

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

**CONDENSED INTERIM FINANCIAL  
STATEMENTS (UNAUDITED)**

For the three-month and six-month periods ended June 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 six-month periods ended June 30, 2025

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## KPMG Professional Services Company

Zahran 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 June 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 June 30, 2025;
- the condensed statement of profit or loss and other comprehensive income for the three-month and six-month periods ended June 30, 2025;
- the condensed statement of changes in equity for the six-month period ended June 30, 2025;
- the condensed statement of cash flows for the six-month period ended June 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 June 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 six-month periods ended June 30, 2024 were reviewed by another auditor who expressed an unmodified conclusion on those condensed interim financial statements on August 7, 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, August 4, 2025  
Corresponding to Safar 10, 1447H



**CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION**

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

	<u>Notes</u>	<b>As at June 30, 2025 (Unaudited)</b>	<b>As at December 31, 2024 (Audited)</b>
<b>Assets</b>			
<b>Non-current assets</b>			
Property, plant and equipment	4	4,808,004	4,717,668
Right-of-use assets		141,640	149,549
Intangible assets		29,432	17,212
Loans to employees		16,006	18,708
<b>Total non-current assets</b>		<b>4,995,082</b>	<b>4,903,137</b>
<b>Current assets</b>			
Inventories		715,146	670,894
Trade receivables	5	894,750	961,113
Prepayments and other assets		84,484	16,628
Short-term deposits	6	100,016	452,304
Cash and cash equivalents		715,221	735,171
<b>Total current assets</b>		<b>2,509,617</b>	<b>2,836,110</b>
<b>Total assets</b>		<b>7,504,699</b>	<b>7,739,247</b>
<b>Equity and liabilities</b>			
<b>Equity</b>			
Share capital		1,687,500	1,687,500
Statutory reserve	17	--	506,250
Treasury shares		(48,682)	(49,238)
Retained earnings		2,692,932	2,252,947
<b>Total equity</b>		<b>4,331,750</b>	<b>4,397,459</b>
<b>Liabilities</b>			
<b>Non-current liabilities</b>			
Borrowings	7	721,087	785,054
Lease liabilities		145,521	149,868
Employee benefit obligations		366,393	345,266
Provision for decommissioning obligation		46,568	46,078
Other non-current liabilities		5,239	4,771
<b>Total non-current liabilities</b>		<b>1,284,808</b>	<b>1,331,037</b>
<b>Current liabilities</b>			
Trade and other payables	8	1,460,604	1,568,543
Accrued expenses and other liabilities		271,078	274,485
Current portion of borrowings	7	122,259	116,455
Current portion of lease liabilities		19,448	19,448
Zakat and income tax payable	12	14,752	31,820
<b>Total current liabilities</b>		<b>1,888,141</b>	<b>2,010,751</b>
<b>Total liabilities</b>		<b>3,172,949</b>	<b>3,341,788</b>
<b>Total equity and liabilities</b>		<b>7,504,699</b>	<b>7,739,247</b>

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



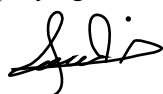
Saud Fouad Kamakhi  
Chief Financial Officer

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

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

		<b>Three-month period ended June 30,</b>		<b>Six-month period ended June 30,</b>	
	<b>Notes</b>	<b>June 30, 2025</b>	<b>June 30, 2024</b>	<b>June 30, 2025</b>	<b>June 30, 2024</b>
Revenue	10	<b>2,249,108</b>	2,728,810	<b>4,377,066</b>	4,913,600
Cost of revenue	11	<b>(1,928,826)</b>	(2,341,898)	<b>(3,769,237)</b>	(4,212,862)
<b>Gross profit</b>		<b>320,282</b>	386,912	<b>607,829</b>	700,738
Selling and distribution expenses		<b>(9,185)</b>	(6,756)	<b>(14,614)</b>	(17,565)
General and administrative expenses		<b>(48,229)</b>	(64,115)	<b>(102,166)</b>	(120,022)
Impairment loss on trade receivables	5	<b>(5,731)</b>	174	<b>(7,568)</b>	(821)
<b>Operating profit</b>		<b>257,137</b>	316,215	<b>483,481</b>	562,330
Finance income		<b>8,787</b>	14,536	<b>23,158</b>	48,203
Finance cost		<b>(15,591)</b>	(19,203)	<b>(31,215)</b>	(53,794)
<b>Profit before Zakat and income tax</b>		<b>250,333</b>	311,548	<b>475,424</b>	556,739
Zakat and income tax	12	<b>(5,136)</b>	(12,704)	<b>(8,719)</b>	(18,882)
<b>Profit for the period</b>		<b>245,197</b>	298,844	<b>466,705</b>	537,857
<b>Other comprehensive income:</b>					
<i>Items that will not be reclassified to profit or loss:</i>					
Re-measurement gain / (loss) on employee benefit obligations		<b>10,950</b>	8,098	<b>(14,744)</b>	(3,350)
<b>Total comprehensive income for the period</b>		<b>256,147</b>	306,942	<b>451,961</b>	534,507
<b>Basic and diluted earnings per share</b>	13	<b>1.46</b>	1.78	<b>2.77</b>	3.20

