

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

UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS
FOR THE THREE-MONTH PERIOD ENDED MARCH 31, 2023
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 PERIOD ENDED MARCH 31, 2023

	Page
Independent auditor's report on review of condensed interim financial statements	1
Condensed interim statement of profit or loss	2
Condensed interim statement of comprehensive income	3
Condensed interim statement of financial position	4
Condensed interim statement of changes in equity	5
Condensed interim statement of cash flows	6
Notes to the condensed interim financial statements	7 – 17



KPMG Professional Services

Zahran Business Center
Prince Sultan Street
P.O. Box 55078
Jeddah 21534
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
جده 21534
المملكة العربية السعودية
سجل تجاري رقم 4030290792
المركز الرئيسي في الرياض

Independent Auditor's Report

To the Shareholders of Rabigh Refining and Petrochemical Company

Introduction

We have reviewed the accompanying March 31, 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 period ended March 31, 2023;
- the condensed statement of comprehensive income for the three-month period ended March 31, 2023;
- the condensed statement of financial position as at March 31, 2023;
- the condensed statement of changes in equity for the three-month period ended March 31, 2023;
- the condensed statement of cash flows for the three-month period ended March 31, 2023; and
- the notes to the condensed interim financial statements for the three-month period ended March 31, 2023.

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 March 31, 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

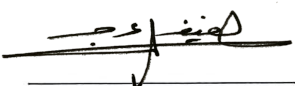
Ebrahim Oboud Baeshen
License No. 382

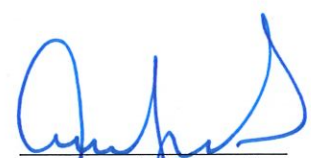
Jeddah, May 10, 2023
Corresponding to Shawwal 20, 1444H



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 March 31,	
		2023	2022
Sales	4	10,980,503	14,401,618
Cost of sales		(11,108,108)	(12,921,355)
Gross (loss) profit		(127,605)	1,480,263
Other income, net		15,972	26,626
Selling and marketing expenses		(191,556)	(221,255)
General and administrative expenses		(215,473)	(207,801)
Operating (loss) profit		(518,662)	1,077,833
Financial charges		(494,270)	(264,565)
Financial income		6,180	410
Net (loss) profit before Zakat and tax		(1,006,752)	813,678
Zakat	11	101	(24,177)
Tax	11	42,542	(64,738)
Net (loss) profit after Zakat and tax		(964,109)	724,763
(Loss) earnings per share (Saudi Riyals) - Basic and diluted	5	(0.58)	0.63


Abdullah Jaber Al Faifi
Chairman – Board Audit Committee

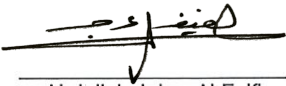

Othman A. Al Ghamdi
President and Chief Executive Officer

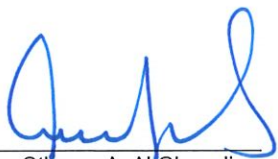

Akihiko Hiraoka
Chief Financial Officer

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 INTERIM STATEMENT OF COMPREHENSIVE INCOME (UNAUDITED)
 (All amounts in thousands of Saudi Riyals unless otherwise stated)

	Three-month period ended March 31,	
	2023	2022
Net (loss) profit after Zakat and tax	(964,109)	724,763
Other comprehensive income:		
Items that will not be reclassified subsequently to profit or loss:		
Remeasurement loss on defined benefit plan	-	-
Other comprehensive income	-	-
Total comprehensive (loss) income for the period	(964,109)	724,763


 Abdullah Jaber Al Faifi
 Chairman – Board Audit Committee

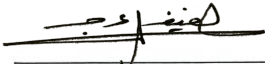

 Othman A. Al Ghamdi
 President and Chief Executive Officer

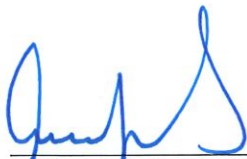

 Akihiko Hiraoka
 Chief Financial Officer

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 INTERIM STATEMENT OF FINANCIAL POSITION
(All amounts in thousands of Saudi Riyals unless otherwise stated)

