

SAUDI ARAMCO BASE OIL COMPANY - LUBEREF
(A Saudi Joint Stock Company)

**CONDENSED INTERIM FINANCIAL
STATEMENTS (UNAUDITED)**

For the three-month and nine-month periods ended September 30, 2025
together with the

**INDEPENDENT AUDITOR'S REVIEW REPORT
ON CONDENSED INTERIM FINANCIAL STATEMENTS**

SAUDI ARAMCO BASE OIL COMPANY - LUBEREF
(A Saudi Joint Stock Company)

CONDENSED INTERIM FINANCIAL STATEMENTS (UNAUDITED)

For the three-month and nine-month periods ended September 30, 2025

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KPMG Professional Services Company

Zahrán Business Center
Prince Sultan Street
P. O. Box 55078
Jeddah 21534
Kingdom of Saudi Arabia
Commercial Registration No 4030290792

Headquarters in Riyadh

شركة كي بي إم جي للاستشارات المهنية مساهمة مهنية

مركز زهران للأعمال
شارع الأمير سلطان
ص. ب. 55078
جدة 21534
المملكة العربية السعودية
سجل تجاري رقم 4030290792

المركز الرئيسي في الرياض

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

To the Shareholders of Saudi Aramco Base Oil Company - Luberef

Opinion

We have reviewed the accompanying September 30, 2025 condensed interim financial statements of Saudi Aramco Base Oil Company - Luberef ("the Company") which comprises:

- the condensed statement of financial position as at September 30, 2025;
- the condensed statement of profit or loss and other comprehensive income for the three-month and nine-month periods ended September 30, 2025;
- the condensed statement of changes in equity for the nine-month period ended September 30, 2025;
- the condensed statement of cash flows for the nine-month period ended September 30, 2025; and
- the notes to the condensed interim financial statements.

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

Scope of review

We conducted our review in accordance with the International Standard on Review Engagements 2410, 'Review of Interim Financial Information Performed by the Independent Auditor of the Entity' that is endorsed in the Kingdom of Saudi Arabia. A review of condensed interim financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing that are endorsed in the Kingdom of Saudi Arabia, and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying September 30, 2025 condensed interim financial statements of Saudi Aramco Base Oil Company - Luberef are not prepared, in all material respects, in accordance with IAS 34, 'Interim Financial Reporting' that is endorsed in the Kingdom of Saudi Arabia.



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

To the Shareholders of Saudi Aramco Base Oil Company - Luberef

Other matter relating to comparative information

The condensed interim financial statements of the Company as at and for the three-month and nine-month periods ended September 30, 2024 were reviewed by another auditor who expressed an unmodified conclusion on those condensed interim financial statements on November 5, 2024.

The financial statements of the Company for the year ended December 31, 2024 were audited by the same other auditor who expressed an unmodified opinion on those financial statements on February 24, 2025.

KPMG Professional Services Company

Abdullah Oudah Althagafi
License No. 455



Jeddah, November 4, 2025
Corresponding to Jumada Al Awal 13, 1447H

CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION

(All amounts in Saudi Riyals thousands, unless otherwise stated)

	<u>Notes</u>	As at September 30, 2025 (Unaudited)	As at December 31, 2024 (Audited)
Assets			
Non-current assets			
Property, plant and equipment	4	4,808,434	4,717,668
Right-of-use assets		137,112	149,549
Intangible assets		27,999	17,212
Loans to employees		14,642	18,708
Total non-current assets		4,988,187	4,903,137
Current assets			
Inventories		699,451	670,894
Trade receivables	5	881,770	961,113
Prepayments and other assets		89,000	16,628
Short-term deposits	6	326,844	452,304
Cash and cash equivalents		842,680	735,171
Total current assets		2,839,745	2,836,110
Total assets		7,827,932	7,739,247
Equity and liabilities			
Equity			
Share capital		1,687,500	1,687,500
Statutory reserve	17	--	506,250
Treasury shares		(48,682)	(49,238)
Retained earnings		2,808,452	2,252,947
Total equity		4,447,270	4,397,459
Liabilities			
Non-current liabilities			
Borrowings	7	721,087	785,054
Lease liabilities		145,051	149,868
Employee benefit obligations		362,550	345,266
Provision for decommissioning obligation		46,814	46,078
Other non-current liabilities		5,370	4,771
Total non-current liabilities		1,280,872	1,331,037
Current liabilities			
Trade and other payables	8	1,559,217	1,568,543
Dividend payable	16	168,261	--
Accrued expenses and other liabilities		209,262	274,485
Current portion of borrowings	7	122,254	116,455
Current portion of lease liabilities		19,448	19,448
Zakat and income tax payable	12	21,348	31,820
Total current liabilities		2,099,790	2,010,751
Total liabilities		3,380,662	3,341,788
Total equity and liabilities		7,827,932	7,739,247