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 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>
<b>Balance as at January 1, 2024 (Audited)</b>	1,687,500	506,250	(49,238)	2,724,281	4,868,793
Profit for the period	--	--	--	537,857	537,857
Other comprehensive loss for the period	--	--	--	(3,350)	(3,350)
<b>Total comprehensive income for the period</b>	--	--	--	534,507	534,507
Dividends (Note 16)	--	--	--	(841,275)	(841,275)
<b>Balance as at June 30, 2024 (Unaudited)</b>	<u>1,687,500</u>	<u>506,250</u>	<u>(49,238)</u>	<u>2,417,513</u>	<u>4,562,025</u>
<b>Balance as at January 1, 2025 (Audited)</b>	1,687,500	506,250	(49,238)	2,252,947	4,397,459
Profit for the period	--	--	--	<b>466,705</b>	<b>466,705</b>
Other comprehensive loss for the period	--	--	--	<b>(14,744)</b>	<b>(14,744)</b>
<b>Total comprehensive income for the period</b>	--	--	--	<b>451,961</b>	<b>451,961</b>
Dividends (Note 16)	--	--	--	<b>(518,226)</b>	<b>(518,226)</b>
Transfer (Note 17)	--	<b>(506,250)</b>	--	<b>506,250</b>	--
Treasury shares issued to employees	--	--	<b>556</b>	--	<b>556</b>
<b>Balance as at June 30, 2025 (Unaudited)</b>	<u>1,687,500</u>	<u>--</u>	<u>(48,682)</u>	<u>2,692,932</u>	<u>4,331,750</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



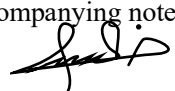
Saud Fouad Kamakhi  
 Chief Financial Officer

**CONDENSED INTERIM STATEMENT OF CASH FLOWS (UNAUDITED)**


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

		<b>Six-month period ended</b>	
	<b>Notes</b>	<b>June 30, 2025</b>	<b>June 30, 2024</b>
<b>Cash flows from operating activities:</b>			
Profit before Zakat and income tax		475,424	556,739
<u>Adjustments for:</u>			
Depreciation on property, plant and equipment	4	114,992	134,082
Depreciation on right-of-use assets		7,908	8,774
Amortisation		2,921	2,164
Finance income		(23,158)	(48,203)
Provision for employee expenses		1,240	1,021
Finance cost		28,146	50,409
Interest on lease liabilities		3,069	3,385
Provision for employees' benefits obligations		18,751	17,759
Loss on sale of property, plant and equipment		36	36
Impairment loss on trade receivables	5	7,568	821
Allowance for slow moving inventories		1,051	281
<u>Changes in:</u>			
Inventories		(45,303)	(160,142)
Trade receivables		58,795	(189,378)
Prepayments and other assets		(69,330)	(2,868)
Trade payables		(107,940)	593,706
Accrued expenses and other liabilities		(8,296)	(1,850)
<b>Cash generated from operations</b>		<b>465,874</b>	<b>966,736</b>
Finance income received		26,547	62,319
Employee benefit obligations paid		(7,709)	(6,261)
Zakat and income tax paid		(25,787)	(63,891)
<b>Net cash generated from operating activities</b>		<b>458,925</b>	<b>958,903</b>
<b>Cash flows from investing activities:</b>			
Purchase of property, plant and equipment		(205,364)	(74,133)
Purchase of intangible assets		(15,140)	(6,221)
Investment in short-term deposits		(390,000)	(430,149)
Withdrawals from short-term deposits		740,149	1,619,749
Collection against employee loans		3,568	2,220
Disbursement of employee loans		(918)	(1,166)
<b>Net cash generated from investing activities</b>		<b>132,295</b>	<b>1,110,300</b>
<b>Cash flows from financing activities:</b>			
Repayments of borrowings		(58,163)	(981,114)
Repayment principal portion of lease liabilities		(4,348)	(8,878)
Dividend paid	16	(518,226)	(841,275)
Finance costs paid on lease liabilities		(3,069)	(3,385)
Finance cost paid		(27,364)	(50,763)
<b>Net cash used in financing activities</b>		<b>(611,170)</b>	<b>(1,885,415)</b>
<b>Net (decrease) / increase in cash and cash equivalents</b>		<b>(19,950)</b>	<b>183,788</b>
Cash and cash equivalents at the beginning of the period		735,171	545,960
<b>Cash and cash equivalents at the end of the period</b>		<b>715,221</b>	<b>729,748</b>