		March 31, 2023 (Unaudited)	December 31, 2022 (Audited)
	Notes		
Assets			
Non-current assets			
Property, plant and equipment	6	42,569,581	42,637,598
Right-of-use assets	7	9,842,122	10,010,148
Intangible assets		270,209	291,283
Long-term loans	8	257,461	244,540
Investment	8	10,000	10,000
Deferred tax asset		166,896	124,354
		<u>53,116,269</u>	<u>53,317,923</u>
Current assets			
Inventories		3,539,127	4,028,765
Trade receivables	8	6,645,963	5,377,367
Current portion of long-term loans	8	6,380	4,151
Prepayments and other receivables		2,061,294	805,733
Cash and cash equivalents		1,001,807	2,044,793
		<u>13,254,571</u>	<u>12,260,809</u>
Total assets		<u>66,370,840</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		(2,666,104)	(1,701,934)
Total equity		<u>14,290,725</u>	<u>15,254,861</u>
Non-current liabilities			
Loans and borrowings	8	21,462,712	12,577,390
Lease liabilities	7	9,946,398	10,095,476
Employees' benefits		745,274	719,725
		<u>32,154,384</u>	<u>23,392,591</u>
Current liabilities			
Current maturity of loans and borrowings	8	6,138,141	13,435,306
Current maturity of lease liabilities	7	616,204	602,365
Trade and other payables	8	11,444,124	12,117,925
Accrued expenses and other liabilities		1,727,262	744,273
Zakat and tax payable		-	31,411
		<u>19,925,731</u>	<u>26,931,280</u>
Total liabilities		<u>52,080,115</u>	<u>50,323,871</u>
Total equity and liabilities		<u>66,370,840</u>	<u>65,578,732</u>


Abdullah Jaber Al Faifi
Chairman – Board Audit Committee

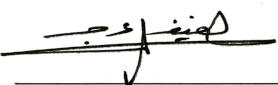

Othman A. Al Ghamdi
President and Chief Executive Officer

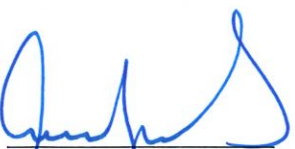

Akihiko Hiraoka
Chief Financial Officer

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 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, 2023 (Audited)	16,710,000	252,134	(5,339)	(1,701,934)	15,254,861
Net loss after Zakat and tax	-	-	-	(964,109)	(964,109)
Other comprehensive income	-	-	-	-	-
Total comprehensive loss	-	-	-	(964,109)	(964,109)
Vesting of shares under employees' share ownership plan	-	-	34	-	34
Zakat and income tax reimbursement	-	-	-	(61)	(61)
Balance as at March 31, 2023 (Unaudited)	16,710,000	252,134	(5,305)	(2,666,104)	14,290,725
Balance as at January 1, 2022 (Audited)	8,760,000	252,134	(4,510)	(701,713)	8,305,911
Net profit after Zakat and tax	-	-	-	724,763	724,763
Other comprehensive income	-	-	-	-	-
Total comprehensive income	-	-	-	724,763	724,763
Vesting of shares under employees' share ownership plan	-	-	33	-	33
Zakat and income tax reimbursement	-	-	-	37,717	37,717
Balance as at March 31, 2022 (Unaudited)	8,760,000	252,134	(4,477)	60,767	9,068,424


Abdullah Jaber Al Faifi
Chairman – Board Audit Committee

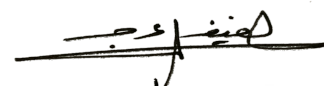

Othman A. Al Ghamdi
President and Chief Executive Officer



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 INTERIM STATEMENT OF CASH FLOWS (UNAUDITED)
(All amounts in thousands of Saudi Riyals unless otherwise stated)

