

**SAUDI ARAMCO BASE OIL COMPANY - LUBEREF  
(A SAUDI JOINT STOCK COMPANY)**

CONDENSED INTERIM FINANCIAL INFORMATION  
(UNAUDITED)  
FOR THE THREE-MONTH AND NINE-MONTH PERIODS  
ENDED SEPTEMBER 30, 2023 AND REPORT ON REVIEW OF  
CONDENSED INTERIM FINANCIAL INFORMATION

**SAUDI ARAMCO BASE OIL COMPANY - LUBEREF  
(A SAUDI JOINT STOCK COMPANY)  
CONDENSED INTERIM FINANCIAL INFORMATION (UNAUDITED)  
FOR THE THREE-MONTH AND NINE-MONTH PERIODS ENDED SEPTEMBER 30, 2023**

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## *Report on review of condensed interim financial information*

**To the shareholders of Saudi Aramco Base Oil Company - Luberef  
(A Saudi Joint Stock Company)**

### *Introduction*

We have reviewed the accompanying condensed interim statement of financial position of Saudi Aramco Base Oil Company - Luberef (the "Company") as of September 30, 2023 and the related condensed interim statement of comprehensive income for the three-month and nine-month periods then ended and the condensed interim statements of changes in equity and cash flows for the nine-month period then ended and other explanatory notes. Management is responsible for the preparation and presentation of this condensed interim financial information in accordance with International Accounting Standard 34 - "Interim Financial Reporting" ("IAS 34"), as endorsed in the Kingdom of Saudi Arabia. Our responsibility is to express a conclusion on this condensed interim financial information based on our review.

### *Scope of review*

We conducted our review in accordance with International Standard on Review Engagements 2410, "Review of interim financial information performed by the independent auditor of the entity", as 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, as 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 condensed interim financial information is not prepared, in all material respects, in accordance with IAS 34, as endorsed in the Kingdom of Saudi Arabia.

### **PricewaterhouseCoopers**

Mufaddal A. Ali  
License Number 447



November 7, 2023

**SAUDI ARAMCO BASE OIL COMPANY - LUBEREF**  
**(A Saudi Joint Stock Company)**  
**Condensed interim statement of financial position**  
(All amounts in Saudi Riyals unless otherwise stated)

	Note	As at September 30, 2023 (Unaudited)	As at December 31, 2022 (Audited)
<b>Assets</b>			
<b>Non-current assets</b>			
Property, plant and equipment	4	4,769,542,685	4,819,031,974
Right-of-use assets	5	126,946,687	94,374,111
Intangible assets		16,070,539	18,114,450
Employees' home ownership receivables		838,102	1,950,015
Loans to employees		17,354,173	16,482,646
<b>Total non-current assets</b>		<b>4,930,752,186</b>	<b>4,949,953,196</b>
<b>Current assets</b>			
Inventories		670,180,975	583,888,377
Trade receivables	6	1,080,284,219	1,023,142,016
Prepayments and other assets		35,715,411	27,554,656
Short-term deposits	7	1,177,853,684	148,200,192
Cash and cash equivalents	8	1,622,306,708	1,912,078,489
<b>Total current assets</b>		<b>4,586,340,997</b>	<b>3,694,863,730</b>
<b>Total assets</b>		<b>9,517,093,183</b>	<b>8,644,816,926</b>
<b>Equity and liabilities</b>			
<b>Equity</b>			
Share capital		1,687,500,000	1,687,500,000
Statutory reserve		418,308,217	418,308,217
Treasury shares		(57,420,000)	(57,420,000)
Share based payment reserve		6,525,000	-
Retained earnings		2,592,834,487	3,034,443,369
<b>Total equity</b>		<b>4,647,747,704</b>	<b>5,082,831,586</b>
<b>Liabilities</b>			
<b>Non-current liabilities</b>			
Long-term borrowings	9	1,856,250,000	1,940,625,000
Lease liabilities	5	119,868,919	97,451,267
Employee benefit obligations		275,536,000	263,126,392
Other non-current liabilities		44,018,874	44,416,885
<b>Total non-current liabilities</b>		<b>2,295,673,793</b>	<b>2,345,619,544</b>
<b>Current liabilities</b>			
Trade and other payables	10	1,288,922,517	674,488,529
Accrued expenses and other liabilities	11	150,300,680	237,096,902
Current portion of long-term borrowings	9	200,090,215	164,234,591
Current portion of lease liabilities	5	22,173,614	10,339,938
Dividend payable	20	841,717,000	-
Zakat and income tax payable	16	70,467,660	130,205,836
<b>Total current liabilities</b>		<b>2,573,671,686</b>	<b>1,216,365,796</b>
<b>Total liabilities</b>		<b>4,869,345,479</b>	<b>3,561,985,340</b>
<b>Total equity and liabilities</b>		<b>9,517,093,183</b>	<b>8,644,816,926</b>

The accompanying notes form an integral part of this condensed interim financial information.



Khalid Dawood Al-Faddagh  
Delegated Board Member and  
Audit Committee's Chairman



Samer Abdulaziz M. Al-Hokail  
President & Chief Executive  
Officer

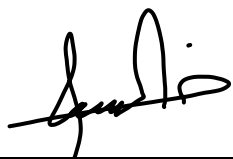


Mohammed A. Al Nafea  
Chief Financial Officer


**SAUDI ARAMCO BASE OIL COMPANY - LUBEREF**  
**(A Saudi Joint Stock Company)**  
**Condensed interim statement of comprehensive income**  
(All amounts in Saudi Riyals unless otherwise stated)