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)

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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 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)

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**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:

	<b><u>Manufacturing plants</u></b>	<b><u>Buildings and leasehold improvements</u></b>	<b><u>Furniture and fixtures</u></b>	<b><u>Other machinery and equipment</u></b>	<b><u>Motor vehicles</u></b>	<b><u>Capital work- in-progress</u></b>	<b><u>Total</u></b>
<b>Cost:</b>							
January 1, 2025	7,942,022	333,386	27,367	247,504	3,087	435,891	8,989,257
Additions	--	--	--	--	--	205,364	205,364
Disposals	(36)	--	--	--	--	--	(36)
Transfers	16,415	926	--	--	--	(17,341)	--
<b>June 30, 2025</b>	<b>7,958,401</b>	<b>334,312</b>	<b>27,367</b>	<b>247,504</b>	<b>3,087</b>	<b>623,914</b>	<b>9,194,585</b>
<b>Accumulated depreciation:</b>							
January 1, 2025	3,733,745	291,736	27,148	216,280	2,680	--	4,271,589
Charge for the period	110,007	2,793	36	2,065	91	--	114,992
<b>June 30, 2025</b>	<b>3,843,752</b>	<b>294,529</b>	<b>27,184</b>	<b>218,345</b>	<b>2,771</b>	<b>--</b>	<b>4,386,581</b>
<b>Carrying Value:</b>							
<b>At June 30, 2025 (Unaudited)</b>	<b>4,114,649</b>	<b>39,783</b>	<b>183</b>	<b>29,159</b>	<b>316</b>	<b>623,914</b>	<b>4,808,004</b>
<b>At December 31, 2024 (Audited)</b>	<b>4,208,277</b>	<b>41,650</b>	<b>219</b>	<b>31,224</b>	<b>407</b>	<b>435,891</b>	<b>4,717,668</b>

**NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS**

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

**5. TRADE RECEIVABLES**

	Note	June 30, 2025 (Unaudited)	December 31, 2024 (Audited)
Trade receivables		416,778	398,638
Related parties	9	499,335	576,270
		916,113	974,908
Allowance for impairment loss		(21,363)	(13,795)
		894,750	961,113

Related parties' balances amounting to Saudi Riyals 419.02 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:

	June 30, 2025 (Unaudited)	June 30, 2024 (Unaudited)	December 31, 2024 (Audited)
Opening balance	13,795	12,295	12,295
Charge for the period	7,568	821	1,500
Closing balance	21,363	13,116	13,795

Following is the ageing analysis of trade receivables:

	Total	Not due	Past due				More than 24 months
			Less than 3 months	3 to 6 months	6 to 12 months	12 to 24 months	
<b>June 30, 2025 (Unaudited)</b>	<b>916,113</b>	<b>864,470</b>	<b>29,175</b>	<b>432</b>	<b>6,759</b>	<b>15,277</b>	<b>--</b>
December 31, 2024 (Audited)	974,908	917,146	25,214	20,308	8,325	3,915	--

As at June 30, 2025, the allowance for impairment loss for related parties' trade receivables amounted to Saudi Riyals 11.04 million (December 31, 2024: Saudi Riyals 2.49 million) and for third parties' trade receivables amounted to Saudi Riyals 10.32 million (December 31, 2024: Saudi Riyals 11.31 million).

**6. SHORT-TERM DEPOSITS**

At June 30, 2025, the Company invested Saudi Riyals 100 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 0.02 million (December 31, 2024: Saudi Riyals 2.16 million). These short-term deposits, with maturity periods ranging to 94 days, were held with commercial banks and are due to mature by October 2, 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:

	<b>June 30, 2025 (Unaudited)</b>	December 31, 2024 (Audited)
Islamic banking facilities (Murabaha)	843,346	901,509
Less: current portion of borrowings	<u>(122,259)</u>	<u>(116,455)</u>
	<u><b>721,087</b></u>	<u><b>785,054</b></u>

Currency denomination of the borrowings is as follows:

	<b>June 30, 2025 (Unaudited)</b>	December 31, 2024 (Audited)
Saudi Riyals	435,471	465,504
United States Dollars ("USD")	<u>407,875</u>	<u>436,005</u>
	<u><b>843,346</b></u>	<u><b>901,509</b></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 June 30, 2025 and December 31, 2024, the Company was compliant with all the covenants with the banks.