	Notes	Three-month period ended March 31,	
		2023	2022
Cash flows from operating activities			
Net (loss) profit before Zakat and tax		(1,006,752)	813,678
<u>Adjustments for:</u>			
Depreciation		766,151	731,889
Financial charges		494,270	264,565
Financial income		(6,180)	(410)
Amortization of Intangible assets		21,074	20,875
Provision for slow moving inventories		(1,204)	30,118
Loss on disposal of property, plant and equipment		3,310	-
Loss (gain) on derecognition of right-of-use assets and lease liabilities		286	(2)
		<u>270,955</u>	<u>1,860,713</u>
<u>Changes in:</u>			
Inventories		490,842	(453,221)
Trade receivables		(1,268,596)	(1,397,849)
Prepayments and other receivables		(1,255,621)	390,037
Trade and other payables		(673,802)	1,810,590
Accrued expenses and other liabilities		941,023	(214,917)
Employees' benefits		25,584	19,268
		<u>(1,469,615)</u>	<u>2,014,621</u>
Zakat paid		(31,310)	-
Interest received		6,180	325
Interest paid		(224,108)	(71,359)
Net cash (used in) from operating activities		<u>(1,718,853)</u>	<u>1,943,587</u>
Cash flows from investing activities			
Purchase of property, plant and equipment		(523,767)	(220,916)
Net movement in long-term loans		(12,780)	(14,320)
Net cash used in investing activities		<u>(536,547)</u>	<u>(235,236)</u>
Cash flows from financing activities			
Proceeds from loans and borrowings		7,642,500	1,782,500
Repayments of loans and borrowings		(6,285,000)	(1,893,958)
Repayment of lease liabilities		(145,086)	(141,060)
Dividend paid		-	(15)
Net cash from (used in) financing activities		<u>1,212,414</u>	<u>(252,533)</u>
Net (decrease) increase in cash and cash equivalents		<u>(1,042,986)</u>	<u>1,455,818</u>
Cash and cash equivalents at beginning of the period		2,044,793	3,971,961
Cash and cash equivalents at end of the period		<u>1,001,807</u>	<u>5,427,779</u>
Supplemental schedule of non-cash information			
Zakat and income tax reimbursable from shareholders		61	37,717
Addition to property, plant and equipment through accrued expenses and other liabilities		91	393
Addition to right-of-use assets	71	9,876	-


Abdullah Jaber Al Faifi
Chairman – 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)
NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS
For the three-month period ended March 31, 2023 (Unaudited)
(All amounts in Saudi Riyals thousands 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.

2.1 New standards, interpretations and amendments

Standards, interpretations and amendments issued but not yet effective

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

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

Interest Rate Benchmark Reform – Phase 2: Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16.

IBOR reform represents the reform and replacement of interest rate benchmarks such as the London Interbank Offered Rate (LIBOR) by global regulators. On March 5, 2021, the UK's Financial Conduct Authority announced the future cessation and loss of representativeness of the LIBOR benchmarks. The Company has a number of loans primarily referenced to USD LIBOR, of which most applicable tenors will cease to be published on June 30, 2023. In this regard, the IASB issued amendments to IAS 39, Financial Instruments: Recognition and Measurement, IFRS 4, Insurance Contracts, IFRS 7, Financial Instruments: Disclosures, IFRS 9, Financial Instruments, and IFRS 16, Leases, as part of phase 2 of a two phase project for IBOR reform, which address issues that arise from the implementation of the reform.

The amendments provide temporary reliefs which address the financial reporting effects when an interbank offered rate ('IBOR') is replaced with an alternative nearly risk-free interest rate ('RFR'). The amendments include the following practical expedients:

- a practical expedient to require contractual changes, or changes to cash flows that are directly required by the reform, to be treated as changes to a floating interest rate, equivalent to a movement in a market rate of interest,

2 Basis of preparation (continued)

- permit changes required by IBOR reform to be made to hedge designations and hedge documentation without the hedging relationship being discontinued,
- provide temporary relief to entities from having to meet the separately identifiable requirement when a RFR instrument is designated as a hedge of a risk component.

These amendments do not have any impact on the Company's financial statements, as the Company:

- does not have floating interest rate nominated loans, except for the loans that are USD LIBOR based amounting to Saudi Riyals 10,683 million as at March 31, 2023. The RFR for these will become available till mid - 2023 and therefore, no reliable estimate can be made for the impact of the result of future negotiations,
- applies its Incremental Borrowing Rates (IBR) to discount leases, which are not derived or IBOR based, and
- has no significant insurance contracts subject to any IBOR referred rate.

The Company intends to use the practical expedients in future periods if they become applicable.

