Saudi Riyals 5.7 million) are included in secondees' costs above (Note 12.1). The remuneration paid to directors amounted to Saudi Riyals 1.05 million (September 30, 2022: Saudi Riyals 1.05 million).

13 Contingencies and commitments

- (i) In addition to the amounts disclosed in notes 8.3.1 (b), letters of credit and bank guarantees issued on behalf of the Company as at September 30, 2023 amounted to Saudi Riyals 1,825 million (December 31, 2022: Saudi Riyals 1,828 million).
- (ii) In addition to the amounts disclosed in note 7.2, capital commitments contracted for but not incurred as at September 30, 2023 amounted to Saudi Riyals 478 million (December 31, 2022: Saudi Riyals 194 million).
- (iii) During the year ended December 31, 2021, Saudi Electricity Company ("SEC") raised a claim against the Company alleging that the Company breached the Power Supply Agreement (the "Agreement") by importing power in excess of the 130MWs threshold set in the Agreement. After payment of an undisputed amount of Saudi Riyals 56.4 million, the remaining disputed amount was Saudi Riyals 317.98 million which consisted of penalty on Grid Utilization Fee for 2018 and higher Grid Utilization Fee for 2019 and 2020 compared to the threshold stated as per the Agreement. In addition, SEC increased the claim amount to Saudi Riyals 365.7 million by adding Saudi Riyals 47.7 million as Grid Utilization Fee for 2021 which was the subject of a new Grid Utilization Agreement negotiated by the Company and SEC (National Grid), and not part of the above dispute. On December 19, 2021, the Dispute Resolution Committee (the "Committee") issued an administrative decision ordering the Company to pay SEC the claim amount of Saudi Riyals 365.7 million. The Company filed an appeal against the Committee's decision on several grounds with the Jeddah Administrative Court at the Board of Grievances which held the appeal hearing on February 8, 2023 and ruled the decision in favor of the Company. SEC had filed an appeal against the Court's decision with the Administrative Court of Appeal which ruled the decision in favor of SEC. The Company has also filed an appeal against this decision of the Administrative Court of Appeal at the Supreme Court of Cessation to revoke the judgement issued by the Administrative Court of Appeal. The Company's appeal has been accepted and the hearing date is awaited.

Subsequent to the period ended September 30, 2023, on October 24, 2023, the Company received an enforcement notice to pay the claim amount of Saudi Riyals 365.7 million, which the Company has subsequently duly paid to the Enforcement Court. Further, the Company has filed an appeal with the Enforcement Court against the above notice. Accordingly, the Company's management took a prudent view of the matter and has made a provision amounting to Saudi Riyals 365.7 million in these condensed interim financial statements.

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 Rabi Thani 24, 1445H (November 8, 2023).