	Note	Three-month period ended September 30,		Nine-month period ended September 30,	
		2023 (Unaudited)	2022 (Unaudited)	2023 (Unaudited)	2022 (Unaudited)
Revenue	13	<b>2,549,337,201</b>	2,721,821,049	<b>6,959,110,809</b>	8,805,059,136
Cost of revenue	14	<b>(2,156,085,640)</b>	(2,071,878,842)	<b>(5,460,604,835)</b>	(7,055,354,476)
<b>Gross profit</b>		<b>393,251,561</b>	649,942,207	<b>1,498,505,974</b>	1,749,704,660
Selling and distribution expenses		<b>(11,363,288)</b>	(26,396,216)	<b>(29,064,054)</b>	(71,843,782)
General and administrative expenses	15	<b>(27,745,998)</b>	(40,502,759)	<b>(167,207,893)</b>	(148,752,907)
Other income		<b>1,442,127</b>	-	<b>7,542,430</b>	-
Other expense		-	(13,012,165)	-	(6,381,279)
Fair value gain on derivative financial instruments		-	-	-	6,335,789
<b>Operating profit</b>		<b>355,584,402</b>	570,031,067	<b>1,309,776,457</b>	1,529,062,481
Finance income		<b>34,887,419</b>	8,142,414	<b>97,614,325</b>	14,911,879
Finance costs		<b>(36,449,423)</b>	(24,043,934)	<b>(105,931,942)</b>	(49,886,644)
<b>Profit before zakat and income tax</b>		<b>354,022,398</b>	554,129,547	<b>1,301,458,840</b>	1,494,087,716
Zakat and income tax	16	<b>(13,588,713)</b>	(79,344,354)	<b>(60,500,722)</b>	(279,198,000)
<b>Profit for the period</b>		<b>340,433,685</b>	474,785,193	<b>1,240,958,118</b>	1,214,889,716
<b>Other comprehensive income</b>					
<i>Items that will not be reclassified to profit or loss:</i>					
Re-measurement gain on defined benefit liabilities		-	-	-	20,214,633
Deferred tax relating to remeasurement gain		-	-	-	(2,830,049)
		-	-	-	17,384,584
<b>Total comprehensive income for the period</b>		<b>340,433,685</b>	474,785,193	<b>1,240,958,118</b>	1,232,274,300
<b>Basic and diluted earnings per share</b>	17	<b>2.02</b>	2.81	<b>7.38</b>	7.20

The accompanying notes form an integral part of this condensed interim financial information.



Khalid Dawood Al-Faddagh  
Delegated Board Member and  
Audit Committee's Chairman



Samer Abdulaziz M. Al-Hokail  
President & Chief Executive  
Officer



Mohammed A. Al Nafea  
Chief Financial Officer


**SAUDI ARAMCO BASE OIL COMPANY - LUBEREF**  
**(A Saudi Joint Stock Company)**  
**Condensed interim statement of changes in equity**  
(All amounts in Saudi Riyals unless otherwise stated)

	Share capital	Statutory reserve	Treasury shares	Share-based payment reserve	Retained earnings	Total equity
<b>Balance as at January 1, 2022 (Audited)</b>	441,000,000	220,500,000	-	-	3,583,046,248	4,244,546,248
Profit for the period	-	-	-	-	1,214,889,716	1,214,889,716
Other comprehensive income for the period	-	-	-	-	17,384,584	17,384,584
<b>Total comprehensive income for the period</b>	-	-	-	-	1,232,274,300	1,232,274,300
Dividends (Note 20)	-	-	-	-	(1,263,709,646)	(1,263,709,646)
Zakat and income tax recovered from shareholders	-	-	-	-	138,709,646	138,709,646
Dividends - net	-	-	-	-	(1,125,000,000)	(1,125,000,000)
<b>Balance as at September 30, 2022 (Unaudited)</b>	441,000,000	220,500,000	-	-	3,690,320,548	4,351,820,548
<b>Balance as at January 1, 2023 (Audited)</b>	<b>1,687,500,000</b>	<b>418,308,217</b>	<b>(57,420,000)</b>	-	<b>3,034,443,369</b>	<b>5,082,831,586</b>
Profit for the period	-	-	-	-	1,240,958,118	1,240,958,118
Other comprehensive income for the period	-	-	-	-	-	-
<b>Total comprehensive income for the period</b>	-	-	-	-	1,240,958,118	1,240,958,118
Current period charge	-	-	-	6,525,000	-	6,525,000
Dividends (Note 20)	-	-	-	-	(1,682,567,000)	(1,682,567,000)
<b>Balance as at September 30, 2023 (Unaudited)</b>	<b>1,687,500,000</b>	<b>418,308,217</b>	<b>(57,420,000)</b>	<b>6,525,000</b>	<b>2,592,834,487</b>	<b>4,647,747,704</b>

The accompanying notes form an integral part of this condensed interim financial information.



Khalid Dawood Al-Faddagh  
Delegated Board Member and Audit  
Committee's Chairman



Samer Abdulaziz M. Al-Hokail  
President & Chief Executive  
Officer



Mohammed A. Al Nafea  
Chief Financial Officer

**SAUDI ARAMCO BASE OIL COMPANY - LUBEREF**  
**(A Saudi Joint Stock Company)**  
**Condensed interim statement of cash flows**  
(All amounts in Saudi Riyals unless otherwise stated)

