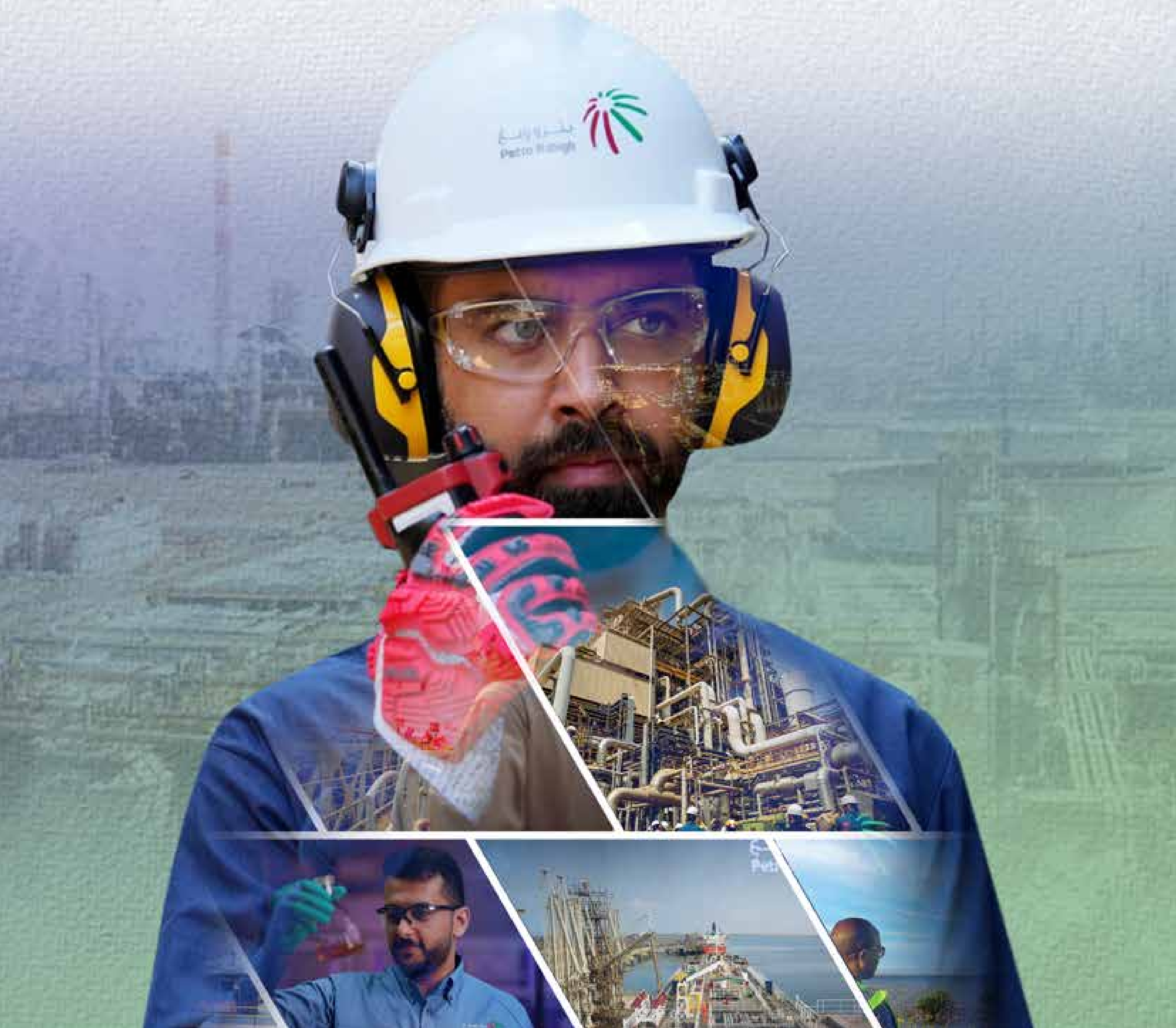
بتـــرو رابـــغ
Petro Rabigh

THE YEAR OF TRANSFORMATION

Enhancing Efficiency and Operational Reliability



About The Report:

Petro Rabigh's Integrated Annual Report 2024

This integrated Annual Report for 2024 presents both financial and non-financial information, uniting our financial reporting, sustainability reporting, Board report, strategy, business model, risks, and opportunities. The Report provides shareholders and other stakeholders with a comprehensive overview of our activities, achievements, and goals for the reporting period from 1 January to 31 December 2024, all within a single document.

Unless otherwise specified, all financial data in this Report is presented in millions of Saudi Riyals. Please note that rounding differences may occur due to calculation processes.

Report Boundaries

The Report includes financial and non-financial data for Petro Rabigh Company covering the reporting period from 1 January 2024 to 31 December 2024.

Auditors

KPMG conducted the audit of our financial statements, which were prepared in accordance with International Standards on Auditing (ISAs), which are applicable in the Kingdom.

The Integrated Annual Report was considered consistent with the financial statements audited by the auditors.

Sustainability Reporting

At Petro Rabigh, we view non-financial reporting as an ongoing process of year-over-year improvement. Recognizing the dynamic nature of our business, we are committed to enhancing how we collect, manage, and maintain a comprehensive and consistent set of sustainability data across our operations.

We actively review and align with recommendations and frameworks from globally recognized organizations to ensure that our practices reflect international standards. Our Environmental, Social, and Governance (ESG) performance is continuously measured, monitored, and evaluated against our sustainability ambitions and key material KPIs.

To drive accountability, we assign specific responsibilities and KPIs across departments, with managers regularly reporting their performance to the Management Committee and the Board of Directors. This process guides strategies to achieve targets and continuously improve our sustainability outcomes.

In 2025, we plan to conduct a new materiality assessment and refine our core ESG KPIs, further aligning our efforts with global best practices and stakeholder expectations.

Board Report

This document presents the statutory Board Report of Petro Rabigh Company for the year ended 31 December 2024. The Report has been prepared in accordance with the disclosure requirements outlined in the Corporate Governance Regulations (CGR) issued by the Capital Market Authority (CMA) of the Kingdom of Saudi Arabia. It was approved by the Board of Directors on 26 March 2025 and subsequently disclosed to the public.

The Report may include information derived directly from internal company documents, such as policies, charters, and other relevant materials. Any undefined or capitalized terms shall carry the meaning assigned to them in these internal documents.

1. Introduction

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بسم الله الرحمن الرحيم

King Salman bin Abdulaziz Al-Saud

The Custodian of the Two Holy Mosques

His Royal Highness Prince

Mohammed bin Salman bin Abdulaziz Al-Saud

Crown Prince and Prime Minister

Introduction

1

1.1 Company Overview

An Insight Into Our Journey Towards Excellence

Rabigh Refining and Petrochemical Company (Petro Rabigh), a publicly listed joint stock entity, is operating in the Kingdom of Saudi Arabia under commercial registration number (4602002161) dated 15/08/1426H (corresponding to 19/09/2005). The Company's headquarters are strategically located in the city of Rabigh on the Red Sea coast. The Company's current share capital stands at SAR 16,710,000,000, divided into 1,671,000,000 fully paid ordinary shares, each bearing a nominal value of SAR 10. The Company's registered address is P.O. Box 101, Rabigh 21911, the Kingdom of Saudi Arabia.

Petro Rabigh shares were listed on the Saudi Stock Exchange (Tadawul) on 18/1/1429H (corresponding to 27/1/2008), following a landmark Initial Public Offering (IPO) of 25% of the Company's share capital to the public.

With a strong commitment to innovation, The Company owns and operates a global-scale, fully integrated refining and petrochemical complex in the city of Rabigh, located on the west coast of the Kingdom of Saudi Arabia. The facility produces a wide array of refined petroleum, petrochemical, and other hydrocarbon products, which include the following:

Liquefied petroleum gas (LPG), naphtha, gasoline, vacuumed gas oil, treated vacuumed gas oil, diesel, kerosene (jet fuel), fuel oil, hydrogen, nitrogen, petroleum slop, sulfur and sludge, ethylene, propylene, Monoethylene glycol (MEG), propylene oxide, benzene, para-xylene, cumene, phenol, acetone, isobutylene, methyl tert-butyl (MTBE), ether, methyl methacrylate, n-butane, heavy aromatics, toluene, mixed xylene, heavy ethylene glycols, raffinates, low-density polyethylene, polypropylene homo polymer, polypropylene block copolymer, high-density polyethylene wax, poly (methyl methacrylate), ethylene propylene diene monomer rubber, thermo plastic olefins, and nylon 6 (polyamide 6).