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 1 and IFRS Practice Statement 2	Disclosure of Accounting Policies

RABIGH REFINING AND PETROCHEMICAL COMPANY
(A Saudi Joint Stock Company)
NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS
For the three-month period ended March 31, 2023 (Unaudited)
(All amounts in Saudi Riyals thousands unless otherwise stated)

4 Segment information

4.1 Operating segment

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

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

2023 (Unaudited)	Refined products	Petrochemicals	Total
Sales – external customers	8,710,131	2,270,372	10,980,503
Depreciation and amortization	149,573	637,652	787,225
Operating loss	(351,303)	(167,359)	(518,662)

2022 (Unaudited)

Sales – external customers	10,164,986	4,236,632	14,401,618
Depreciation and amortization	137,877	614,887	752,764
Operating income	524,112	553,721	1,077,833

March 31, 2023 (Unaudited)	Refined products	Petrochemicals	Unallocated	Total
Total assets	25,164,885	40,037,252	1,168,703	66,370,840
Total liabilities	16,378,373	33,697,243	2,004,500	52,080,116
Capital expenditure	73,916	449,942	-	523,858

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 10,901 million (March 31, 2022: Saudi Riyals 14,233 million) of revenue generated from 5 customers in the period ended March 31, 2023 (March 31, 2022: 5 customers).

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

2023 (Unaudited)	Middle East	Asia Pacific	Others	Total
Sales				
Refined products	7,189,984	1,520,147	-	8,710,131
Petrochemicals	754,514	1,482,412	33,446	2,270,372
Total	7,944,498	3,002,559	33,446	10,980,503
2022 (Unaudited)	Middle East	Asia Pacific	Others	Total
Sales				
Refined products	9,245,023	907,860	12,103	10,164,986
Petrochemicals	1,095,399	3,032,915	108,318	4,236,632
Total	10,340,422	3,940,775	120,421	14,401,618

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

RABIGH REFINING AND PETROCHEMICAL COMPANY
(A Saudi Joint Stock Company)
NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS
For the three-month period ended March 31, 2023 (Unaudited)
(All amounts in Saudi Riyals thousands unless otherwise stated)

4 Segment information (continued)

4.2 Adjustments

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

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

4.3 Reconciliation of net (loss) profit

	2023	2022
	(Unaudited)	(Unaudited)
Operating (loss) profit	(518,662)	1,077,833
Financial charges	(494,270)	(264,565)
Financial income	6,180	410
Net (loss) profit before Zakat and tax	(1,006,752)	813,678
Zakat	101	(24,177)
Tax	42,542	(64,738)
Net (loss) profit after Zakat and tax	(964,109)	724,763

5 (Loss) earnings per share

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

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

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:

	2023	2022
Issued ordinary shares at January 1	1,671,000	876,000
Rights issue adjustment	-	275,215
Weighted average number of shares (thousands)	1,671,000	1,151,215

The weighted average number of shares for the prior period 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.

	2023	2022
	(Unaudited)	(Unaudited)
Net (loss) profit for the period for basic and dilutive earnings per share	(964,109)	724,763
Weighted average number of shares outstanding during the period (thousands)	1,671,000	1,151,215
Adjustment for the effect of dilution in weighted average number of shares outstanding during the period due to ESOP (thousands)	335	211
Basic and diluted (loss) earnings per share (Saudi Riyals)	(0.58)	0.63

RABIGH REFINING AND PETROCHEMICAL COMPANY
(A Saudi Joint Stock Company)
NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS
For the three-month period ended March 31, 2023 (Unaudited)
(All amounts in Saudi Riyals thousands unless otherwise stated)

6 Property, plant and equipment

	Buildings and infrastructure	Plant, machinery and operating equipment	Vehicles and related equipment	Furniture and IT equipment	Capital projects-in-progress	Total
Cost						
January 1, 2023	11,193,297	58,934,898	46,602	609,850	822,243	71,606,890
Additions	-	44,929	-	-	478,928	523,857
Transfers (Note 6.1)	11,604	420,735	-	862	(433,201)	-
Disposals	-	(21,806)	-	-	-	(21,806)
March 31, 2023	11,204,901	59,378,756	46,602	610,712	867,970	72,108,941
Accumulated depreciation						
January 1, 2023	3,336,430	25,234,099	38,420	360,343	-	28,969,292
Charge for the period	61,171	515,361	370	11,662	-	588,564
Released on disposals	-	(18,496)	-	-	-	(18,496)
March 31, 2023	3,397,601	25,730,964	38,790	372,005	-	29,539,360
Carrying Value						
At March 31, 2023 (Unaudited)	7,807,300	33,647,792	7,812	238,707	867,970	42,569,581
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 March 31, 2023 amounted to Saudi Riyals 381.4 million, which is included in plant, machinery and operating equipment.