	<b>Nine-month period ended September 30,</b>	
	<b>2023 (Unaudited)</b>	<b>2022 (Unaudited)</b>
<b>Cash flows from operating activities</b>		
Profit before zakat and income tax	<b>1,301,458,840</b>	1,494,087,716
<u>Adjustments for:</u>		
Depreciation and amortization	<b>248,030,183</b>	254,492,546
Finance income	<b>(97,614,325)</b>	(14,911,879)
Employee related expenses	<b>6,994,738</b>	125,025
Finance cost	<b>105,931,942</b>	49,886,644
Fair value gain on derivative financial instruments	-	(6,335,789)
Provision for employee benefits obligations	<b>20,906,260</b>	20,246,880
Impairment loss on financial assets	<b>5,712,009</b>	5,727,183
Provision for slow moving inventories	<b>(922,188)</b>	910,416
<u>Changes in working capital:</u>		
Inventories	<b>(85,370,410)</b>	13,879,701
Trade receivables	<b>(62,854,212)</b>	(217,527,653)
Prepayments and other assets	<b>(11,185,028)</b>	(8,744,129)
Trade and other payables	<b>615,543,579</b>	22,791,101
Accrued expenses and other liabilities	<b>(86,796,222)</b>	21,585,099
<b>Cash generated from operations</b>	<b>1,959,835,166</b>	1,636,212,861
Finance income received	<b>91,240,999</b>	12,812,314
Employee benefit obligations paid	<b>(8,496,652)</b>	(37,315,837)
Zakat and income tax paid	<b>(120,238,898)</b>	(202,432,855)
<b>Net cash inflow from operating activities</b>	<b>1,922,340,615</b>	1,409,276,483
<b>Cash flows from investing activities</b>		
Payments for property, plant and equipment	<b>(184,823,124)</b>	(35,984,904)
Payments for intangible assets	<b>(231,095)</b>	-
Investment in short-term deposits	<b>(2,444,346,394)</b>	(594,805,219)
Withdrawals from short-term deposits	<b>1,422,753,118</b>	740,531,249
Collection against employee loans	<b>3,287,342</b>	5,053,809
Disbursement of employee loans	<b>(4,177,346)</b>	(564,907)
<b>Net cash (outflow) / inflow from investing activities</b>	<b>(1,207,537,499)</b>	114,230,028
<b>Cash flows from financing activities</b>		
Repayments of borrowings	<b>(84,375,000)</b>	(61,875,000)
Finance cost paid	<b>(64,400,451)</b>	(23,053,451)
Finance cost element of lease payments	<b>(5,185,434)</b>	(60,189)
Principal element of lease payments	<b>(9,764,012)</b>	(9,727,705)
Dividends	<b>(840,850,000)</b>	(1,125,000,000)
<b>Net cash outflow from financing activities</b>	<b>(1,004,574,897)</b>	(1,219,716,345)
<b>Net (decrease) / increase in cash and cash equivalents</b>	<b>(289,771,781)</b>	303,790,166
Cash and cash equivalents at the beginning of the period	<b>1,912,078,489</b>	1,349,486,502
<b>Cash and cash equivalents at the end of the period</b>	<b>1,622,306,708</b>	1,653,276,668
<b>Supplemental information for non-cash transactions</b>		
Additions to right-of-use assets and lease liabilities	5	44,015,340
Recognition of provision for decommissioning liability	-	7,013,736

The accompanying notes form an integral part of this condensed interim financial information.



Khalid Dawood Al-Faddagh  
Delegated Board Member and  
Audit Committee's Chairman



Samer Abdulaziz M. Al-Hokail  
President & Chief Executive  
Officer



Mohammed A. Al Nafea  
Chief Financial Officer

**SAUDI ARAMCO BASE OIL COMPANY - LUBEREF**  
**(A Saudi Joint Stock Company)**  
**Notes to the condensed interim financial information**  
(All amounts in Saudi Riyals unless otherwise stated)

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**1. General information**

Saudi Aramco Base Oil Company – Luberef (the “Company”) is a Saudi Joint Stock Company registered in the Kingdom of Saudi Arabia. The Company commenced its operations in Jeddah in 1978 and in Yanbu in 1998. The purpose of the Company is to construct, own and operate refineries of lubricating oils and to purchase, sell, transport, market, import and export lubricating oils, additives, lubricating oil blending stocks, by-products and other related petroleum products.

The Company is registered under Commercial Registration No. 4030010447 issued in Jeddah on Ramadan 3, 1396H (corresponding to 29 August 1976). The Company was converted from a limited liability company to a closed joint stock company pursuant to resolution number 1173 dated Muharram 20, 1444H (corresponding to August 18, 2022) issued by the Ministry of Commerce. On December 28, 2022, the Company completed its Initial Public Offering and its ordinary shares were listed on the Saudi Stock Exchange (“Tadawul”) accordingly the Company has been categorised as a Saudi Joint Stock Company. The Company is currently under process to update its status in the commercial registration certificate from closed joint stock company to joint stock company.

The condensed interim financial information includes the financial information of the Company's head office in Jeddah, its branch in Yanbu and its operations in Hamriyah Free Zone Authority, United Arab Emirates (UAE). The Commercial Registration Number of Yanbu branch is 4700004941. The license certificate number of 11857 for operations in Hamriyah was issued with a status of Free Zone Establishment Company by the Government of Sharjah (UAE), on Rabi-ul-Awal 26, 1435H (corresponding to January 27, 2014).

The condensed interim financial information includes the accounts of the Company's branch in Hamriyah Free Zone Authority, United Arab Emirates (UAE). The reporting period of the Company's branch is the same as that of the Company i.e. December 31.

Saudi Arabian Oil Company (“Saudi Aramco”) owns 70% shareholding of the Company. The Saudi Arabian Government is the largest shareholder with 90.19% direct shareholding in Saudi Aramco. The remaining 29.7% of the Company's shares are held by private sector.

***Financial position and performance of the Company***

During the nine-month period ended September 30, 2023, sale price and quantities decreased in comparison with the same period in 2022 which resulted in a reduction in revenues. The feedstock cost decreased during the period then ended, which resulted in a decrease in cost of revenues.

**2. Basis of preparation**

**2.1 Statement of compliance**

This condensed interim financial information of the Company has been prepared in accordance with International Accounting Standard 34 – “Interim Financial Reporting” (“IAS 34”), as endorsed in the Kingdom of Saudi Arabia and other standards and pronouncements issued by the Saudi Organization for Chartered and Professional Accountants (“SOCPA”).

This condensed interim financial information does not include all the information and disclosures required in the annual financial statements and should be read in conjunction with the annual financial statements of the Company for the year ended December 31, 2022. IAS 34 states that the condensed interim financial information is intended to provide an update on the latest complete set of annual financial statements. Hence, IAS 34 requires less disclosure in interim financial information than International Financial Reporting Standards, that are endorsed in the Kingdom of Saudi Arabia (“IFRS”), and other standards and pronouncements issued by the SOCPA, required in 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.

**SAUDI ARAMCO BASE OIL COMPANY - LUBEREF**  
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(All amounts in Saudi Riyals unless otherwise stated)

## 2.2 Basis of measurement

This condensed interim financial information has been prepared under the historical cost basis, except for defined benefit obligations which are recognised at the present value of future obligations using the Projected Unit Credit Method, lease liabilities measured at their discounted present value and derivative financial instruments measured at fair value. This condensed interim financial information is presented in Saudi Arabian Riyals ("Saudi Riyals") being the functional and presentation currency of the Company.