The accompanying notes from 1 to 18 form an integral part of these condensed interim financial statements.



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



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



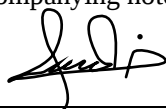
Saud Fouad Kamakhi
Chief Financial Officer

CONDENSED INTERIM STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME (UNAUDITED)

(All amounts in Saudi Riyals thousands, unless otherwise stated)

		Three-month period ended September 30,		Nine-month period ended September 30,	
	Notes	September 30, 2025	September 30, 2024	September 30, 2025	September 30, 2024
Revenue	10	2,157,251	2,495,465	6,534,317	7,409,065
Cost of revenue	11	(1,793,551)	(2,199,162)	(5,562,788)	(6,412,024)
Gross profit		363,700	296,303	971,529	997,041
Selling and distribution expenses		(7,980)	(12,669)	(22,594)	(30,234)
General and administrative expenses		(61,679)	(73,370)	(163,845)	(193,392)
Impairment loss on trade receivables	5	(1,485)	(3,667)	(9,053)	(4,488)
Other income		--	10,130	--	10,130
Operating profit		292,556	216,727	776,037	779,057
Finance income		9,094	17,818	32,252	66,021
Finance cost		(16,227)	(18,794)	(47,442)	(72,588)
Profit before Zakat and income tax		285,423	215,751	760,847	772,490
Zakat and income tax	12	(6,597)	10,210	(15,316)	(8,672)
Profit for the period		278,826	225,961	745,531	763,818
Other comprehensive income:					
<i>Items that will not be reclassified to profit or loss:</i>					
Re-measurement gain / (loss) on employee benefit obligations		4,954	(41,514)	(9,790)	(44,864)
		4,954	(41,514)	(9,790)	(44,864)
Total comprehensive income for the period		283,780	184,447	735,741	718,954
Basic and diluted earnings per share	13	1.66	1.34	4.43	4.54

The accompanying notes from 1 to 18 form an integral part of these condensed interim financial statements.



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Delegated Board Member and
Audit Committee's Chairman



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



Saud Fouad Kamakhi
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 thousands, unless otherwise stated)

	<u>Share capital</u>	<u>Statutory reserve</u>	<u>Treasury shares</u>	<u>Retained earnings</u>	<u>Total equity</u>
Balance as at January 1, 2024 (Audited)	1,687,500	506,250	(49,238)	2,724,281	4,868,793
Profit for the period	--	--	--	763,818	763,818
Other comprehensive loss for the period	--	--	--	(44,864)	(44,864)
Total comprehensive income for the period	--	--	--	718,954	718,954
Dividends (Note 16)	--	--	--	(1,446,993)	(1,446,993)
Balance as at September 30, 2024 (Unaudited)	<u>1,687,500</u>	<u>506,250</u>	<u>(49,238)</u>	<u>1,996,242</u>	<u>4,140,754</u>
Balance as at January 1, 2025 (Audited)	1,687,500	506,250	(49,238)	2,252,947	4,397,459
Profit for the period	--	--	--	745,531	745,531
Other comprehensive loss for the period	--	--	--	(9,790)	(9,790)
Total comprehensive income for the period	--	--	--	735,741	735,741
Dividends (Note 16)	--	--	--	(686,486)	(686,486)
Transfer (Note 17)	--	(506,250)	--	506,250	--
Treasury shares issued to employees	--	--	556	--	556
Balance as at September 30, 2025 (Unaudited)	<u>1,687,500</u>	<u>--</u>	<u>(48,682)</u>	<u>2,808,452</u>	<u>4,447,270</u>

The accompanying notes from 1 to 18 form an integral part of these condensed interim financial statements.