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	-	-	(763)	(763)
March 31, 2023	1,260,813	11,660,838	167,917	13,089,568
Accumulated depreciation				
January 1, 2023	301,524	2,675,848	92,935	3,070,307
Charge for the period	8,884	163,245	5,458	177,587
Released on derecognition	-	-	(448)	(448)
March 31, 2023	310,408	2,839,093	97,945	3,247,446
Carrying value				
At March 31, 2023 (Unaudited)	950,405	8,821,745	69,972	9,842,122
At December 31, 2022 (Audited)	959,289	8,984,990	65,869	10,010,148

RABIGH REFINING AND PETROCHEMICAL COMPANY
(A Saudi Joint Stock Company)
NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS
For the three-month period ended March 31, 2023 (Unaudited)
(All amounts in Saudi Riyals thousands unless otherwise stated)

7 Leases (continued)

7.2 Lease liabilities

Lease liabilities at March 31, 2023 are as follows:

	March 31, 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	2,604,586	1,519,095	1,085,491	1,090,059
Plant and machinery	11,939,841	2,534,415	9,405,426	9,540,732
Vehicles	77,062	5,377	71,685	67,050
	14,621,489	4,058,887	10,562,602	10,697,841

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

	March 31, 2023	December 31, 2022
	(Unaudited)	(Audited)
Current portion	616,204	602,365
Non-current portion	9,946,398	10,095,476
	10,562,602	10,697,841

The minimum lease payments together with the present value of minimum lease payments as of March 31, 2023 are as follows:

	March 31, 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	969,170	616,204	961,665	602,365
One to five years	3,802,990	2,583,462	3,788,082	2,565,374
More than five years	9,849,329	7,362,936	10,098,682	7,530,102
Total minimum lease payments	14,621,489	10,562,602	14,848,429	10,697,841
Less: finance charges	(4,058,887)	-	(4,150,588)	-
Present value of minimum lease payments	10,562,602	10,562,602	10,697,841	10,697,841

7.3 During the period ended March 31, 2023, the Company's expenses relating to short-term leases and low value assets are Saudi Riyals Nil (March 31, 2022: Saudi Riyals 329 thousands) and Saudi Riyals 124 thousands (March 31, 2022: Saudi Riyals 550 thousands) respectively.

8 Financial assets and financial liabilities

8.1 Financial assets measured at amortized cost

Long-term loans:		March 31, 2023	December 31, 2022
	Notes	(Unaudited)	(Audited)
Loans to employees	8.1.1	263,841	248,691
Less: current portion of long-term loans		(6,380)	(4,151)
Non-current portion of long-term loans		257,461	244,540
Trade receivables	8.1.2	6,645,963	5,377,367

RABIGH REFINING AND PETROCHEMICAL COMPANY
(A Saudi Joint Stock Company)
NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS
For the three-month period ended March 31, 2023 (Unaudited)
(All amounts in Saudi Riyals thousands unless otherwise stated)

8 Financial assets and financial liabilities (continued)

8.1.1 The Company's eligible employees are provided with loans under an employees' home ownership program. The cost of the land is advanced to employees free of interest cost provided the employee serves the Company for a minimum period of four years 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. The remaining 10% is amortized over the term of the loan (seventeen years). These loans are secured by mortgages on the related housing units. Ownership of the housing unit is transferred to the employee upon full payment of the loan.