## 2.3 New and amended standards

### *New and amended standards*

The Company has adopted the following relevant amendments to IFRS which are effective for periods beginning on and after January 1, 2023, and have no impact on the Company:

<b>Title</b>	<b>Key requirements</b>
IFRS 17, 'Insurance Contracts'	This standard replaces IFRS 4, which currently permits a wide variety of practices in accounting for insurance contracts. IFRS 17 has fundamentally changed the accounting by all entities that issue insurance contracts and investment contracts with discretionary participation features.
Disclosure of Accounting Policies – Amendments to IAS 1 and IFRS Practice Statement 2	The IASB amended IAS 1 to require entities to disclose their material rather than their significant accounting policies. The amendments define what is 'material accounting policy information' and explain how to identify when accounting policy information is material. They further clarify that immaterial accounting policy information does not need to be disclosed. If it is disclosed, it should not obscure material accounting information. To support this amendment, the IASB also amended IFRS Practice Statement 2 Making Materiality Judgements to provide guidance on how to apply the concept of materiality to accounting policy disclosures.
Definition of Accounting Estimates – Amendments to IAS 8	The amendment to IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors clarifies how companies should distinguish changes in accounting policies from changes in accounting estimates. The distinction is important, because changes in accounting estimates are applied prospectively to future transactions and other future events, whereas changes in accounting policies are generally applied retrospectively to past transactions and other past events as well as the current period.

### *Standards and interpretations issued but not yet effective*

Certain new accounting standards and interpretations have been published that are not mandatory for September 30, 2023 reporting period and have not been early adopted by the Company. The relevant standards, interpretations and amendments issued, but are not yet effective are disclosed below.

<b>Title</b>	<b>Key requirements</b>	<b>Effective date</b>
Classification of Liabilities as Current or Non-current – Amendments to IAS 1	The narrow-scope amendments to IAS 1 'Presentation of Financial Statements, clarify that liabilities are classified as either current or non-current, depending on the rights that exist at the end of the reporting period. Classification is unaffected by the expectations of the entity or events after the reporting date (e.g. the receipt of a waiver or a breach of covenant). The amendments also clarify what IAS 1 means when it refers to the 'settlement' of a liability.	January 1, 2024
Leases on Sale and Leaseback – Amendment to IFRS 16	These amendments include requirements for sale and leaseback transactions in IFRS 16 to explain how an entity accounts for a sale and leaseback after the date of the transaction. Sale and leaseback transactions where some or all the lease payments are variable lease payments that do not depend on an index or rate are most likely to be impacted.	January 1, 2024

### *Significant accounting policies*

**SAUDI ARAMCO BASE OIL COMPANY - LUBEREF**  
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**Notes to the condensed interim financial information**  
(All amounts in Saudi Riyals unless otherwise stated)

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The accounting policies adopted by the Company for the preparation of the condensed interim financial information are consistent with those followed in preparation of the Company's annual financial statements for the year ended December 31, 2022.

**3. Critical accounting estimates and judgements**

In preparing this condensed interim financial information, management has made judgements and estimates that affect determination and application of accounting policies and the reported amounts of assets and liabilities, income and expense and accompanying disclosures. Uncertainty about 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 key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities were the same as those described in the last annual financial statements.

**SAUDI ARAMCO BASE OIL COMPANY - LUBEREF**  
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**4. Property, plant and equipment**

The movement in property, plant and equipment is as follows:

	<b>Manufacturing plants</b>	<b>Buildings and leasehold improvements</b>	<b>Furniture and fixtures</b>	<b>Other machinery and equipment</b>	<b>Motor vehicles</b>	<b>Capital work in progress</b>	<b>Total</b>
<b>At December 31, 2022</b>							
<b>(Audited)</b>							
Cost	7,737,477,336	330,983,340	27,367,141	243,888,449	2,355,698	196,630,111	8,538,702,075
Accumulated depreciation	3,204,783,809	280,545,116	26,901,680	205,226,808	2,212,688	-	3,719,670,101
<b>Net book value</b>	<b>4,532,693,527</b>	<b>50,438,224</b>	<b>465,461</b>	<b>38,661,641</b>	<b>143,010</b>	<b>196,630,111</b>	<b>4,819,031,974</b>
<b>Nine-month ended</b>							
<b>September 30, 2023</b>							
<b>(Unaudited)</b>							
Opening net book value	4,532,693,527	50,438,224	465,461	38,661,641	143,010	196,630,111	4,819,031,974
Additions	-	-	-	-	-	<b>184,823,124</b>	<b>184,823,124</b>
Transfers	<b>78,047,981</b>	-	-	<b>696,240</b>	-	<b>(78,744,221)</b>	-
Depreciation charge	<b>(224,766,886)</b>	<b>(4,389,627)</b>	<b>(111,941)</b>	<b>(4,968,334)</b>	<b>(75,625)</b>	-	<b>(234,312,413)</b>
Closing net book value	<b>4,385,974,622</b>	<b>46,048,597</b>	<b>353,520</b>	<b>34,389,547</b>	<b>67,385</b>	<b>302,709,014</b>	<b>4,769,542,685</b>
<b>At September 30, 2023</b>							
<b>(Unaudited)</b>							
Cost	<b>7,815,525,317</b>	<b>330,983,340</b>	<b>27,367,141</b>	<b>244,584,689</b>	<b>2,355,698</b>	<b>302,709,014</b>	<b>8,723,525,199</b>
Accumulated depreciation	<b>(3,429,550,695)</b>	<b>(284,934,743)</b>	<b>(27,013,621)</b>	<b>(210,195,142)</b>	<b>(2,288,313)</b>	-	<b>(3,953,982,514)</b>
<b>Net book value</b>	<b>4,385,974,622</b>	<b>46,048,597</b>	<b>353,520</b>	<b>34,389,547</b>	<b>67,385</b>	<b>302,709,014</b>	<b>4,769,542,685</b>

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**(A Saudi Joint Stock Company)**  
**Notes to the condensed interim financial information**  
(All amounts in Saudi Riyals unless otherwise stated)

Manufacturing plants includes deferred refinery turnaround costs. The movement in deferred refinery turnaround costs during the period/year ended, is analyzed as under:

	<b>September 30, 2023 (Unaudited)</b>	<b>December 31, 2022 (Audited)</b>
<b>Cost:</b>		
Opening balance	113,672,712	113,672,712
Addition	68,612,186	-
Closing balance	182,284,898	113,672,712
<b>Accumulated depreciation:</b>		
Opening balance	94,568,819	71,858,815
Amortization during the period / year	15,702,632	22,710,004
Closing balance	110,271,451	94,568,819
Carrying amount	72,013,447	19,103,893