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



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



Saud Fouad Kamakhi
 Chief Financial Officer

SAUDI ARAMCO BASE OIL COMPANY - LUBEREF

(A Saudi Joint Stock Company)

CONDENSED INTERIM STATEMENT OF CASH FLOWS (UNAUDITED)

(All amounts in Saudi Riyals thousands, unless otherwise stated)



		<u>Nine-month period ended</u>	
	<u>Notes</u>	<u>September 30,</u> <u>2025</u>	<u>September 30,</u> <u>2024</u>
Cash flows from operating activities:			
Profit before Zakat and income tax		760,847	772,490
<u>Adjustments for:</u>			
Depreciation on property, plant and equipment	4	172,350	189,325
Depreciation on right-of-use assets		12,437	16,407
Amortization		7,626	2,544
Finance income		(32,251)	(66,021)
Non-cash employee related expenses		1,881	767
Finance cost		42,382	67,528
Interest on lease liabilities		5,060	5,060
Provision for employees' benefits obligations		28,126	27,140
Insurance claim compensation		--	(10,130)
Loss on sale of property, plant and equipment		31	36
Impairment loss on trade receivables	5	9,053	4,488
Allowance for slow moving inventories		87	3,027
<u>Changes in:</u>			
Inventories		(28,643)	(156,217)
Trade receivables		70,290	23,714
Prepayments and other assets		(77,987)	(14,143)
Trade payables		(9,327)	356,001
Accrued expenses and other liabilities		(65,223)	(24,440)
Cash generated from operations		896,739	1,197,576
Finance income received		30,381	70,217
Employee benefit obligations paid		(15,972)	(10,740)
Zakat and income tax paid	12.2	(25,788)	(63,891)
Net cash generated from operating activities		885,360	1,193,162
Cash flows from investing activities:			
Purchase of property, plant and equipment		(263,147)	(135,696)
Purchase of intangible assets		(18,413)	(6,221)
Investment in short-term deposits		(323,084)	(430,149)
Withdrawals from short-term deposits		450,149	1,619,749
Insurance claim compensation received		--	7,497
Collection against employee loans		5,090	3,091
Disbursement of employee loans		(515)	(1,399)
Net cash (used in) / generated from investing activities		(149,920)	1,056,872
Cash flows from financing activities:			
Repayments of borrowings		(58,168)	(981,114)
Repayment principal portion of lease liabilities		(4,817)	(9,922)
Dividend paid	16	(518,225)	(841,275)
Finance costs paid on lease liabilities		(5,060)	(5,060)
Finance cost paid		(41,661)	(50,932)
Net cash used in financing activities		(627,931)	(1,888,303)
Net increase in cash and cash equivalents		107,509	361,731
Cash and cash equivalents at the beginning of the period		735,171	545,960
Cash and cash equivalents at the end of the period		842,680	907,691

The accompanying notes from 1 to 18 form an integral part of these condensed interim financial statements.

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

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

Saud Fouad Kamakhi
Chief Financial Officer

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS

(All amounts in Saudi Riyals thousands, unless otherwise stated)

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 base oils and to purchase, sell, transport, market, import and export base oils, additives, base oil blending stocks, by-products and other related petroleum products.

The Company is registered under Commercial Registration (“CR”) number 4030010447 having unified number 7000875133 issued in Jeddah on Ramadan 3, 1396H (corresponding to August 29, 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”).

The condensed interim financial statements include 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 CR 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 (“the Establishment”) by the Government of Sharjah (UAE), on Rabi-ul-Awal 26, 1435H (corresponding to January 27, 2014). The Company has treated the Free Zone Establishment as a branch in these condensed interim financial statements as it owns 100% paid up capital of the Establishment.

Saudi Arabian Oil Company (“Saudi Aramco”) owns 70% shareholding of the Company. The Saudi Arabian Government is the largest shareholder with 81.48% direct shareholding in Saudi Aramco. Saudi Aramco is the immediate parent of the Company. The Company is ultimately controlled by the Government of Kingdom of Saudi Arabia.

2. BASIS OF PREPARATION

2.1 Statement of compliance

These condensed interim financial statements 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”).

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, 2024. 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.

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS

(All amounts in Saudi Riyals thousands, unless otherwise stated)

2. **BASIS OF PREPARATION (continued)**

2.2 Basis of measurement

These condensed interim financial statements 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 and lease liabilities measured at their discounted present value. These condensed interim financial statements is presented in thousands in Saudi Arabian Riyals ("Saudi Riyals") being the functional and presentation currency of the Company.