Transformation Milestones

In 1998, Petro Rabigh's original refinery, commissioned as a basic topping refinery with a crude oil processing capacity of 325,000 barrels per day, underwent a strategic debottlenecking to increase processing capacity to 400,000 barrels per day.

In September 2005, Saudi Aramco and Japan's Sumitomo Chemical formed an equal joint venture with the aim of upgrading the Rabigh refinery to a world-class integrated refinery and petrochemicals complex.

The Petro Rabigh Project was executed in two phases: the Initial Facilities and the Expansion Facilities.

Operational since 2009, The Initial Facilities expanded the original Rabigh refinery, creating one of the largest integrated refinery and petrochemicals complexes of its kind. The state-of-the-art integrated complex can produce 17 million tons per annum (MTPA) of refined petroleum products and 2.4 MTPA of ethylene and propylene-based derivative petrochemical products.

The Expansion Facilities were initiated in 2014 with the objective of enhancing synergies with the existing production facilities and introducing new specialty chemical products to Saudi Arabia. These included the addition of an aromatics complex and an expanded cracker facility to process 30 million standard cubic feet per day of ethane feedstock, as well as 3 million tons per year of naphtha stream from the Initial Facilities.

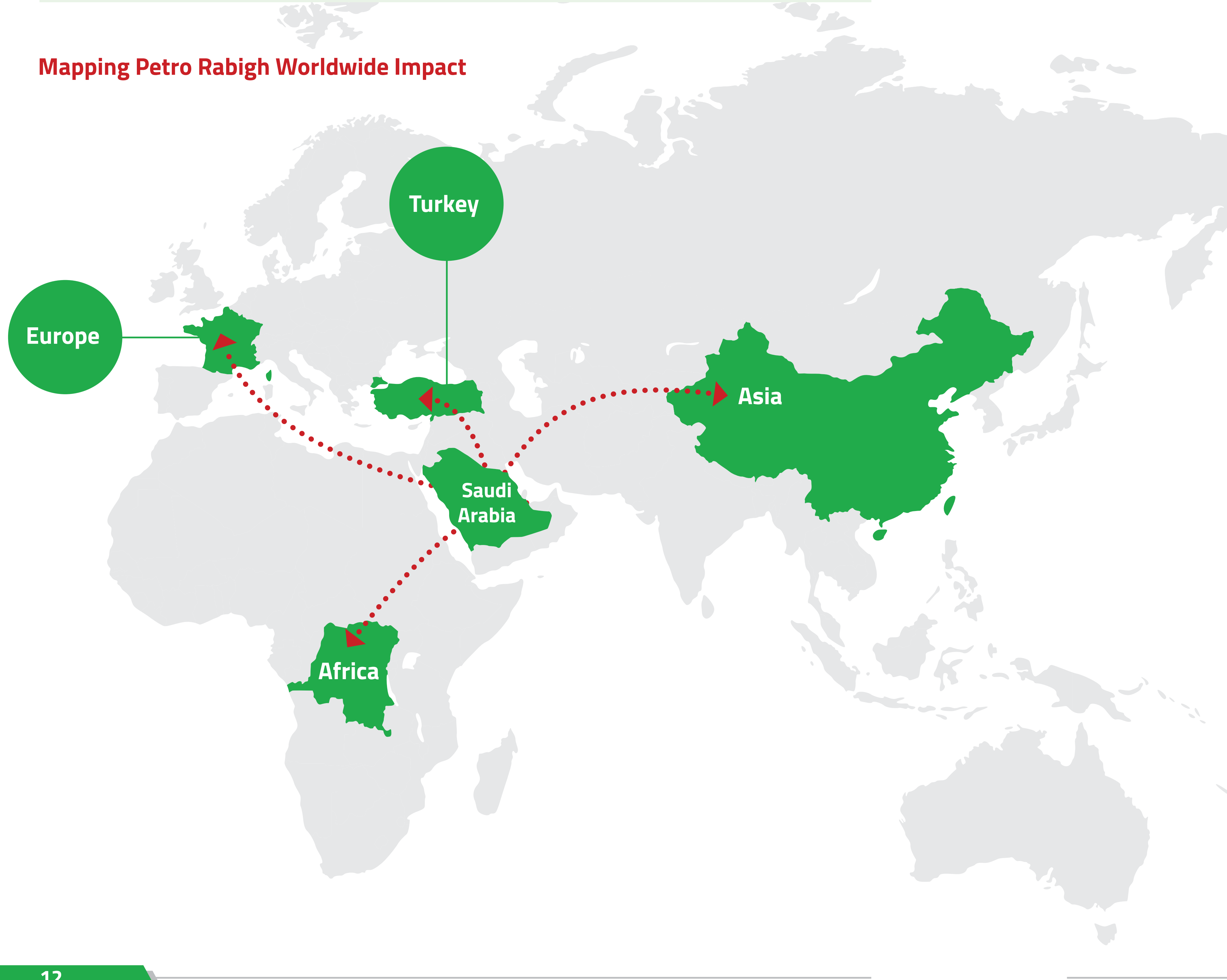
The Expansion Facilities commenced commercial operation on 31 October 2019, with financial completion successfully achieved by 1 October 2020, a milestone that reinforced the Company's financial position and underscored its ability to meet its financial obligations through operating revenues.

Global Reach

The Petro Rabigh Project plays a pivotal and strategic role towards achieving the Kingdom's Vision 2030 key objectives of economic diversification, job creation, and attracting foreign investments to the burgeoning domestic petrochemical sector. The project further solidifies the strategic bonds between Saudi Arabia and Japan.

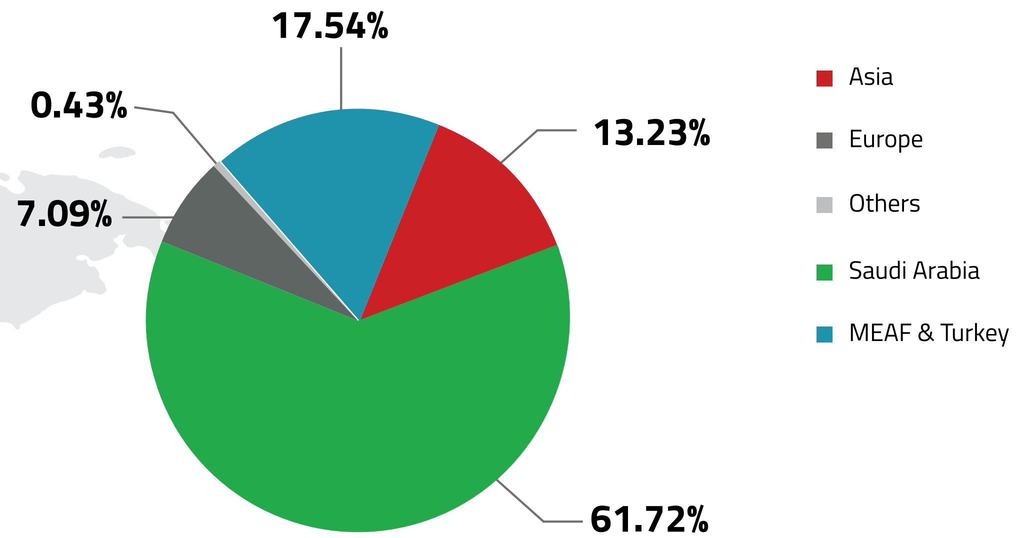
Petro Rabigh's global sales footprint expands beyond the main administrative regions worldwide, with a strong presence in markets across Europe, the Middle East, North Africa, and East Asia, serving as a powerful driver for sales growth and meeting the business model's targets. The Company prioritizes meeting demand for its products from an expansive and diverse customer base within the Kingdom.