**5. Leases**

**5.1 Right-of-use assets**

	<b>Lands</b>	<b>Generators</b>	<b>Admin Building</b>	<b>Others</b>	<b>Total</b>
<b>At January 1, 2022 (Audited) – book value</b>	92,411,018	-	-	9,200,072	101,611,090
Depreciation	(4,325,475)	-	-	(2,911,504)	(7,236,979)
<b>At December 31, 2022 (Audited) - book value</b>	88,085,543	-	-	6,288,568	94,374,111
Additions*	-	30,168,396	13,846,944	-	44,015,340
Depreciation	(3,244,107)	(4,399,558)	(1,615,471)	(2,183,628)	(11,442,764)
<b>At September 30, 2023 (Unaudited) - book value</b>	<b>84,841,436</b>	<b>25,768,838</b>	<b>12,231,473</b>	<b>4,104,940</b>	<b>126,946,687</b>

\* During the period, the Company entered into lease agreements for electric generators for Jeddah refinery and new head office building in Jeddah.

**5.2 Lease liabilities**

	<b>September 30, 2023 (Unaudited)</b>	<b>December 31, 2022 (Audited)</b>
Opening balance	107,791,205	112,802,992
Additions	44,015,340	-
Lease payments during the period / year *	(14,949,446)	(10,079,110)
Interest on lease liabilities during the period / year	5,185,434	5,067,323
Closing balance	142,042,533	107,791,205
	<b>September 30, 2023 (Unaudited)</b>	<b>December 31, 2022 (Audited)</b>
Current	22,173,614	10,339,938
Non-current	119,868,919	97,451,267
	<b>142,042,533</b>	<b>107,791,205</b>

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\* Lease payments include a payment made to Royal Commission of Yanbu, related party amounting to Saudi Riyals 5.8 million during the period ended September 30, 2023 (September 30, 2022: Nil).

Amounts recognised in the condensed interim statement of comprehensive income:

	<b>Three-month period ended September 30,</b>		<b>Nine-month period ended September 30,</b>	
	<b>2023</b>	<b>2022</b>	<b>2023</b>	<b>2022</b>
	<b>(Unaudited)</b>	<b>(Unaudited)</b>	<b>(Unaudited)</b>	<b>(Unaudited)</b>
Depreciation charge on right-of-use assets	<b>4,387,115</b>	1,809,244	<b>11,442,764</b>	5,427,734
Interest expense (included in finance costs)	<b>2,577,160</b>	1,283,907	<b>5,185,434</b>	3,769,527
Expense relating to short-term leases (included in selling and distribution expenses)	<b>5,502,485</b>	2,071,076	<b>11,366,582</b>	7,152,360

**6. Trade receivables**

	<b>Note</b>	<b>September 30, 2023 (Unaudited)</b>	<b>December 31, 2022 (Audited)</b>
Trade receivables		<b>475,061,696</b>	664,463,277
Related parties	12	<b>622,013,256</b>	369,757,463
		<b>1,097,074,952</b>	1,034,220,740
Allowance for expected credit losses		<b>(16,790,733)</b>	(11,078,724)
		<b>1,080,284,219</b>	1,023,142,016

Related parties' balances amounting to Saudi Riyals 571.25 million (December 31, 2022: Saudi Riyals 444.37 million) have been offset against the related parties' trade payables in the condensed interim statement of financial position.

Movement in provision for impairment of trade receivables is as follows:

	<b>September 30, 2023 (Unaudited)</b>	<b>December 31, 2022 (Audited)</b>
Opening balance	<b>11,078,724</b>	5,351,541
Charge for the period / year	<b>5,712,009</b>	5,727,183
Closing balance	<b>16,790,733</b>	11,078,724

As at September 30, 2023, related parties' trade receivables amounted to Saudi Riyals 622.01 million (December 31, 2022: Saudi Riyals 369.76 million). Out of this amount Saudi Riyals 618.27 million was 'not due', Saudi Riyals 1.7 million was due '1 to 90 days' (December 31, 2022: Saudi Riyals 362.06 million was 'not due' and nil was due '1 to 90 days') having impairment loss charge for the nine-month ended Saudi Riyals 1.44 million (period ended September 30, 2022: reversal of impairment loss charge of Saudi Riyals 0.4 million).

**7. Short-term deposits**

The Company deposited Saudi Riyals 1,168.44 million in Shariah compliant short-term deposits having up to 147 days maturity period on which profit from mudarabah accrued amounts to Saudi Riyals 9.41 million (December 31, 2022: Saudi Riyals 146.85 million in a 94-day short-term deposit on which profit from mudarabah accrued amounts to Saudi Riyals 1.35 million). These short-term deposits were held by commercial banks and are due to mature from October 5, 2023 to January 3, 2024.

The short-term deposits are held with banks having sound credit rating and yield financial income at prevailing market rates. The fair value at each reporting date is estimated to be the same as their carrying value as they are short term in nature and profit on mudarabah is based on market prevailing rates.

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**8. Cash and cash equivalents**

	<b>September 30, 2023 (Unaudited)</b>	<b>December 31, 2022 (Audited)</b>
Cash in hand	<b>80,000</b>	110,000
Cash at banks	<b>714,268,136</b>	128,807,946
Time deposits	<b>907,958,572</b>	1,783,160,543
	<b><u>1,622,306,708</u></b>	<b><u>1,912,078,489</u></b>

As at September 30, 2023, the Company deposited Saudi Riyals 903.12 million in Shariah compliant time deposits having up to 30 days maturity period on which profit on mudarabah accrued amounts to Saudi Riyals 4.84 million (December 31, 2022: Saudi Riyals 1,533.59 million in time deposits having up to 41 days maturity period on which profit on mudarabah accrued amounts to Saudi Riyals 7.66 million). These time deposits were held by commercial banks and were due to mature from October 1, 2023 to October 25, 2023.

Cash at banks and time deposits are placed with banks with sound credit ratings. Time deposits are placed with local commercial banks and yield financial income at prevailing market rates with original maturities of three months or less.