8.1.2 Trade receivables of the Company are as follows:

	March 31, 2023 (Unaudited)	December 31, 2022 (Audited)
Trade receivables – related parties	6,611,215	5,344,931
Trade receivables – others	34,748	32,436
	6,645,963	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	
March 31, 2023 (Unaudited)	6,645,963	6,609,078	23,178	8,877	3,700	-	1,130	-
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 1,002 million (December 31, 2022: Saudi Riyals 2,045 million) and other receivables amounting to Saudi Riyals 68 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

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

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

8.3 Financial liabilities measured at amortized cost

Loans and borrowings

	Notes	March 31, 2023 (Unaudited)	December 31, 2022 (Audited)
Loans and facilities from banks, financial institutions, founding shareholders and their affiliates	8.3.1	22,415,358	22,217,212
Loan from Saudi Industrial Development Fund (SIDF)	8.3.2	3,178,374	3,145,908
Other facilities	8.3.3	2,007,121	649,576
		27,600,853	26,012,696
Less: current portion		(6,138,141)	(13,435,306)
Non-current portion		21,462,712	12,577,390
Trade and other payables	8.3.4	11,444,124	12,117,925

8 Financial assets and financial liabilities (continued)

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

8.3.1 (a) During the year 2015, the Company had entered into Consortium Loan Agreements with commercial banks and financial institutions for Phase II Expansion Project. The facilities available under these loan agreements amounted to Saudi Riyals 30,630 million which have been utilized in full by the Company. The loan amounting to Saudi Riyals 19,380 million is repayable in semi-annual instalments from June 2019 to June 2031. During the year ended December 2020, a portion of loans amounting to Saudi Riyals 3,312 million has been repaid from the proceeds of loan from SIDF (Note 8.3.2). During the year ended December 31, 2022, the equity bridge loans guaranteed by founding shareholders amounting to Saudi Riyals 11,250 million were partially repaid to an extent of Saudi Riyals 1,940 million out of the proceeds of the rights issue carried out by the Company in the year 2022. The equity bridge loans had an initial maturity of July 1, 2019, which during the three-month period ended March 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 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 42,570 million and Saudi Riyals 1,002 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 2,175 million as at March 31, 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 March 31, 2023.

The aforementioned facilities bear financial charges based on prevailing market rates and are secured by promissory notes issued by the Company in favor 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 utilized as at March 31, 2022. The loan is repayable in unequal semi-annual instalments commencing from Rabi Aakhir 1443H (corresponding to November 2021) to Shawwal 1453H (corresponding to January 2032). Upfront fee amounting to Saudi Riyals 288 million was deducted at the time of receipt of the loan and is amortised over the loan term. The loan also bears a follow up fee to be paid on semi-annual basis. The loan has certain covenants, which among other things requires certain financial ratios to be maintained. The loan facility is secured by a mortgage on the property, plant and equipment of the Company amounting to Saudi Riyals 7,200 million.

8.3.3 Other facilities

- (a) The Company has working capital facilities of Saudi Riyals 3,375 million with local commercial banks on prevailing market rates. During the three-month period ended March 31, 2023, drawdowns and repayments amounting to Saudi Riyals 7,643 million and Saudi Riyals 6,285 million, respectively have been made by the Company with a closing balance of Saudi Riyals 2,005 million as at March 31, 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 March 31, 2023, the facility has been unutilized (December 31, 2022: Saudi Riyals Nil).

RABIGH REFINING AND PETROCHEMICAL COMPANY
(A Saudi Joint Stock Company)
NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS
For the three-month period ended March 31, 2023 (Unaudited)
(All amounts in Saudi Riyals thousands unless otherwise stated)

8 Financial assets and financial liabilities (continued)

8.3.4 Trade and other payables

	March 31, 2023	December 31, 2022
	(Unaudited)	(Audited)
Trade payables:		
- Related parties	10,099,446	10,865,318
- Others	1,249,039	1,152,886
	11,348,485	12,018,204
Other payables – related parties (see below)	95,639	99,721
	11,444,124	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 March 31, 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 for the period

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

	2023	2022
	(Unaudited)	(Unaudited)
Zakat for the period	-	24,177
Zakat adjustment for previous years	(101)	
Income tax for the period	-	23,212
Deferred tax (income) expense for the period	(42,542)	41,526
	(42,643)	88,915

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

	2023	2022
	(Unaudited)	(Unaudited)
Condensed interim statement of profit or loss:		
- Income tax	-	23,212
- Deferred tax (income) expense	(42,542)	41,526
	(42,542)	64,738

11.2 Status of assessments

The Company has filed its Zakat and income tax returns with Zakat, Tax and Customs Authority ("ZATCA") up to the financial year 2022 and obtained the Zakat certificate valid until April 30, 2024. The Company's Zakat and tax assessments have been finalized by ZATCA up to the financial year 2016 and 2019 up to 2020.