Mapping Petro Rabigh Worldwide Impact

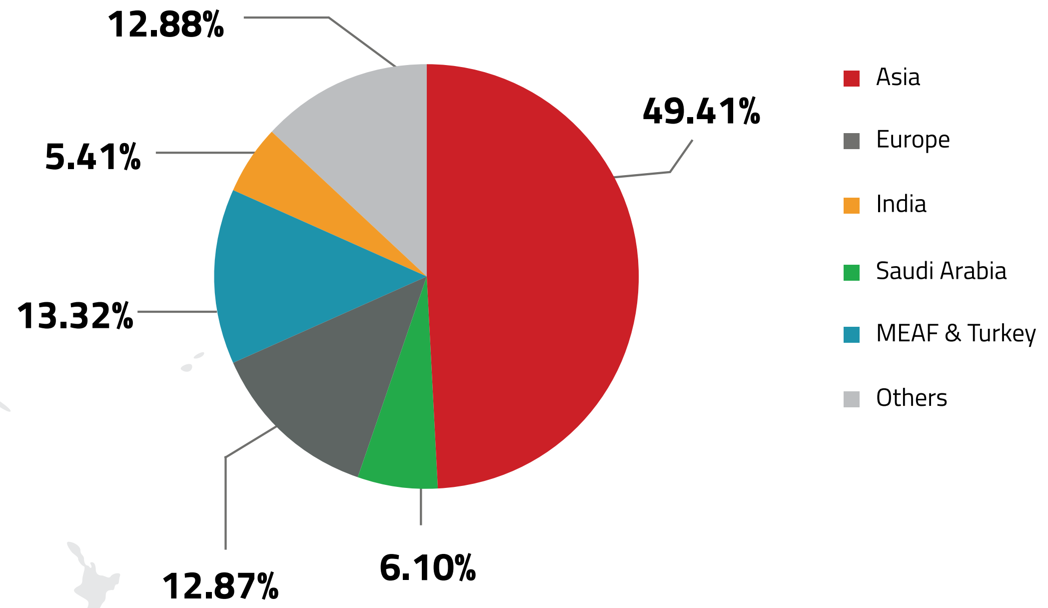


The Geographic Contribution by Region in the Company's 2024 Revenues

Refined Products Revenues



Petrochemical Products Revenue



1.2 Vision, Mission and Values

Vision

Petro Rabigh is one of the world's largest integrated refining and petrochemicals complex, Petro Rabigh houses one of the world's largest high olefins fluid catalytic cracker (HOFCC) units and a world-scale ethane cracker. We are one of the Kingdom's largest producers of polypropylene, polyethylene and mono ethylene glycol and are the first producer of propylene oxide in the Middle East. Our products have markets throughout Europe, the Middle East, North Africa and East Asia.

We believe in our Vision. It inspires us to strive for excellence to be best-in-class and make a positive and sustainable impact on the world. That is who we are!

Mission

Our mission gives us a sense of purpose. It is a guiding principle that motivates us to be at our best and work together towards one goal.

We are here to:

- Maximize shareholder value with our integrated resources in a sustainable, world-class manner.
- Maximize shareholder value, utilizing our integrated resources in a world-class manner.
- We believe that we are all shareholders; investors and employees, and we have a collective obligation to maximize return on investment for all of us together.
- To achieve this goal, we have to maintain a reliable, sustainable level of productivity and optimum performance to drive growth and profitability.
- Not only must our facilities and equipment be world-class, but our people must also be world-class too.
- Petro Rabigh's engineers, operators, technicians, specialists, and administrators, are among the most capable in the industry.
- All of this empowers our company with the tools of world leadership, and we will continue to strive and pursue our continuous mission in the future.

Values

Our corporate values form the guiding principles by which Petro Rabigh and its employees conduct their daily business dealings and relationships. These values are the elements which constitute our character and identity as a company.

Integrity

In Petro Rabigh, when we make a commitment, we keep it. We are fair and ethical our conduct in business is beyond reproach, and we stand up against misconduct.

Excellence

We benchmark, innovate, and challenge ourselves continually improve.

Discipline

We are focused and disciplined in our business activities. We organize and focus on our people and resources for maximum efficiency and effectiveness. We are capable of following procedures and work processes consistently.

Teamwork

We work together, solve problems together, and get results in a collaborative manner to succeed together and celebrate together, and become best-in-class.

Accountability

We take our work with high professionalism. We take full responsibility for everything we do and the outcomes.

Citizenship

We act with full social responsibility, fueling economic growth for our communities, and creating trustful and lasting relations with our partners, for our precious Kingdom!

1.3 Company Products:

A World-Class Product Portfolio

Petro Rabigh offers a wide range of integrated products across the Petrochemicals and Refined Products sectors. Our portfolio is carefully designed to cater to the evolving needs of global markets, leveraging cutting-edge technology and a steadfast commitment to innovation and sustainability.

1. Petrochemicals

Petro Rabigh is a leading producer of top-tier petrochemical products that play a pivotal role in modern-day industries, ranging from packaging and automotive to construction, agriculture, and healthcare.

The Company's facilities have the capacity to produce up to 2.4 million metric tons annually of polyethylene, mono ethylene glycol, polypropylene and propylene oxide, and other petrochemical derivatives from crude oil, ethane, and butane feedstock supplied by Saudi Aramco as well as 1.9 million metric tons of Paraxylene, Benzene, Phenol, Acetone by upgrading Naphtha produced from crude.

Our offerings include a wide array of Polymers and Monomers.

Polymers

Polymers are used in a myriad of applications, from lightweight automotive parts and durable construction materials to recyclable consumer goods and advanced medical equipment.

With an unwavering commitment to research and development, Petro Rabigh is pioneering the enhancement of polymer properties to meet future demands. Our wide range of polymers include:

- **Polyethylene (PE)**
- **Polypropylene (PP)**
- **Ethylene Propylene Rubber (EPR)**
- **Ethylene Vinyl Acetate (EVA)**
- **Thermoplastic Olefin (TPO)**
- **Poly Methyl Methacrylate (PMMA)**

Monomers

The Company's monomer production serves as the linchpin of the petrochemicals supply chain, bolstering both our polymer production and broader industrial applications.

Through our integrated operations, Petro Rabigh guarantees the seamless production of these vital petrochemical components, consistently maintaining global benchmarks for quality and efficiency.

Key monomers include:

- **Mono Ethylene Glycol (MEG),** widely used in textiles and antifreeze solutions.
- **Propylene Oxide (PO),** essential for producing polyurethanes and other plastics.
- **Methyl Methacrylate (MMA),** used in making acrylic products.
- **Phenol and Acetone,** crucial in the production of adhesives, plastics, and resins.
- **Para Xylene (PX) and Benzene**, fundamental in producing polyester and other petrochemical derivatives.

2. Refined Products

Processing 400,000 barrels per day of Arabian Light crude oil, Petro Rabigh produces a broad range of refined products, essential for energy generation, transportation, and industrial applications.

Our refined products are available at international market prices through strategic agreements, ensuring accessibility to both domestic and global markets. Our advanced refining capabilities underscore our commitment to high efficiency and reliability, meeting the energy needs of today, and spearheading innovative solutions for a sustainable future.

Our offerings include

- **Fuel Oil:** used in power generation and heavy industrial processes.
- **Diesel:** a vital fuel for transportation and machinery.
- **Gasoline:** powering vehicles globally.
- **Kerosene:** used in aviation and heating.
- **Naphtha:** a key feedstock for petrochemical production.
- **LPG (Liquefied Petroleum Gas):** used in residential, commercial, and industrial energy applications.

Product Portfolio Contribution to Sales in 2024

Activity	2024 Sales (⃁ '000)	Contribution to Sales (%)
Refining	27,844,379	70.8%
Petrochemicals	11,504,690	29.2%
Total	39,349,069	100%

1.4 Company's Growth Trajectory

Scaling New Heights

Petro Rabigh charted an impressive growth story since embarking on its local market journey, the Company has cemented its position as one of the Kingdom's leading petrochemical players. In 2008, we reached a significant milestone with a successful debut on the Kingdom's primary capital market highlighting its growing influence and commitment to sustainable growth.

Tracing the Journey of Petro Rabigh: A Timeline of Growth and Innovation

1981

Construction begins on the Rabigh Oil Refinery, a joint venture between Saudi state oil company Petromin and Petrola International Saudi Arabia, owned by Greek shipping magnate John Latsis.

1982

The first phase of the Rabigh Oil Refinery was completed.

1989

Rabigh Refinery starts production, with an impressive capacity of 325,000 barrels per day, one of the largest in the OPEC countries.

2005

Petro Rabigh was established as a joint venture between Saudi Aramco and Sumitomo Chemical to develop a world-class integrated refining and petrochemical facility, representing Saudi Aramco's first investment in the petrochemical sector.

2006

Construction of the petrochemical plant along with upgrades to the existing refinery.

2008

Petro Rabigh successful IPO on the Saudi Stock Exchange, floating 25% of the Company's share capital. The refinery was transferred to the Company from Saudi Aramco.

2009

Inauguration of the petrochemical complex along with the refinery upgrade and the start of petrochemical production, establishes Petro Rabigh as the world's largest single-phase integrated refining and petrochemical complex.

2010

Petro Rabigh was recognized with the Global Competitiveness Forum Award for being the Company with the highest foreign investment in the Kingdom.