**9. Borrowings**

Long-term borrowings comprise of the following:

	<b>September 30, 2023 (Unaudited)</b>	<b>December 31, 2022 (Audited)</b>
Islamic banking facilities (Murabaha)	<b>2,056,340,215</b>	2,104,859,591
Less: current portion of long-term borrowings	<b>(200,090,215)</b>	(164,234,591)
	<b><u>1,856,250,000</u></b>	<b><u>1,940,625,000</u></b>

Currency denomination of the borrowings in Saudi Riyals equivalent is as follows:

	<b>September 30, 2023 (Unaudited)</b>	<b>December 31, 2022 (Audited)</b>
Saudi Riyals	<b>1,542,286,592</b>	1,578,652,410
United States Dollars ("USD")	<b>514,053,623</b>	526,207,181
	<b><u>2,056,340,215</u></b>	<b><u>2,104,859,591</u></b>

These facilities bear finance costs at market rates, which are generally based on Saudi Inter Bank Offered Rate ("SIBOR") for Saudi Riyals denominated borrowings and on Term Secured Overnight Financing Rate ("Term SOFR") for USD denominated borrowings. The spread during the nine-month period ended September 30, 2023 on these facilities varied between 0.75% - 1% per annum (year ended December 31, 2022: 0.75% - 1% per annum). Moreover, there is no collateral on the Company's assets due to these long-term borrowing agreements. The long-term borrowing agreements contain certain covenants, which among other things, require the Company to maintain net debt to equity and certain other financial ratios. As at September 30, 2023 and December 31, 2022, the Company was compliant with all the covenants with the lenders.

As at September 30, 2023, the Company has a short-term bank facility from a local commercial bank for managing its working capital amounting to Saudi Riyals 40 million (December 31, 2022: Saudi Riyals 40 million). The facility is denominated in Saudi Riyals and bears finance costs based on prevailing market rates for SIBOR +1.5%. There are no financial covenants applicable to the Company under such facility with the respective bank. The facility is unsecured. The maturity of the bank facility is within twelve months. The above credit facility is unused and fully available to the Company as at September 30, 2023.

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**10. Trade and other payables**

	<b>Note</b>	<b>September 30, 2023 (Unaudited)</b>	<b>December 31, 2022 (Audited)</b>
Related parties	12	<b>1,164,764,329</b>	506,405,952
Third parties		<b>54,077,175</b>	64,757,755
Thrift plan obligation		<b>29,805,301</b>	32,788,709
Other payables		<b>40,275,712</b>	70,536,113
		<b>1,288,922,517</b>	674,488,529

Trade payables are unsecured and are usually paid within 3-12 months of recognition. The carrying amounts of trade payables are considered to approximate their fair values, due to their short-term nature.

Related parties' balances amounting to Saudi Riyals 571.25 million (December 31, 2022: Saudi Riyals 444.37 million) have been offset against the related parties' trade receivables in the condensed interim statement of financial position.

**11. Accrued expenses and other liabilities**

	<b>September 30, 2023 (Unaudited)</b>	<b>December 31, 2022 (Audited)</b>
Net VAT payable	<b>62,414,021</b>	55,306,385
Accrued expenses	<b>61,868,396</b>	112,666,571
Accrued bonus	<b>15,862,538</b>	20,795,081
Unused employees' leaves balance	<b>6,995,690</b>	5,373,065
Accrual for rebates and discounts	<b>3,160,035</b>	42,955,800
	<b>150,300,680</b>	237,096,902

**12. Related party transactions and balances**

Related parties comprise the shareholders and key management personnel of the Company, and entities controlled, jointly controlled or significantly influenced by such parties. Related parties also include business entities in which certain directors or senior management have an interest (other related parties). Moreover, the Company is ultimately controlled by the government of the Kingdom of Saudi Arabia.

Following is the list of related parties with whom the Company has significant transactions and balances:

*Shareholder and Ultimate Parent*

Saudi Arabian Oil Company ("Saudi Aramco")

*Entities under common control*

Saudi Aramco Mobil Refinery Company Ltd. ("SAMREF")  
S-Oil Singapore Pte. Ltd  
S-Oil Corporation  
Motiva Trading LLC  
Aramco Chemical Company  
Aramco Lubricants and Retail Company  
Saudi Aramco Technologies Company

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**Transactions with key management personnel**

Key management personnel include all the heads of departments and key personnel involved in Company's operations. The compensation to key management personnel is shown below:

	<b>Three-month period ended September 30,</b>		<b>Nine-month period ended September 30,</b>	
	<b>2023</b>	<b>2022</b>	<b>2023</b>	<b>2022</b>
	<b>(Unaudited)</b>	<b>(Unaudited)</b>	<b>(Unaudited)</b>	<b>(Unaudited)</b>
Short-term employee benefits	<b>7,555,726</b>	5,410,824	<b>25,012,985</b>	21,142,908
Provision for employee benefit obligations	<b>667,011</b>	525,091	<b>2,130,423</b>	1,786,604

All related party transactions were made on terms as specified in the agreements with the related parties. The credit terms with all related parties range from 30 to 90 days.

We confirm that during the nine-month period ended September 30, 2023, the Company has remunerated Saudi Riyals 2.7 million to non-executive independent directors for attending the board of directors' meetings (nine-month period ended September 30, 2022: Saudi Riyals 0.01 million).

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**12. Related party transactions and balances (continued)**

Significant transactions and balances with related parties in the ordinary course of the business included in the condensed interim financial information are summarized below:

Related party	Nature of transaction	Transactions				Balance as at	
		Three-month period ended		Nine-month period ended			
		September 30, 2023 (Unaudited)	September 30, 2022 (Unaudited)	September 30, 2023 (Unaudited)	September 30, 2022 (Unaudited)	September 30, 2023 (Unaudited)	December 31, 2022 (Audited)
Due from related parties							
Saudi Aramco	Sales of by-products	991,344,588	949,688,045	2,327,737,408	3,478,531,537	317,541,307	121,653,295
SAMREF	Sales of by-products	238,248,551	261,698,137	593,427,975	744,989,669	207,102,803	147,221,722
S-Oil Singapore Pte. Ltd.	Sales of base oil	218,836,059	286,020,176	724,305,183	959,952,983	73,305,441	68,819,553
S-Oil Corporation	Sales of base oil	16,816,098	-	43,488,055	-	15,262,834	24,647,153
Motiva Trading LLC	Sales of base oil	-	9,485,386	16,780,045	9,485,386	1,556,247	-
Aramco Chemical Company	Sales of base oil	-	5,548,549	-	10,877,254	-	6,174,172
Aramco Lubricants and Retail Company	Sales of base oil	8,733,767	236,227	17,139,861	236,227	7,244,624	1,241,568
						622,013,256	369,757,463
Due to related parties							
Saudi Aramco	Purchase of feedstock, materials and utilities	2,035,768,648	3,333,275,323	4,562,770,805	6,183,433,495	1,133,492,636	468,739,601
	Technical and management support services	3,371,785	5,619,704	16,028,298	17,789,165	31,271,693	25,972,188
	Lease rental for Jeddah refinery land and Yanbu refinery pipeline	660,879	660,879	1,982,636	1,982,636	-	-
SAMREF	Technical and management support services	977,659	702,484	1,252,857	702,484	-	-
S-Oil Corporation	Purchase of base oil	69,538,663	39,814,998	288,526,661	57,723,283	-	11,694,163
						1,164,764,329	506,405,952