2.3 New and amended standards

Standards, interpretations and amendments adopted

The Company has applied the following amendments for the first time for the annual reporting period commencing January 1, 2025:

<i>Standard / Interpretation</i>	<i>Description</i>	<i>Effective from periods beginning on or after the following date</i>
IAS 21	Lack of Exchangeability (Amendments to IAS 21)	January 1, 2025

The adoption of above amendments does not have any material impact on the condensed interim financial statements during the period.

Standards, interpretations and amendments issued but not yet effective

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

<i>Standard / Interpretation</i>	<i>Description</i>	<i>Effective from periods beginning on or after the following date</i>
IFRS 9 and IFRS 7	Classification and Measurement of Financial Instruments (Amendments to IFRS 9 and IFRS 7)	January 1, 2026
IFRS 18	Presentation and Disclosure in Financial Statements	January 1, 2027
IFRS 19	Subsidiaries without Public Accountability: Disclosures	January 1, 2027
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.

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS

(All amounts in Saudi Riyals thousands, unless otherwise stated)

3. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

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

The 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.

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS
(All amounts in Saudi Riyals thousands, unless otherwise stated)

4. PROPERTY, PLANT AND EQUIPMENT

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

	<u>Manufacturing plants</u>	<u>Buildings and leasehold improvements</u>	<u>Furniture and fixtures</u>	<u>Other machinery and equipment</u>	<u>Motor vehicles</u>	<u>Capital work- in-progress</u>	<u>Total</u>
Cost:							
January 1, 2025	7,942,022	333,386	27,367	247,504	3,087	435,891	8,989,257
Additions	--	--	--	--	--	263,147	263,147
Disposals	(31)	--	--	(3,273)	--	--	(3,304)
Transfers	19,050	635	--	292	--	(19,977)	--
September 30, 2025	7,961,036	334,021	27,367	244,528	3,087	679,061	9,249,100
Accumulated depreciation:							
January 1, 2025	3,733,745	291,736	27,148	216,280	2,680	--	4,271,589
Charge for the period	164,885	4,191	53	3,084	137	--	172,350
Disposals	--	--	--	(3,273)	--	--	(3,273)
September 30, 2025	3,898,630	295,927	27,201	216,091	2,817	--	4,440,666
Carrying Value:							
At September 30, 2025 (Unaudited)	4,062,406	38,094	166	28,437	270	679,061	4,808,434
At December 31, 2024 (Audited)	4,208,277	41,650	219	31,224	407	435,891	4,717,668

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS

(All amounts in Saudi Riyals thousands, unless otherwise stated)

5. TRADE RECEIVABLES

	Note	September 30, <u>2025</u> (Unaudited)	December 31, <u>2024</u> (Audited)
Trade receivables		451,112	398,638
Related parties	9	453,506	576,270
		<u>904,618</u>	<u>974,908</u>
Allowance for impairment loss		(22,848)	(13,795)
		<u>881,770</u>	<u>961,113</u>

Related parties' balances amounting to Saudi Riyals 390.63 million (December 31, 2024: Saudi Riyals 446.73 million) have been offset against the related parties' trade payables in the condensed interim statement of financial position (refer note 8).

Movement in allowance for impairment losses of trade receivables is as follows:

	September 30, <u>2025</u> (Unaudited)	September 30, <u>2024</u> (Unaudited)	December 31, <u>2024</u> (Audited)
Opening balance	13,795	12,295	12,295
Charge for the period	9,053	4,488	1,500
Closing balance	<u>22,848</u>	<u>16,783</u>	<u>13,795</u>

Following is the ageing analysis of trade receivables:

	Total	Not due	Past due				
			Less than 3 months	3 to 6 months	6 to 12 months	12 to 24 months	More than 24 months
September 30, 2025 (Unaudited)	904,618	820,736	37,119	33,224	87	13,452	--
December 31, 2024 (Audited)	974,908	917,146	25,214	20,308	8,325	3,915	--

As at September 30, 2025, the allowance for impairment loss for related parties' trade receivables amounted to Saudi Riyals 13.96 million (December 31, 2024: Saudi Riyals 2.49 million) and for third parties' trade receivables amounted to Saudi Riyals 8.88 million (December 31, 2024: Saudi Riyals 11.31 million).