2011

Petro Rabigh successfully completes its Lenders' Reliability Test (LRT) following a successful Turnaround& Inspection (T&I) earlier in the year, events which mark significant milestones in terms of achieving operational excellence.

Petro Rabigh was awarded ISO certifications in Quality Management (ISO 9001:2008), Environmental Management (ISO 14001:2004), and Occupational Health and Safety Management (OHSAS 18001:2007), making it the first and largest integrated refining and petrochemical company in the region to obtain all three simultaneously.

2014

Initiating construction of Expansion Facilities.

Exporting the first polymer from King Abdullah port.

2015

The Expansion Facilities were transferred to the Company by the Founding Shareholders following the structuring of the financing for the Expansion Facilities.

2017

Mechanical completion of the Expansion Facilities.

2017-2018

Expansion Facilities commissioning and start-up.

2019

Completion of the Creditors' Reliability Tests for the Expansion Facilities.

Commencement of Commercial Operations of the Expansion Facilities.

2020

Financial completion of the Expansion Facilities.

2021

Acquisition of Rabigh Plus Tech Park (RPTP) from Saudi Aramco and Rabigh Conversion Industry Management Services Co. (a wholly owned subsidiary of Sumitomo Chemical).

Transfer of the rights and obligations under certain petrochemical products' marketing agreements from Saudi Aramco's affiliates (Aramco Chemicals Company (ACC) and Aramco Trading Singapore Pte. Ltd. (ATS)) to Saudi Basic Industries Corporation (SABIC), Arlanxeo Netherlands B.V (ARX) and Aramco Trading Company (ATC).

2022

Rights Issue SAR 16.71 billion.

2023

Launch of the new carbon extraction facility in partnership with Gulf Cryo Co. for a CO_2 -capturing facility at its Mono Ethylene Glycol (MEG) plant.

1.5 Key Milestones in 2024

A Year of Significant Achievements

In 2024, Petro Rabigh achieved an array of remarkable milestones, reinforcing its standing as a key player in the global petrochemical market. This success is a testament to the Company's steadfast commitment to embracing technological advancements and championing innovative practices. Such strategic moves have led to enhanced production efficiency and exceptional product quality, accentuating Petro Rabigh's continuous endeavor to achieve excellence and innovation.

Petro Rabigh signed modified agreements on revolving shareholders loans (RSLs) provided by its founding shareholders, Saudi Aramco and Sumitomo Chemical Co., which were previously announced by Petro Rabigh on Oct. 1, 2020.

Under these agreements, the founding shareholders have irrevocably and unconditionally waived Petro Rabigh's obligation to pay $1 billion (⃁ 3.75 billion) of the aggregate amount of RSLs outstanding [or $500 million (⃁ 1.87 billion) under each RSL], plus any related commission.

Petro Rabigh signed a memorandum of understanding (MoU) with China-based Jiahua Chemicals Inc. to explore establishing a manufacturing plant in Rabigh for advanced products used in the construction and automotive sectors under the Ministry of Energy's patronage.

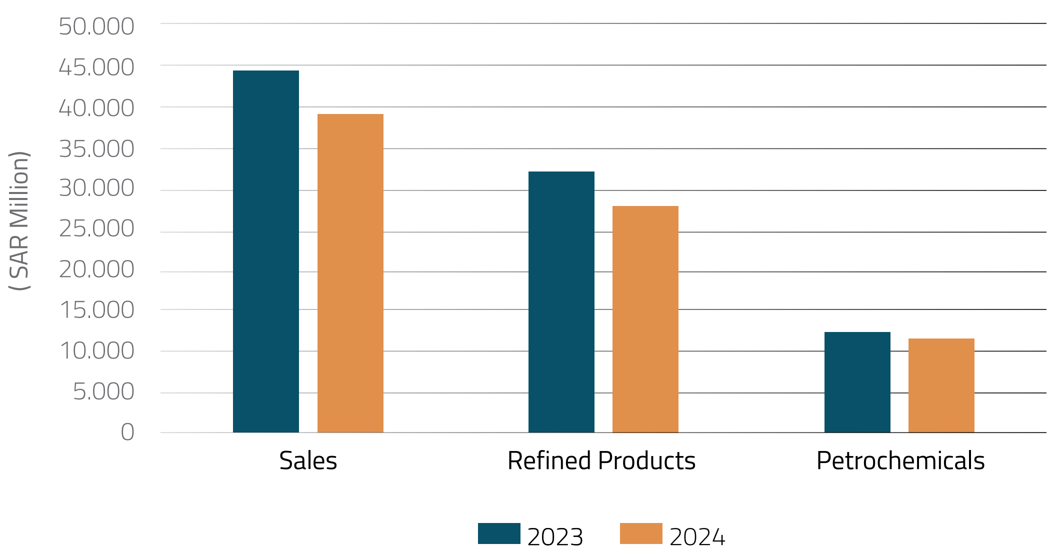
The plant will produce specialty chemicals derived from ethylene oxide and propylene oxide, which are deemed basic materials supplied by Petro Rabigh for the project.

1.6 Key Financial and Operational Results

Key Operational Results 2024

Plant Availability %	Capacity Utilization %	Total Production Capacity	Refined Products Sales (Barrel)	Petrochemical Products Sales (Million Tons)
96.33%	68.7%	19.5 million metric tons per annum	87,098,484	3,272,837

Key Financial Results (SAR Million)



Key Safety & Sustainability Results 2024

Process Safety Incidents	0
Reduction in Total Recordable Injury Rate (TRIR)	65%
TRIR score	0.026
Sustainability Initiatives	127
Mangrove Saplings Planted	10,000

1.7 Investment Case

Leveraging Opportunities and Unlocking Capabilities

Petro Rabigh is strategically positioned to leverage opportunities in its operating markets that align with its vision and mission. Maintaining our leading standing in the market is integral to the Company's sustained success amid competition and offers a strong value proposition to prospective investors.

Strategic Integration

As the first integrated refining and petrochemicals complex in the Kingdom and one of the largest worldwide, Petro Rabigh excels at robust integration, enabled by state-of-the-art facilities, including a world-scale High Olefins Catalytic Cracker (HOFCC) unit and ethane cracker and thereby optimizes value across the entire supply chain. Its strategic expansion not only bolsters economies of scale, but also introduces high-margin downstream products, including new-to-region derivatives like Ethylene Propylene Rubber (EPR), Thermoplastic Polyolefin (TPO), and Nylon 6 and stabilizes market exposure through downstream demand.

Strategic Connectivity

Petro Rabigh capitalizes on its strategic location on the Red Sea to meet local demand in Makkah region and tap into global export markets. The Company ensures stable and reliable feedstock supplies and efficient product transportation through secure pipelines, port facilities, and exclusive agreements with Saudi Aramco, thereby strengthening its competitive standing in international markets.

Marketing Advantage

Long-term marketing agreements with Founding Shareholders give Petro Rabigh an edge by leveraging its extensive global marketing and distribution networks. This helps reduce direct market exposure and ensures reliable product placement. Our strategic location near high-demand hubs like Makkah and Jeddah secures a stable local market for refined products, minimizes volume risks, and maintains high utilization rates. Furthermore, as the Kingdom's second-largest petrochemical producer, Petro Rabigh plays an instrumental role in propelling the progress of Saudi Arabia's petrochemical industry.

Founding Support

Petro Rabigh is privileged to have an unwavering commitment from its founding shareholders, the notable global leaders Saudi Aramco and Sumitomo Chemical. Their invaluable support manifests not only in the form of strategic alignment but also in providing sustainable and competitively priced feedstock supply to maintain the Company's competitive edge in the market. In addition, Petro Rabigh enjoys the ability to access the marketing networks of these two global leader's marketing networks, which maximizes our outreach and boosts engagement with partners and clients.

Saudi Aramco and Sumitomo Chemical are keen on nurturing Petro Rabigh's human capital through knowledge transfer, secondment agreements, and training programs that play a pivotal role in enhancing our workforce capabilities and innovation.

Furthermore, the founding shareholders have put in place credit facilities that ensure the Company's financial stability and support our corporate and operational needs, allowing us to focus on our core competencies and continue delivering top-tier services. This comprehensive support reinforces our standing as a global industry leader and a major contributor to the local economy.