ZATCA had issued revised assessments for the years 2017 and 2018 by raising additional Zakat and tax demand of Saudi Riyals 100.7 million and Saudi Riyals 10.5 million, respectively. The Company registered an appeal against the revised assessment with TVDRC. During the year ended December 31, 2022, the TVDRC held the hearing for years 2017 and 2018 and issued its decision reducing the Zakat and tax demand to Saudi Riyals 94.8 million and Saudi Riyals 0.5 million respectively. The Company has filed an appeal against the decision of TVDRC with TVDAC. During the three-month period ended March 31, 2023 TVDAC has issued minutes of hearing session, which states that the ZATCA is

RABIGH REFINING AND PETROCHEMICAL COMPANY
(A Saudi Joint Stock Company)
NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS
For the three-month period ended March 31, 2023 (Unaudited)
(All amounts in Saudi Riyals thousands unless otherwise stated)

11 Zakat and Tax (continued)

willing to withdraw their appeal and will issue a revised assessment for the years 2017 and 2018 based on the Company's request for settlement with the ZATCA. As of March 31, 2023, the revised assessment is still pending with ZATCA.

The management expects a favourable outcome against the aforementioned additional demands relating to the years 2017 and 2018. If any additional Zakat and tax arises on finalization of the aforementioned additional demands, it is recoverable to the extent of Saudi Riyals Nil and Saudi Riyals 0.5 million for Zakat and tax, respectively, from the founding shareholders of the Company.

12 Related parties transactions and balances

Related parties comprise 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 three-month period ended March 31, are summarized as follows:

	2023	2022
	(Unaudited)	(Unaudited)
Saudi Aramco and its associated companies		
Purchase of goods	9,281,058	11,939,341
Sale of refined products and petrochemical products	9,904,648	12,253,824
Financial charges	36,645	42,164
Rentals	6,096	5,780
Secondees' costs	2,912	3,442
Service and other cost charges, net	6,970	7,817

During the three-month period ended March 31, 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).

	2023	2022
	(Unaudited)	(Unaudited)
Sumitomo Chemical and its associated companies		
Purchase of goods	18,008	23,729
Sale of petrochemical products	807,218	1,794,203
Financial charges	17,362	25,716
Secondees' costs	1,632	1,808
Service and other cost charges, net	9	23,528

12.2 Balances with related parties

In addition to Trade receivables (Note 8.1.2), loans and facilities from founding shareholders and their affiliates (Note 8.3.1) and trade and other payables (Note 8.3.4), the related party transactions result in receivable and payable balances as set out in the interim statement of financial position in non-trade receivables and accrued expenses and other liabilities amounting to Saudi Riyals 48.6 million (December 31, 2022: Saudi Riyals 50.7 million) and Saudi Riyals 271.8 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 3.3 million (March 31, 2022: Saudi Riyals 3.5 million) of which Saudi Riyals 1.8 million (March 31, 2022: Saudi Riyals 1.9 million) are included in secondees' costs (Note 12.1). The remuneration paid to directors amounted to Saudi Riyals Nil (March 31, 2022: Saudi Riyals Nil).

13 Contingencies and commitments

- (i) In addition to the amounts disclosed in notes 8.3.1 (b), bank guarantees issued on behalf of the Company as at March 31, 2023 amounted to Saudi Riyals 1,812.5 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 March 31, 2023 amounted to Saudi Riyals 168 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 is Saudi Riyals 317.98 million which consists 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. The matter was initially submitted for the review of Dispute Resolution Committee (the "Committee") under the Water and Electricity Regulatory Authority ("WERA"). In addition to the above, SEC increased the claim amount to Saudi Riyals 365.7million 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 Committee issued an administrative decision ordering the Company to pay SEC the claim amount of Saudi Riyals 365.7 million. The Company's management believed that the Committee's decision was flawed on various grounds and represented a breach of the Kingdom's laws, regulations, and/or Shari'a laws. 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 favour of the Company. During the three-month period ended March 31, 2023, SEC has filed an appeal against the Court's decision. The Company's management is confident about the favourable outcome of the appeal; therefore, no provision in this respect has been made 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 Shawwal 20, 1444H (May 10, 2023).