6. SHORT-TERM DEPOSITS

At September 30, 2025, the Company invested Saudi Riyals 323.08 million (December 31, 2024: Saudi Riyals 450.14 million) in Murabaha deposits and as of that date the accrued profit from Murabaha deposits amounted to Saudi Riyals 3.76 million (December 31, 2024: Saudi Riyals 2.16 million). These short-term deposits, with maturity periods ranging to 92 days, were held with commercial banks and are due to mature by December 3, 2025.

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS

(All amounts in Saudi Riyals thousands, unless otherwise stated)

6. SHORT-TERM DEPOSITS (continued)

The Murabaha deposits are held with banks having sound credit ratings. 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 Murabaha deposits is based on market prevailing rates.

7. BORROWINGS

Borrowings comprise of the following:

	September 30, <u>2025</u> (Unaudited)	December 31, <u>2024</u> (Audited)
Islamic banking facilities (Murabaha)	843,341	901,509
Less: current portion of borrowings	<u>(122,254)</u>	<u>(116,455)</u>
	<u>721,087</u>	<u>785,054</u>

Currency denomination of the borrowings is as follows:

	September 30, <u>2025</u> (Unaudited)	December 31, <u>2024</u> (Audited)
Saudi Riyals	435,468	465,504
United States Dollars ("USD")	<u>407,873</u>	<u>436,005</u>
	<u>843,341</u>	<u>901,509</u>

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, 2025 and December 31, 2024, the Company was compliant with all the covenants with the banks.

As at September 30, 2025, the Company has two Islamic credit facilities from local commercial banks for managing its working capital amounting to Saudi Riyals 345 million (December 31, 2024: Saudi Riyals 415 million). There are no financial covenants applicable to the Company under such facilities with the respective bank. The facilities are unsecured. The maturity of the Islamic credit facilities are within twelve months. Total unused credit facilities available to the Company as at September 30, 2025 is Saudi Riyals 345 million (December 31, 2024: Saudi Riyals 415 million).

8. TRADE AND OTHER PAYABLES

	Note	September 30, <u>2025</u> (Unaudited)	December 31, <u>2024</u> (Audited)
Related parties	9	1,477,287	1,447,259
Third parties		26,312	72,788
Employees' thrift plan		31,215	30,115
Contract liabilities		<u>24,403</u>	<u>18,381</u>
		<u>1,559,217</u>	<u>1,568,543</u>

Related parties' balances amounting to Saudi Riyals 390.63 million (December 31, 2024: Saudi Riyals 446.73 million) have been offset against the related parties' trade receivables in the condensed interim statement of financial position (refer note 5).

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS

(All amounts in Saudi Riyals thousands, unless otherwise stated)

9. 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. Moreover, the Company is ultimately controlled by the Government of the Kingdom of Saudi Arabia (refer note 1). The Company applies the exemption in IAS 24 Related Party Disclosures that allows to present reduced related party disclosures regarding transactions with government related parties.

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

Shareholder and Immediate 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
Aramco Trading Company
S-Oil Europe B.V.

Transactions with key management personnel

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

	<u>Three-month period ended September 30,</u>		<u>Nine-month period ended September 30,</u>	
	<u>2025</u>	<u>2024</u>	<u>2025</u>	<u>2024</u>
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
Short-term employee benefits	15,568	8,791	39,592	31,127
Provision for employee benefit obligations	1,564	843	3,826	3,067

During the period, the Company has remunerated Saudi Riyals 2.18 million to non-executive independent directors for attending the Board of Directors' meetings (nine-month period ended September 30, 2024: Saudi Riyals 3.24 million).