Operational Excellence

Petro Rabigh has embarked on an ambitious and comprehensive transformation journey, with a roadmap designed to ensure sustainable and consistent performance. This strategy is based on Key initiatives such as enhancing plant reliability, restructuring maintenance systems, and targeting a 96% minimum plant availability rate while striving for 100% availability. Initiatives launched since 2021 have added considerable value to our operations. In 2024, our strategic plan included the rollout of 125 additional initiatives, carefully designed to drive revenue growth and reduce costs. Furthermore, our strategic initiative to diversify power sourcing from Rbigh IWSPP power plant and Saudi Electricity Co. (SEC) has enhanced utility reliability, leading to seamless operations and giving us the opportunity to sell excess electricity under pre-agreed terms.

Cost Advantage

Petro Rabigh boasts a competitive cash cost advantage through an efficient working capital cycle. The Company collects payments for its products within approximately 45 days, while supplier payments for feedstock are made within 75 days. This prudent financial structure enhances cash liquidity and provides a short-term buffer against crude price fluctuations, ensuring financial stability.

Strategic Supply

Petro Rabigh plays a crucial role in supplying refined products to Saudi Arabia's Western region, capitalizing on its strategic proximity to high-demand hubs like Makkah and Jeddah.. Our industry-leading utilization rates, coupled with refined products sold at international prices through agreements with Saudi Aramco, cement Petro Rabigh's unique standing in the domestic market.

Moreover, as the Kingdom's second-largest petrochemical producer, Petro Rabigh is integral to advancing Saudi Arabia's petrochemical strategy, underscoring our commitment to Vision 2030 and contributing to the Kingdom's economic prosperity.

1.8 Company's Success Partners

Empowering Success and Unleashing Potential

At Petro Rabigh, we firmly believe that the realization of our strategic objectives, market excellence, and industry leadership relies heavily on the strength of collaborative teamwork and enhanced cooperation with our diverse partners. These partners are integral to our ongoing success, playing a vital role in facilitating the execution of our strategic plans and initiatives across all production stages until our final products are delivered to our wide global consumer base.

Our unique partnership combines the unparalleled resources and industry experience of Saudi Aramco with the leading-edge technological capabilities of Sumitomo Chemical from Japan. Established in September 2005 as an equal joint venture between these two global giants, Petro Rabigh embarked on constructing the petrochemical complex in March 2006.

This venture, with a planned investment of $ 9.8 billion – nearly $ 5.8 billion of which was secured through project finance – marks the largest single foreign direct investment in Saudi Arabia's history.

Saudi Aramco

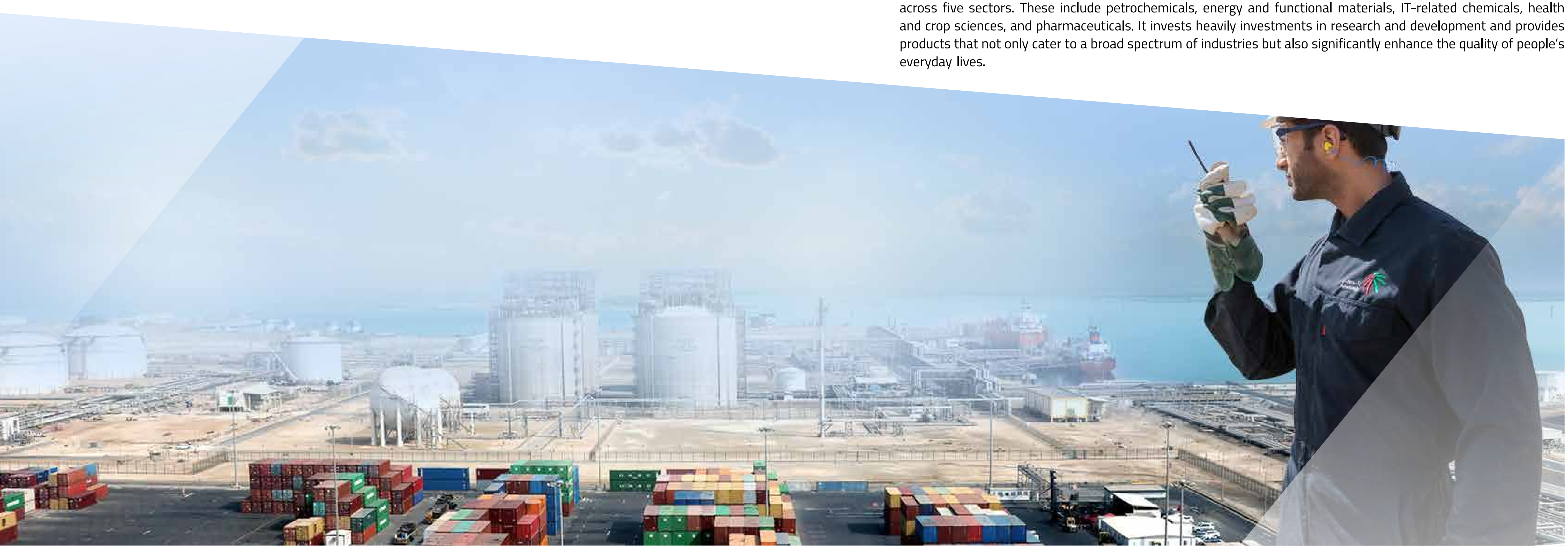
Saudi Aramco, the Kingdom's national oil company, is a globally recognized leader in the energy and chemicals sectors and a trailblazer in the oil and gas industry. With a rich legacy of innovation and a commitment to excellence, Saudi Aramco plays an instrumental role in every facet of the hydrocarbon industry, from exploration and production to refining, distribution, and marketing. Its infrastructure stands as a beacon of operational reliability, technical advancements, and impressive scale, solidifying its position as a bedrock of the global energy and chemicals landscape.

As a founding partner of Petro Rabigh, Saudi Aramco contributes unrivaled expertise and considerable resources to the partnership. Its unwavering commitment to sustainable energy solutions and the development of local economies aligns seamlessly with Petro Rabigh's ethos, reinforcing a shared vision. This mutual commitment paves the way for delivering exceptional value to stakeholders while fostering industrial and economic growth within the Kingdom.

Sumitomo Chemical

Headquartered in Tokyo with a workforce of approximately 25,000 worldwide, Sumitomo Chemical is globally recognized for holding patents for some of the world's most advanced petrochemical technology.

As a member of the Sumitomo Group, with its rich 400 years of history and traditions, Sumitomo Chemical operates across five sectors. These include petrochemicals, energy and functional materials, IT-related chemicals, health and crop sciences, and pharmaceuticals. It invests heavily investments in research and development and provides products that not only cater to a broad spectrum of industries but also significantly enhance the quality of people's everyday lives.



Strategy

2

Chairman's message to the Shareholders

Reflecting on 2024, Petro Rabigh navigated a host of challenges, and stayed committed to the strategic vision of delivering optimal stakeholder value. We remained steadfast in executing our strategic vision, optimizing operations, and reinforcing our market position

Eng. Ibrahim Q. Al-Buainain

Chairman of the Board of Directors

Dear Shareholders,

It's my pleasure to share with you our 2024 annual report, which reflects Petro Rabigh's performance and resilience in an increasingly complex global economic landscape.

The state of the global economy in 2024 was complex and challenging due to inflation, and geopolitical instability. In the petrochemical sector, we navigated a host of challenges, including escalating production costs, a surge in global capacity, and diminishing demand. The industry was expected to have a modest recovery, largely driven by the normalization of inventory levels and a resurgence in demand.

Reflecting on 2024, Petro Rabigh navigated these challenges and stayed committed to delivering optimal stakeholder value. We remained steadfast in executing our strategic vision, optimizing operations, and reinforcing our market position.

Our strategic focus on safety led to zero process safety incidents in 2024, marking the second consecutive year. We also realized a Total Recordable Injury Rate (TRIR) score of 0.026, marking a 65% reduction against the limit set for 2024. These achievements reflect our commitment to safety and our dedication to creating a vibrant work environment for our workforce.

In August 2024, Saudi Aramco and Sumitomo Chemical announced that Saudi Aramco will acquire additional shares from Sumitomo to strengthen Petro Rabigh's financial position and support its ongoing transformation. Upon completion of the transaction, a total of SAR 5.26 billion will be injected into the company, with Saudi Aramco and Sumitomo each contributing SAR 2.63 billion through mechanisms to be determined in coordination with Petro Rabigh.

Moreover, we have embarked on a transformation program which has significant potential to boost our refinery margins. Furthermore, we have advanced into producing Ultra-Low Sulfur Diesel (ULSD) and upgrading Light Naphtha to Gasoline.

Our commitment to sustainability is reflected in our achievements, with the completion of 127 out of the planned 147 sustainability initiatives in line with Environment, Social, and Governance (ESG) strategic objectives.