The Company's revenues derived from sales to Saudi Aramco and other affiliates accounted for approximately 33% and 20% (nine-month period ended September 30, 2022: 40% and 20%) respectively, of the total revenue.

Please refer to Note 6 for the impairment loss charge for the period ended September 30, 2023 and 2022.

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**13. Revenue**

The Company derives revenue from the transfer of goods at a point in time and revenue from freight and services to Saudi Aramco over a period of time. The Company has the following major product lines:

	<b>Three-month period ended September 30,</b>		<b>Nine-month period ended September 30,</b>	
	<b>2023</b>	<b>2022</b>	<b>2023</b>	<b>2022</b>
	<b>(Unaudited)</b>	<b>(Unaudited)</b>	<b>(Unaudited)</b>	<b>(Unaudited)</b>
Revenue from base oil sales	<b>1,246,908,400</b>	1,446,711,662	<b>3,855,757,693</b>	4,409,405,310
Revenue from by-products sales	<b>1,302,428,801</b>	1,275,109,387	<b>3,103,353,116</b>	4,395,653,826
	<b>2,549,337,201</b>	2,721,821,049	<b>6,959,110,809</b>	8,805,059,136

During the nine-month period ended September 30, 2023, the Company has recognized revenue from freight services amounting to Saudi Riyals 156.10 million (nine-month period ended September 30, 2022: Saudi Riyals 122.05 million).

The management has categorized its geographical operations as follows:

	<b>Three-month period ended September 30,</b>		<b>Nine-month period ended September 30,</b>	
	<b>2023</b>	<b>2022</b>	<b>2023</b>	<b>2022</b>
	<b>(Unaudited)</b>	<b>(Unaudited)</b>	<b>(Unaudited)</b>	<b>(Unaudited)</b>
<b>Geographic information</b>				
<b>Revenues from local sales</b>				
Kingdom of Saudi Arabia	<b>1,673,341,915</b>	1,830,944,865	<b>4,248,993,390</b>	5,987,042,006
<b>Revenues from export sales</b>				
United Arab Emirates	<b>524,257,722</b>	509,708,016	<b>1,646,459,079</b>	1,562,679,146
India	<b>184,925,647</b>	242,259,258	<b>521,777,017</b>	733,734,856
Singapore	<b>41,519,421</b>	40,993,933	<b>118,289,718</b>	176,369,667
Egypt	<b>20,819,035</b>	55,647,831	<b>85,347,516</b>	170,748,442
United States of America	<b>2,051,620</b>	10,312,186	<b>75,305,187</b>	11,231,440
Others	<b>102,421,841</b>	31,954,960	<b>262,938,902</b>	163,253,579
<b>Total</b>	<b>2,549,337,201</b>	2,721,821,049	<b>6,959,110,809</b>	8,805,059,136

**14. Cost of revenue**

	<b>Three-month period ended September 30,</b>		<b>Nine-month period ended September 30,</b>	
	<b>2023</b>	<b>2022</b>	<b>2023</b>	<b>2022</b>
	<b>(Unaudited)</b>	<b>(Unaudited)</b>	<b>(Unaudited)</b>	<b>(Unaudited)</b>
Cost of materials	<b>1,978,820,336</b>	1,899,823,258	<b>4,917,758,948</b>	6,544,041,605
Depreciation on property, plant and equipment	<b>79,984,214</b>	82,647,745	<b>233,844,741</b>	246,765,172
Employee related costs	<b>46,190,052</b>	44,373,971	<b>142,738,405</b>	136,899,599
Depreciation on right-of-use assets	<b>3,346,588</b>	2,159,405	<b>8,784,213</b>	5,081,534
Amortization of intangible assets	<b>233,940</b>	55,975	<b>720,722</b>	201,720
Others	<b>47,510,510</b>	42,818,488	<b>156,757,806</b>	122,364,846
	<b>2,156,085,640</b>	2,071,878,842	<b>5,460,604,835</b>	7,055,354,476

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**15. General and administrative expenses**

	<b>Three-month period ended September 30,</b>		<b>Nine-month period ended September 30,</b>	
	<b>2023 (Unaudited)</b>	<b>2022 (Unaudited)</b>	<b>2023 (Unaudited)</b>	<b>2022 (Unaudited)</b>
Employee related costs	<b>33,004,749</b>	26,900,367	<b>102,718,926</b>	102,704,692
Consultancy charges	<b>5,363,231</b>	7,184,270	<b>24,947,185</b>	18,908,796
(Reversal of impairment) / impairment losses on financial assets	<b>(21,840,574)</b>	(6,675,499)	<b>5,712,009</b>	5,727,183
Telephone and postage	<b>1,104,078</b>	1,750,696	<b>3,837,961</b>	4,600,551
Business travel	<b>770,541</b>	587,183	<b>2,520,977</b>	1,690,833
Insurance	<b>539,835</b>	437,596	<b>1,780,221</b>	1,122,873
Others	<b>8,804,138</b>	10,318,146	<b>25,690,614</b>	13,997,979
	<b>27,745,998</b>	40,502,759	<b>167,207,893</b>	148,752,907

**16. Zakat and income tax**

The Company is subject to zakat which is payable at 2.58% of approximate zakat base (excluding adjusted net income for the year) and at 2.5% of the adjusted net income for the year.