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS
(All amounts in Saudi Riyals thousands, unless otherwise stated)

9. RELATED PARTY TRANSACTION AND BALANCE (continued)

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

Related party	Nature of transaction	Transactions				Balance as at	
		Three-month period ended		Nine-month period ended		September 30,	December 31,
		September 30, 2025 (Unaudited)	September 30, 2024 (Unaudited)	September 30, 2025 (Unaudited)	September 30, 2024 (Unaudited)	September 30, 2025 (Unaudited)	December 31, 2024 (Audited)
Due from related parties							
Saudi Aramco	Sales of by-products	747,534	909,153	2,438,948	2,753,966	203,472	330,200
SAMREF	Sales of by-products	203,199	185,432	515,771	551,245	174,150	128,058
S-Oil Singapore Pte. Ltd.	Sales of base oil	165,185	124,454	600,206	476,530	17,104	77,584
S-Oil Corporation	Sales of base oil	17,823	14,065	71,216	74,387	--	13,018
Motiva Trading LLC	Sales of base oil	23,623	--	48,780	19,087	1,927	23,664
Aramco Lubricants and Retail Company	Sales of base oil	19,861	3,136	37,134	28,002	33,479	3,746
S-Oil Europe B.V.	Sales of base oil	23,374	--	23,374	--	23,374	--
						453,506	576,270
Due to related parties							
Saudi Aramco	Purchase of feedstock, materials and utilities	1,450,190	1,789,773	4,569,235	5,376,864	1,432,075	1,429,361
	Technical and management support services	9,574	5,658	21,149	17,806	34,684	17,490
	Lease rental for Jeddah refinery land and Yanbu refinery pipeline	1,322	661	1,983	1,983	--	--
SAMREF	Technical and management support services	27,477	1,101	45,890	1,101	10,528	--
Motiva	Purchase of base oil	50,316	--	66,239	--	--	--
S-Oil Corporation	Purchase of base oil	26,963	--	39,785	43,625	--	408
						1,477,287	1,447,259

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.

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS

(All amounts in Saudi Riyals thousands, unless otherwise stated)

9. RELATED PARTY TRANSACTION AND BALANCE (continued)

Please refer to note 5 for the impairment loss charge for the period ended September 30, 2025 and 2024.

The Company has Saudi Riyals 110.90 million (December 31, 2024: Saudi Riyals 32.95 million) as cash with banks owned by Saudi government entities.

10. REVENUE

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

	Three-month period ended September 30,		Nine-month period ended September 30,	
	<u>2025</u>	<u>2024</u>	<u>2025</u>	<u>2024</u>
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
Revenue from base oil sales	1,168,771	1,324,088	3,454,166	3,858,147
Revenue from by-products sales	988,480	1,171,377	3,080,151	3,550,918
	<u>2,157,251</u>	<u>2,495,465</u>	<u>6,534,317</u>	<u>7,409,065</u>

During the nine-month periods ended September 30, 2025, the Company has recognized revenue from freight services amounting to Saudi Riyals 111.87 million (nine-month period ended September 30, 2024: Saudi Riyals 127.48 million) that is included in above revenue.

The management has categorized its geographical operations as follows:

	Three-month period ended September 30,		Nine-month period ended September 30,	
	<u>2025</u>	<u>2024</u>	<u>2025</u>	<u>2024</u>
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
Geographic information				
Revenues from local sales				
Kingdom of Saudi Arabia	1,346,478	1,280,975	4,055,969	4,283,880
Revenues from export sales				
United Arab Emirates	497,874	769,328	1,293,003	1,917,638
India	142,929	152,267	435,506	552,590
Singapore	15,950	63,629	109,225	123,913
Egypt	14,580	19,871	67,549	58,061
United States of America	28,901	25,008	84,208	45,510
Others	110,539	184,387	488,857	427,473
Total	<u>2,157,251</u>	<u>2,495,465</u>	<u>6,534,317</u>	<u>7,409,065</u>

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS

(All amounts in Saudi Riyals thousands, unless otherwise stated)

11. COST OF REVENUE

	Three-month period ended September 30,		Nine-month period ended September 30,	
	<u>2025</u>	<u>2024</u>	<u>2025</u>	<u>2024</u>
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
Cost of materials	1,586,452	1,952,729	4,960,994	5,730,049
Depreciation on property, plant and equipment	57,260	57,674	172,061	191,505
Freight cost	54,799	94,334	159,283	228,927
Employee related costs	57,644	53,102	174,547	154,569
Depreciation on right-of-use assets	3,505	3,347	9,316	10,040
Others	33,891	37,976	86,587	96,934
	<u>1,793,551</u>	<u>2,199,162</u>	<u>5,562,788</u>	<u>6,412,024</u>

12. ZAKAT AND INCOME TAX

12.1 Charge for the period

The charge for the nine-month period ended September 30 consists of the following:

	Three-month period ended September 30,		Nine-month period ended September 30,	
	<u>2025</u>	<u>2024</u>	<u>2025</u>	<u>2024</u>
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
Zakat charge	<u>6,597</u>	<u>(10,210)</u>	<u>15,316</u>	<u>8,672</u>

12.2 Provision for Zakat and income tax

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

	<u>Income tax</u>	<u>Zakat</u>	<u>Total</u>
At January 1, 2024 (Audited)	9,981	68,714	78,695
Prior year reversal	(7,916)	--	(7,916)
Charge for the year	--	24,933	24,933
Payment	(2,065)	(61,827)	(63,892)
At December 31, 2024 (Audited)	--	31,820	31,820
Charge for the period	--	15,316	15,316
Payment	--	(25,788)	(25,788)
At September 30, 2025 (Unaudited)	--	21,348	21,348

12.3 Status of certificates and final assessments

The Company has filed its Zakat return up to the year ended December 31, 2024.

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS
(All amounts in Saudi Riyals thousands, unless otherwise stated)

13. EARNINGS PER SHARE

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

	<u>Three-month period</u> <u>ended September 30,</u>		<u>Nine-month period</u> <u>ended September 30,</u>	
	<u>2025</u>	<u>2024</u>	<u>2025</u>	<u>2024</u>
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
Net profit attributable to owners of the Company	283,780	225,961	735,741	763,818
Weighted average number of shares	168,261	168,253	168,261	168,253
Basic / diluted earnings per share (Saudi Riyals per share)	1.66	1.34	4.43	4.54

As at September 30, 2025, the Company does not have any potential ordinary shares.

14. OPERATING SEGMENT

The Company is engaged to construct, own and operate refineries of base 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, Earning Before Interest, Tax and Depreciation (EBITDA), net income and return on equity.

Geographical information of the Company's revenues is disclosed in Note 10. The Company's property, plant and equipment assets are located in the Kingdom of Saudi Arabia. Saudi Aramco is the Company's major customer exceeding the 10% revenue threshold.

15. COMMITMENTS AND CONTINGENCIES

15.1 Commitments

As at September 30, 2025, the Company had outstanding capital commitments of Saudi Riyals 979.59 million (December 31, 2024: Saudi Riyals 881.31 million) in respect of additions to property, plant and equipment at its Jeddah and Yanbu refineries.

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS

(All amounts in Saudi Riyals thousands, unless otherwise stated)

15. COMMITMENTS AND CONTINGENCIES (continued)

15.2 Contingencies

As at September 30, 2025 the letters of guarantees issued by banks on behalf of the Company amounted to Saudi Riyals 3.61 million (December 31, 2024: Saudi Riyals 3.86 million) and letters of credit issued by banks on behalf of the Company is Saudi Riyals 52.67 million (December 31, 2024: Saudi Riyals 59.17 million).

16. DIVIDEND

On February 16, 2025 (corresponding to Shaban 17, 1446H), the Board of Directors of the Company resolved to recommend the General Assembly for distribution of annual dividends for the year ended December 31, 2024 of SR 3.08 per share amounting to SR 518.23 million which were approved by the General Assembly on April 16, 2025 (corresponding to Shawwal 18, 1446H). The payments were made on April 30, 2025. Further, on July 31, 2025 (corresponding to Safar 6, 1447H), the Board of Directors of the Company approved an interim dividend for the six-month period ended June 30, 2025 of SR 1 per share amounting to SR 168.26 million. The payments were made on October 15, 2025.

17. STATUTORY RESERVE

During the period ended September 30, 2025 the Company transferred statutory reserve amounting to SR 506.25 million to retained earnings. This transfer was recommended by the Board of Directors of the Company on February 16, 2025 (corresponding to Shaban 17, 1446H) to the General Assembly which were approved by the General Assembly on April 16, 2025 (corresponding to Shawwal 18, 1446H).

18. APPROVAL OF CONDENSED INTERIM FINANCIAL STATEMENTS

The Board of Directors has delegated their authority for approval of the condensed interim financial statements to the Board Audit Committee members and accordingly these condensed interim financial statements was approved and authorized for issue by the Board Audit Committee members of the Company on October 30, 2025, corresponding to Jumada Al Awal 8, 1447H.