These milestones are a testament to Petro Rabigh's resilience, our team's dedication, and the effectiveness of our strategic roadmap.

Looking forward to 2025, the petrochemical sector is expected to continue to face a challenging landscape marked by persistent weak demand and oversupply across major value chains, potentially constraining chemical margins.

We are confident that Petro Rabigh is likely to display resilience despite the challenges of an ever-evolving and uncertain market. Given our commitment to continued improvement in operational efficiency, we aim to deliver superior value to our stakeholders.

As we look to the future, the years ahead are expected to present both challenges and opportunities. To ensure we are well prepared for this evolving landscape, Petro Rabigh is advancing key initiatives to strengthen efficiency, sustainability, and financial performance.

The upcoming Turnaround project is anticipated to enhance mechanical integrity and operational reliability, ensuring optimized asset performance and long-term operational stability.

Additionally, the high olefins fluid catalytic cracker (HOFCC) and ethane cracker (ECR) de-bottlenecking project is set to increase efficiency and improve financial performance by optimizing production capacity and streamlining processes. At the same time, the completion of the Sulphur Recovery Unit (SRU) Tail Gas Treatment Project will ensure full compliance with National Center for Environmental Compliance (NCEC) regulations, reinforcing our commitment to environmental responsibility and regulatory excellence.

Embracing digital transformation, Petro Rabigh is integrating advanced data analytics and automation technologies to enhance productivity, optimize plant efficiency, and drive smarter, more agile operations. These efforts position the company to navigate evolving industry dynamics with greater resilience and adaptability.

We are committed to navigating complexities with robust strategic planning and innovation, seizing growth opportunities that lie ahead, and delivering value to our stakeholders.

Thank you for your continued support and trust in Petro Rabigh.

Message from President & CEO

Eng. Othman A. Al-Ghamdi

President and CEO of Petro Rabigh

2024 was a year of resilience, transformation, and adaptation for Petro Rabigh. Despite the many challenges, we have made significant progress in optimizing our operations, strengthening our financial position, and advancing our sustainability efforts

Dear Shareholders,

As we reflect on Petro Rabigh's performance in 2024, it is my privilege to share an overview of a year defined by both challenges and resilience.

Unfavorable refining and petrochemical margins, rising costs—including energy and logistics expenses—and unplanned plant shutdowns significantly impacted our financial results, leading to an 11.8% decline in sales.

Despite these pressures, we remained committed to executing our strategic priorities, optimizing costs, and strengthening financial discipline. As a result, we reduced our net operating losses to 2.57 billion Riyals, an improvement over 2023's loss of 2.60 billion Riyals.

Additionally, our net losses after zakat and taxes decreased to 4.54 billion Riyals, down from 4.69 billion Riyals in the previous year.

Despite these challenges, 2024 proved to be a transformative year for Petro Rabigh. We initiated a comprehensive and forward-thinking Transformation Program that focused on revenue generation and cost optimization across the organization. I am proud to report that several key initiatives under this program were executed with precision, efficiency, and safety, with many of them completed ahead of schedule. Notably, we achieved record lows in Operational Expenditures (OPEX).

Our commitment to sustainability and social responsibility remained a core focus. We made significant strides in energy efficiency, saving $45 million over the past three years, and proudly achieved zero process safety incidents in 2024.

Another major event in 2024 was the announcement of a strategic transaction between our shareholders, with Saudi Aramco acquiring approximately 22.5% of Petro Rabigh's share capital from Sumitomo. This strategic move, subject to customary closing conditions, has strengthened our financial position. The increased stake provides Petro Rabigh with greater financial flexibility, access to advanced technologies, and a reinforced market position, solidifying our foundation for future growth.

In line with this transaction, the founding shareholders have agreed to a phased waiver of shareholder loans totaling $750 million each, resulting in a $1.5 billion reduction in Petro Rabigh's overall liabilities. Of this total, $1 billion was waived in August 2024, and an additional $0.5 billion was waived in January 2025.

2024 was a year of resilience, transformation, and adaptation for Petro Rabigh. Despite the many challenges, we have made significant progress in optimizing our operations, strengthening our financial position, and advancing our sustainability efforts.

Looking ahead to 2025, we are preparing for the largest turnaround operation of its kind in the Middle East. This will be a cornerstone of our revised "PRC Turnaround Strategy," which is transitioning from a two-phase approach to a unified, streamlined turnaround plan. The operation is designed to restore the integrity, reliability, and efficiency of our complex, ensuring that Petro Rabigh remains competitive and resilient in the years to come.

In addition to the turnaround, we are focused on several key initiatives for 2025. These include increasing ethylene and propylene production by 9%, upgrading Light Naphtha to clean fuel gasoline, and ensuring the continued production of Euro V Diesel. Sustainability remains a cornerstone of our strategy, and we will continue to make strides in this area with the completion of the SRU 2 Tail Gas project and the commencement of the engineering phase for the RAWEC Sales Gas Project.

I am confident that, with your continued trust and support, we will navigate the challenges ahead and seize the opportunities before us.

We are well-positioned for a bright and prosperous future, driven by innovation, strategic partnerships, and an unwavering commitment to operational excellence and financial discipline. Together, we will propel Petro Rabigh forward as an industry leader, delivering long-term value to our stakeholders and securing the company's sustainability for years to come.

Thank you for your continued trust and support.

2.3 Market and Sector Overview

2.3.1 Global Economy

Steady Growth Amid Increasing Uncertainties

The global economy demonstrated significant stability in 2024, enjoying a projected growth of 3.2%, largely driven by lower inflation rates and the normalization of monetary policies worldwide. The Chinese economy in particular showed notable resilience, achieving a growth rate of 5%.

Global inflation continued its downward trajectory, dropping from 6.7% in 2023 to 5.8% in 2024, with a further decrease to 4.3% expected in 2025. This trend facilitated the easing of global monetary policies, as major central banks, particularly in the United States and Europe, implemented gradual rate cuts. This shift fostered a more favorable investment climate with lower borrowing costs.

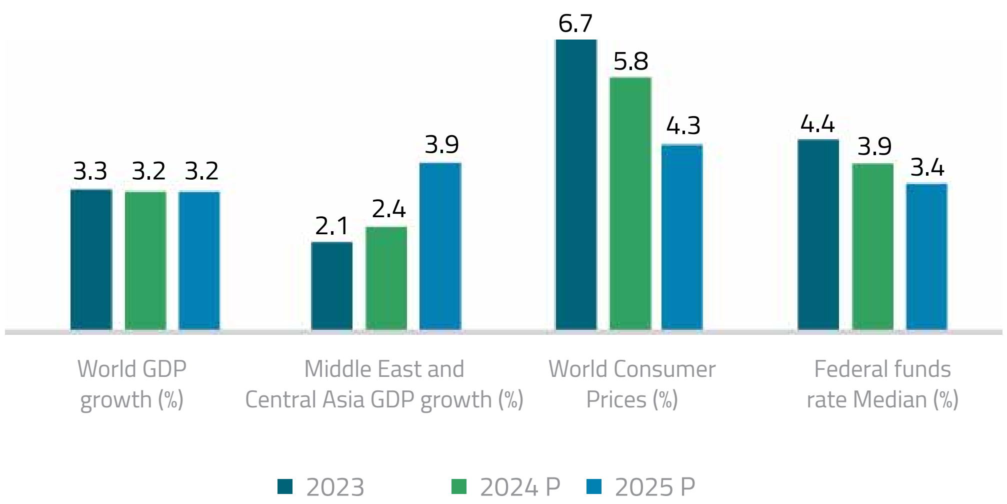
On the regional scale, the Middle East's economic growth strengthened from 2% in 2023 to 2.8% in 2024, bolstered by stabilization of oil and energy markets.

Petrochemical players, such as Petro Rabigh, remained well-positioned to capitalize on these favorable economic conditions and expand their operations and influence in key markets, especially in the Middle East and Asia.

However, it is crucial to recognize the increased risks on the global stage, including heightened uncertainties, protectionist trade measures, and geopolitical tensions. These factors could potentially slow down investments and cause fluctuations in commodity prices.

Despite these challenges, the economic outlook for the Middle East remains promising. The region's strategic focus on stabilizing oil production and leveraging domestic demand provides a solid foundation for growth. Nevertheless, careful planning and strategic measures are essential to maximize the benefits of these global economic trends and navigate potential risks, such as global trade tensions and a possible slowdown in the Chinese economy.

Main Indicators



Source: IMF.