As at June 30, 2025, the Company has two Islamic credit facilities from local commercial banks for managing its working capital amounting to Saudi Riyals 415 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 June 30, 2025 is Saudi Riyals 415 million (December 31, 2024: Saudi Riyals 415 million).

**8. TRADE AND OTHER PAYABLES**

	<u>Note</u>	<b>June 30, 2025 (Unaudited)</b>	December 31, 2024 (Audited)
Related parties	9	1,334,618	1,447,259
Third parties		67,507	72,788
Employees' thrift plan		32,592	30,115
Contract liabilities		<u>25,887</u>	<u>18,381</u>
		<u><b>1,460,604</b></u>	<u><b>1,568,543</b></u>

Related parties' balances amounting to Saudi Riyals 419.02 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

**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:

	<b>Three-month period ended June 30,</b>		<b>Six-month period ended June 30,</b>	
	<b><u>2025</u></b>	<b><u>2024</u></b>	<b><u>2025</u></b>	<b><u>2024</u></b>
	<b>(Unaudited)</b>	<b>(Unaudited)</b>	<b>(Unaudited)</b>	<b>(Unaudited)</b>
Short-term employee benefits	<b>7,069</b>	6,012	<b>24,024</b>	22,337
Provision for employee benefit obligations	<b>704</b>	546	<b>2,403</b>	2,234

During the period, the Company has remunerated Saudi Riyals 1.18 million to non-executive independent directors for attending the Board of Directors' meetings (six-month period ended June 30, 2024: Saudi Riyals 2.23 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:

<u>Related party</u>	<u>Nature of transaction</u>	<u>Transactions</u>				<u>Balance as at</u>	
		<u>Three-month period ended</u>		<u>Six-month period ended</u>		<u>June 30,</u>	<u>December 31,</u>
		<u>June 30,</u>	<u>June 30,</u>	<u>June 30,</u>	<u>June 30,</u>	<u>June 30,</u>	<u>December 31,</u>
		<u>2025</u>	<u>2024</u>	<u>2025</u>	<u>2024</u>	<u>2025</u>	<u>2024</u>
		(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Audited)
<b>Due from related parties</b>							
Saudi Aramco	Sales of by-products	815,240	1,014,927	1,691,414	1,844,813	236,069	330,200
SAMREF	Sales of by-products	203,284	213,180	312,572	365,812	136,430	128,058
S-Oil Singapore Pte. Ltd.	Sales of base oil	189,529	268,608	435,021	352,076	64,677	77,584
S-Oil Corporation	Sales of base oil	18,799	60,322	53,393	60,322	35,949	13,018
Motiva Trading LLC	Sales of base oil	3,673	19,087	25,157	19,087	11,134	23,664
Aramco Lubricants and Retail Company	Sales of base oil	10,376	12,930	17,273	24,865	15,076	3,746
						<u>499,335</u>	<u>576,270</u>
<b>Due to related parties</b>							
Saudi Aramco	Purchase of feedstock, materials and utilities	1,466,051	1,923,128	3,119,045	3,587,091	1,197,995	1,429,361
	Technical and management support services	5,354	8,701	11,575	12,148	120,700	17,490
	Lease rental for Jeddah refinery land and Yanbu refinery pipeline	--	661	661	1,322	--	--
SAMREF	Technical and management support services	10,264	--	18,413	--	--	--
Motiva	Purchase of base oil	15,923	--	15,923	--	15,923	--
S-Oil Corporation	Purchase of base oil	--	12,470	12,822	43,625	--	408
						<u>1,334,618</u>	<u>1,447,259</u>

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 June 30, 2025 and 2024.