**16.1 Charge for the period**

The charge for the period consists of the following:

	<b>Three-month period ended September 30,</b>		<b>Nine-month period ended September 30,</b>	
	<b>2023 (Unaudited)</b>	<b>2022 (Unaudited)</b>	<b>2023 (Unaudited)</b>	<b>2022 (Unaudited)</b>
Zakat charge	<b>5,888,713</b>	6,185,091	<b>52,800,722</b>	15,711,501
Income tax charge	<b>7,700,000</b>	49,702,949	<b>7,700,000</b>	129,395,518
Deferred tax charge	-	23,456,314	-	134,090,981
	<b>13,588,713</b>	79,344,354	<b>60,500,722</b>	279,198,000

The Company was listed on Tadawul on December 28, 2022 and is only subject to zakat charge which resulted in an increase in the zakat expense and decrease in the income tax expense in the current period.

**16.2 Provision for zakat and income tax**

The movement in zakat and income tax payable is as follows:

	<b>Income tax</b>	<b>Zakat</b>	<b>Total</b>
<b>At January 1, 2022 (Audited)</b>	130,709,876	19,805,736	150,515,612
Charge for the year	192,219,241	21,449,883	213,669,124
Payment	(221,453,432)	(12,525,468)	(233,978,900)
<b>At December 31, 2022 (Audited)</b>	101,475,685	28,730,151	130,205,836
Charge for the period	<b>7,700,000</b>	<b>52,800,722</b>	<b>60,500,722</b>
Payment	<b>(99,193,822)</b>	<b>(21,045,076)</b>	<b>(120,238,898)</b>
<b>At September 30, 2023 (Unaudited)</b>	<b>9,981,863</b>	<b>60,485,797</b>	<b>70,467,660</b>

**16.3 Status of certificates and final assessments**

The Company has filed its zakat and income tax return up to the year ended December 31, 2022. During the nine-month period ended September 30, 2023, the Zakat, Tax and Customs Authority ("ZATCA") issued a assessment for the financial year 2017 against which the management has recognised a provision of Saudi Riyals 7.7 million.

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**17. Earnings per share**

Earnings per share has been calculated by dividing the net profit attributable to the owners of the Company by the weighted average number of shares outstanding during the period.

	<b>Three-month period ended September 30,</b>		<b>Nine-month period ended September 30,</b>	
	<b>2023</b>	<b>2022</b>	<b>2023</b>	<b>2022</b>
	<b>(Unaudited)</b>	<b>(Unaudited)</b>	<b>(Unaudited)</b>	<b>(Unaudited)</b>
Net profit attributable to owners of the Company	<b>340,433,685</b>	474,785,193	<b>1,240,958,118</b>	1,214,889,716
Weighted average number of shares*	<b>168,170,000</b>	168,750,000	<b>168,170,000</b>	168,750,000
Basic / diluted earnings per share (Saudi Riyals per share)	<b>2.02</b>	2.81	<b>7.38</b>	7.20

\*On August 18, 2022, the total share capital was revised to Saudi Riyals 1,687.5 million comprising 168.75 million shares. Since this represents a change in the number of basic shares without a corresponding change in resources (i.e. capitalization effect of retained earnings), the weighted average number of basic shares outstanding during all reported years is adjusted retrospectively. Weighted average number of shares are adjusted to reflect the effect of treasury shares held by the Company.

As at September 30, 2023, the potential ordinary shares pertains to employees' share-based compensation in respect of a grant that was awarded to the Company's eligible employees under the plan terms of the grant. The grant did not have a significant dilution effect on basic earnings per share for the nine-month period ended September 30, 2023. There were no issuances involving potential ordinary shares for the nine-month ended September 30, 2022.

**18. Operating segment**

The Company is engaged to construct, own and operate refineries of lubricating oils and to purchase, sell, transport, market, import and export lubricating oils, additives, lubricating oil blending stocks, by-products and other related petroleum products. The Company operates in Jeddah and Yanbu region of Saudi Arabia and has an operation in Al-Hamriyah in the United Arab Emirates. For management purposes, the Company is organized as a single business unit aligned with its principal business activity.

The Company has determined that the Company's Board of Directors and the President & CEO, being Chief Operating Decision Maker ("CODM") and are responsible for making decisions regarding the allocation of resources and assessment of performance of the Company. The CODM monitors the operating results of the Company as a whole for the purpose of making decisions about resource allocation and performance assessment of the Company's business. The CODM evaluates the performance on the basis of revenues, total operating expenses, EBITDA, net income and return on equity.

**19. Commitments and contingencies**

**19.1 Commitments**

- a) As at September 30, 2023, the Company had outstanding capital commitments of Saudi Riyals 1,275.47 million (December 31, 2022: Saudi Riyals 416.76 million) in respect of additions to property, plant and equipment at its Jeddah and Yanbu refineries.

**19.2 Contingencies**

- a) As at September 30, 2023 the letters of guarantees issued by banks on behalf of the Company amounted to Saudi Riyals 3.86 million (December 31, 2022: Saudi Riyals 2.31 million) and letters of credit issued by banks on behalf of the Company is Nil (December 31, 2022: Saudi Riyals 4.41 million).

**SAUDI ARAMCO BASE OIL COMPANY - LUBEREF**  
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**Notes to the condensed interim financial information**  
(All amounts in Saudi Riyals unless otherwise stated)

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- b) A contractor for Yanbu Expansion Project has submitted claims to the Company amounting to Saudi Riyals 222.52 million (December 31, 2022: Saudi Riyals 222.52 million). After the assessment on the procedural and substantive grounds, the management has rejected these claims. This claim is not filed in any court of law. The Company is not expecting any cash outflow on these claims therefore no provision has been recorded in the condensed interim financial information.

**20. Dividends**

On April 30, 2023, the shareholders approved a dividend of Saudi Riyals 841.29 million for Saudi Riyals 5 per share which was paid in May 2023 (six-month period ended June 30, 2022: Saudi Riyals 1,263.71 million which was paid in May 2022).

On July 27, 2023, the board of directors approved an interim dividend of Saudi Riyals 841.28 million for Saudi Riyals 5 per share which was paid in October 2023.

**21. Approval of condensed interim financial information**

The board of directors has delegated their authority for approval of the condensed interim financial information to audit committee accordingly this condensed interim financial information was approved and authorized for issue by the audit committee of the Company on November 5, 2023.