Seizing the Future: Petro Rabigh's Rising Prospects:

The economic developments unveil a myriad of opportunities for Petro Rabigh, including:

Growth in Emerging Markets:
Increased demand for petrochemical products in Asia, fueled by technological advancements and investments in artificial intelligence, could expand Petro Rabigh's market reach.

Consistent Global Demand:
Stable demand for services and industrial products, as evidenced by Purchasing Managers' Indexes (PMIs), ensures a continued need for Petro Rabigh's high-quality petrochemical supplies.

Energy Markets stability:
Enhanced conditions in oil production and shipping could facilitate Petro Rabigh's operational expansion and efficient servicing of regional and global markets.

Focus on Sustainability:
With falling inflation and greater investment in green initiatives, Petro Rabigh can seize opportunities to develop sustainable products in line with Saudi Vision 2030.

2.3.2 Saudi Economy

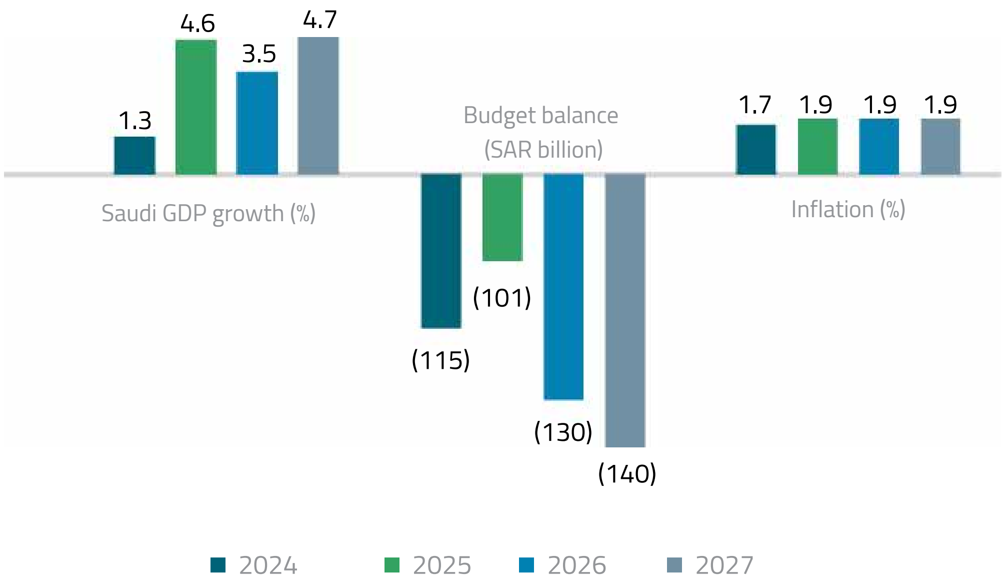
Resilient Economy Navigates Diversification Path

The Kingdom of Saudi Arabia continues to exhibit steadfast progress in its economic diversification initiatives, shifting towards a more sustainable future. In the face of global market dynamics, the Saudi economy demonstrated remarkable resilience in 2024. Despite a strategic reduction in oil production to align with the OPEC+ agreement's supply-demand balance, the non-oil private sector served as a pivotal counterbalance, marking a notable 4.3% growth. The Kingdom's economy is not completely shielded from rising geopolitical uncertainties, and global macroeconomic challenges; however, strengthened by strong foreign reserves, lower debt levels, a well-capitalized banking system, and the Riyal-USD peg shielding against forex risks, the Kingdom's economy is well-positioned to maintain its resilience against global headwinds and is set for a 4.6% growth in 2025.

In line with the Kingdom's strategic objectives to augment the private sector's role as the primary catalyst for economic growth, there was a recorded GDP increase of 3.7% in 2024. This upward trajectory is projected to persist, with a forecasted growth of 4.6% in 2025, catalyzed by an expansion in non-oil activities.

The fiscal deficit for 2024 was around SAR 115 billion, with revenues amounting to 1.26 trillion versus expenditures totaling SAR 1.375 trillion. The fiscal deficit is projected to narrow to SAR 101 billion in 2025, supported by a surge in tax revenues to SAR 379 billion, reflecting the enhancement in economic activity. Despite the projected decline in oil revenues, the government remains committed to fund major projects aligned with Vision 2030.

Main Indicators



Source: General Authority for Statistics, Ministry of Finance (MoF)

2.3.3 Global Petrochemical Sector

Resilience Amid Challenges

In 2024, the petrochemical sector grappled with a host of challenges, including escalating production costs and a surge in global capacity, which exerted downward pressure on profit margins in certain markets. This period was also marked by diminishing demand, augmentation in online capacity, historically low returns across diverse chemical value chains, and a deceleration in the growth of circularity.

Refinery Margins contracted from their 2022 peaks, due to deceleration in demand growth, the introduction of significant new refining capacity and a product supply excess in Asia and logistical constraints in the Red Sea area. Moreover, Refinery margins over the subsequent three years were projected to be squeezed by an uptick in capacity and steady demand, resulting in a supply surplus and attenuated margins.

Despite these adversities, the industry was expected to have a modest recovery, largely driven by the normalization of inventory levels and a resurgence in demand. This rebound is particularly evident in emerging markets such as China and India, with momentum expected to accrue by the close of 2024.

Global Purchasing Managers' Index (PMI) indicators further supported this positive outlook, highlighting noticeable improvements in emerging markets like India. This progress bolsters the demand for petrochemical products, especially those used in the construction and infrastructure sectors. These favorable market dynamics presented Petro Rabigh with opportunities to widen its export footprint, especially considering the increasing industrial investments and sectoral growth observed in industries such as automotive and construction.

Industry's Evolution Towards Sustainability

The petrochemical sector is embarking on a significant shift towards strategies aligned with the circular economy, including recycling and reductions in carbon emissions. These transformative changes present Petro Rabigh with opportunities to allocate investments into innovative solutions that align with international environmental standards, thereby strengthening its competitive positioning in the industry.

Global Markets

Opportunities and Challenges

Opportunities:

- A surge in demand within emerging markets, such as India and Africa, fueled by a rise in industrial investments.
- A strategic shift towards specialized products, including propylene and ethylene, as a means of boosting profit margins.
- Sustained demand within key sectors such as construction and automotive.

Challenges:

- Persistent pressure due to increased global production capacity.
- Economic deceleration in developed markets, especially in Europe and North America.

Saudi Government Initiatives Supporting the Petrochemical Sector in 2025

An Emphasis on Domestic Manufacturing and Vision 2030

The government of Saudi Arabia is making concerted efforts to bolster local manufacturing and decrease dependency on exports, particularly within the petrochemical sector. A key strategy involves redirecting approximately 8 million tons of basic materials from the chemicals sector towards domestic manufacturing, with a special focus on the plastics industry.

The transformative chemicals sector's total output is estimated at 80 million tons of basic materials. The Ministry of Industry and Mineral Resources (MIM) is actively engaged in a strategic categorization of sectors based on their unique requirements. This initiative is designed to enhance local resource utilization and bolster downstream industries.

This strategic approach underscores the Kingdom's commitment to the advancement of the petrochemical and transformative industries. The initiatives not only foster new economic opportunities but also contribute significantly towards achieving the ambitious goals outlined in Vision 2030.

Key Government-Led Initiatives Supporting the Sector in 2025

1. Standard Incentives Program

The program stands out as a significant government-led initiative that aims to fortify the transformative industrial sectors, including petrochemicals. This initiative, a collaborative effort by the Ministry of Industry and Mineral Resources and the Ministry of Investment, is poised to create unparalleled prospects for the petrochemical sector through the following measures:

- Supporting Local Expansion and Production: This program pledges to cover up to 35% of the initial investment, with a cap at SAR 50 million for each qualifying project. The distribution of incentives is strategically planned, with half dispensed during the construction phase and the remaining half during the production phase. The program extends its support to a diverse range of industries, including transformative chemicals, aviation, automotive, food, medical devices, pharmaceuticals, and more, thus fostering a holistic and sustainable economic diversification.
- Enhancing Competitiveness: By fostering more efficient and cost-effective local supply chains, the program adds value to the petrochemical sector in local and regional markets.
- Advancing Localization and Local Content: The program is designed to empower industries that maximize the use of national resources and increase reliance on local talent. This strategy contributes towards import reduction, strengthens the balance of payments, and aligns with Petro Rabigh's strategic goals of developing sophisticated products rooted in national resources.

Key Figures

⃁ 10 billion

allocated to activate the Standard Incentives Program for the industrial sector.

⃁ 50 million

cap per project provides a competitive environment for large-scale investments.

⃁ 23 billion

projected annual GDP contribution, reflecting the direct and indirect economic impact of the program.