The Company has Saudi Riyals 162.59 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:

	<b>Three-month period ended June 30,</b>		<b>Six-month period ended June 30,</b>	
	<b><u>2025</u></b>	<b><u>2024</u></b>	<b><u>2025</u></b>	<b><u>2024</u></b>
	<b>(Unaudited)</b>	<b>(Unaudited)</b>	<b>(Unaudited)</b>	<b>(Unaudited)</b>
Revenue from base oil sales	<b>1,224,723</b>	1,427,087	<b>2,285,395</b>	2,534,059
Revenue from by-products sales	<b>1,024,385</b>	1,301,723	<b>2,091,671</b>	2,379,541
	<b><u>2,249,108</u></b>	<u>2,728,810</u>	<b><u>4,377,066</u></b>	<u>4,913,600</u>

During the six-month periods ended June 30, 2025, the Company has recognized revenue from freight services amounting to Saudi Riyals 76.05 million (six-month period ended June 30, 2024: Saudi Riyals 22.39 million) that is included in above revenue.

The management has categorized its geographical operations as follows:

	<b>Three-month period ended June 30,</b>		<b>Six-month period ended June 30,</b>	
	<b><u>2025</u></b>	<b><u>2024</u></b>	<b><u>2025</u></b>	<b><u>2024</u></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>1,342,976</b>	1,618,630	<b>2,709,491</b>	3,002,905
<b>Revenues from export sales</b>				
United Arab Emirates	<b>472,055</b>	636,637	<b>795,129</b>	1,148,310
India	<b>132,280</b>	206,684	<b>292,577</b>	400,323
Singapore	<b>26,760</b>	51,273	<b>93,275</b>	60,284
Others	<b>275,037</b>	215,586	<b>486,594</b>	301,778
<b>Total</b>	<b><u>2,249,108</u></b>	<u>2,728,810</u>	<b><u>4,377,066</u></b>	<u>4,913,600</u>

**NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS**

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

**11. COST OF REVENUE**

	<b>Three-month period ended June 30,</b>		<b>Six-month period ended June 30,</b>	
	<b><u>2025</u></b>	<b><u>2024</u></b>	<b><u>2025</u></b>	<b><u>2024</u></b>
	<b>(Unaudited)</b>	<b>(Unaudited)</b>	<b>(Unaudited)</b>	<b>(Unaudited)</b>
Cost of materials	1,740,546	2,148,972	3,374,542	3,777,320
Depreciation on property, plant and equipment (Note 4)	57,522	61,173	114,801	133,831
Freight cost	45,999	64,683	104,483	134,592
Employee related costs	53,778	53,607	116,904	101,468
Depreciation on right-of-use assets	2,323	3,346	5,811	6,693
Others	28,658	10,117	52,696	58,958
	<b>1,928,826</b>	<b>2,341,898</b>	<b>3,769,237</b>	<b>4,212,862</b>

**12. ZAKAT AND INCOME TAX**

**12.1 Charge for the period**

The charge for the six-month period ended June 30 consists of the following:

	<b>Three-month period ended June 30,</b>		<b>Six-month period ended June 30,</b>	
	<b><u>2025</u></b>	<b><u>2024</u></b>	<b><u>2025</u></b>	<b><u>2024</u></b>
	<b>(Unaudited)</b>	<b>(Unaudited)</b>	<b>(Unaudited)</b>	<b>(Unaudited)</b>
Zakat charge	5,136	12,704	8,719	18,882

**12.2 Provision for Zakat and income tax**

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

	<b><u>Income tax</u></b>	<b><u>Zakat</u></b>	<b><u>Total</u></b>
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	--	8,719	8,719
Payment	--	(25,787)	(25,787)
At June 30, 2025 (Unaudited)	--	14,752	14,752

**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.

	<b>Three-month period ended June 30,</b>		<b>Six-month period ended June 30,</b>	
	<b><u>2025</u></b>	<b><u>2024</u></b>	<b><u>2025</u></b>	<b><u>2024</u></b>
	<b>(Unaudited)</b>	<b>(Unaudited)</b>	<b>(Unaudited)</b>	<b>(Unaudited)</b>
Net profit attributable to owners of the Company	<b>245,197</b>	298,844	<b>466,705</b>	537,857
Weighted average number of shares	<b>168,253</b>	168,253	<b>168,253</b>	168,253
Basic / diluted earnings per share (Saudi Riyals per share)	<b>1.46</b>	1.78	<b>2.77</b>	3.20

As at June 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 June 30, 2025, the Company had outstanding capital commitments of Saudi Riyals 1,009.89 million (December 31, 2024: Saudi Riyals 1,264.50 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)

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**15. COMMITMENTS AND CONTINGENCIES (continued)**

**15.2 Contingencies**

As at June 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 69.04 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 31 December 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.

**17. STATUTORY RESERVE**

During the period ended June 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 July 31, 2025, corresponding to Safar 6, 1447H.