2. New Petroleum & Petrochemical Law

On January 7, 2025, , under the auspices of The Custodian of the Two Holy Mosques King Salman bin Abdulaziz Al-Saud, the Saudi government approved the Petroleum & Petrochemical Law, marking a strategic initiative to enhance the legislative framework governing the energy and petrochemical sectors. The objectives of this law are manifold:

- Enhancing Performance and Aligning with National Goals: By embracing world-class international practices, the law seeks to boost operational efficiency and contribute significantly towards achieving the Kingdom's broader economic objectives.
- Regulating Petroleum and Petrochemical Operations: The law serves as a comprehensive guide for activities such as usage, sales, transportation, storage, export, and import, thereby ensuring regulatory compliance and fostering transparency within the sector.
- Attracting Investments: The law aims to foster a competitive environment that appeals to both domestic and international investors, thereby catalyzing investment within the sector.
- Supporting Localization of the Value Chain: The law promotes the optimal use of raw materials and encourages the localization of the petrochemical value chain, which aligns with the nation's strategic plans.

2.4 Strategy and Key Performance Indicators (KPIs)

Charting the Course: 2024 Objectives and Key Achievements

Petro Rabigh strategic objectives are anchored on a number of strategic pillars: safety, asset management, net cash margin, commercial excellence, people, workplace environment, sustainability, business competitiveness, and financial robustness. These pillars articulate our commitment to creating a vibrant work environment, attracting, and nurturing a competent workforce, and embodying a sustainable business model that embraces Environment, Social, and Governance (ESG) aspects.

We are proud to report that our relentless focus on safety has led to remarkable results. We achieved a significant milestone of zero process safety incidents in 2024 for the second consecutive year. Furthermore, we realized a Total Recordable Injury Rate (TRIR) score of 0.026, marking a 65% reduction against the limit set for 2024.

We have also been initiative-taking in implementing transformation initiatives that have significantly boosted our refinery margins. We ventured into the upgrade of Light Naphtha to Gasoline and initiated the production of Ultra-Low Sulfur Diesel (ULSD). Additionally, our diligent efforts have led to a considerable reduction of 45% over five years in the Approved Expenditure Limit for community services contract.

Our commitment to sustainability is reflected in our achievements. We successfully completed 127 out of the planned 147 sustainability initiatives in line with ESG strategic objectives. The capture of over 60KT of CO_2 from the Mono Ethylene Glycol (MEG) CO_2 capture plant and the initiation of a mangrove plantation project with 10,000 saplings to offset carbon emissions are testament to our environmental stewardship.

Our commitment to financial efficiency is equally notable. We have achieved a significant $30 MM cost reduction in controllable operating expenses (OPEX) compared to the plan., driven by optimizing labor, operations, and maintenance expenses. In addition, we have generated business cases for complex reconfiguration with the aim of converting low-value products using the latest and most efficient technologies. These initiatives are currently under feasibility assessment to determine the path forward.

Key Performance Indicators (KPIs)

Financial: (EBITDA, Transformation EBIT, OPEX, cash flow generation)

Operational: (Availability, utilization, energy intensity)

HSE: (Total Recordable Injury Rate TRIR, Process safety Incident PSTIR, Green House Gases GHG Intensity, Flaring Intensity)

Business Continuity: (Audit Compliance, production of ULSD)

Strategic Pillars	Strategic Objectives
Safety	Achieve zero safety incidents .
Asset Management	Reach 1st quartile in Mechanical Availability .
Net Cash Margin	Realize 1st quartile performance in Net Cash Margin .
Commercial Excellence	Reach optimal product mix and maximize sales in high netback enclaves .
People	Attract, retain and develop a competent workforce .
Work Environment	Create an engaging work environment by fostering collaboration and rewarding a performance culture .
Sustainability	Evolve into a sustainable business through strengthening Environment, Social and Governance (ESG) aspects .
Business Competitiveness	Enhance configuration to achieve business competitiveness through a capital efficient stepwise investment approach .
Financials	Achieve a sound financial structure .

2.4.1. Marketing Strategy

Navigating Global Challenges with Resilience, Innovation and Agility

In 2024, Petro Rabigh has successfully reoriented its marketing strategy in response to dynamic global shifts. We have strategically minimized sales to China due to capacity expansions, while pivoting towards regions offering higher netbacks. Despite Europe's challenging market, we maintained our commitment to augment westbound sales, showcasing our corporate resilience and adaptability.

Our 2024 strategy to boost netbacks was multifaceted: developing new product grades, refining existing recipes, and optimizing logistics costs. This focus enabled us to deliver superior products, ensure operational efficiency, and drive higher margins, all contributing to enhanced stakeholder value.

Our team demonstrated remarkable adaptability in overcoming the logistical challenges posed by Red Sea tensions in 2024. By reducing Dam/Jub port utilization to 19%, increasing our fleet for Dammam port, and initiating Phase II warehouse utilization, we mitigated port congestion effectively. Other measures, such as initiating stuffing operations on Dammam yards, enhancing land deliveries, and securing agreements for empty containers have further reinforced our operational excellence.

Reflecting on 2024, we navigated complex market challenges, staying committed to our strategic vision of delivering optimal stakeholder value. As we move forward, we continue to optimize our market strategy, resilient in the face of an ever-evolving global marketplace.

Complemented by an emphasis on local sales, we have effectively eased inventory pressures. Our Polypropylene (PP) sales were selectively targeted at the export market, focusing on regions offering higher netback.

Looking ahead to 2025, the petrochemical sector is expected to face a challenging landscape. Persistent weak demand and oversupply across major value chains may continue to constrain chemical margins, despite moderate volume improvements and reductions in energy and feedstock costs. A robust economic recovery is required to effectively mitigate the impact of overcapacities, amidst escalating geopolitical risks.

China's industrial sector is poised to play a critical role in shaping global competitiveness. The projected overcapacity and its highly integrated refinery and petrochemical production infrastructure may be key drivers of industry competitiveness.

Despite these market dynamics, our commitment to operational efficiency, strategic adaptability, and customer satisfaction remains steadfast. As we navigate these challenges, we will continue to optimize our strategies to deliver superior value to our stakeholders, underscoring our resilience in an ever-evolving global marketplace.

2.4.2. Company's Infrastructure

Strategic Infrastructure Fuels Global Reach

Petro Rabigh's complex, strategically located in Rabigh on the Red Sea, on the west coast of Saudi Arabia, enables the Company to tap into the captive demand for refined products in Makkah province and utilize the export infrastructure for petrochemical products.

Benefitting from the secure pipeline and port infrastructure, operated by Saudi Aramco and Petro Rabigh respectively, the Company receives daily crude oil supplies via Saudi Aramco's existing pipeline. This pipeline is directly connected to the refinery's storage tanks, which are owned and managed by Saudi Aramco.

The company also receives ethane and butane supplies via its own pipelines from Yanbu to Rabigh. In the unlikely event of interruptions, the company has the capability to receive crude oil feedstock by sea through the existing Marine Terminal, ensuring an uninterrupted supply of feedstock.

Through a lease agreement with Saudi Aramco, Petro Rabigh has exclusive rights to a large, sheltered port, facilitating the smooth transportation of liquid products. This port is primarily used to export liquid-type derivative products such as Mono Ethylene Glycol (MEG) and Propylene Oxide. Additionally, the company exports solid product types internationally through King Abdullah Port and Jeddah Islamic Port, located 40 km and 160 km from the Company, respectively.

These strategic arrangements and facilities position Petro Rabigh favorably to export its products to the global market.China's industrial sector is poised to play a critical role in shaping global competitiveness. The projected overcapacity and its highly integrated refinery and petrochemical production infrastructure may be key drivers of industry competitiveness.

Despite these market dynamics, our commitment to operational efficiency, strategic adaptability, and customer satisfaction remains steadfast. As we navigate these challenges, we will continue to optimize our strategies to deliver superior value to our stakeholders, underscoring our resilience in an ever-evolving global marketplace.

2.5 Future Outlook

Envisioning the Future: Strategic Trajectory and Prospects for 2025

As we set our sights on 2025, we are conscious of the significant challenges that lie ahead. The market environment is marked by depressed petrochemical and refining margins, and we face structural configuration issues that demand innovative solutions.

Despite these challenges, our strategic vision remains focused and ambitious. We aim to successfully execute an upcoming turnaround to restore mechanical integrity and complete the construction of a Sulphur Recovery Unit (SRU) tail gas treatment project in compliance with National Committee for Environmental Control (NCEC) regulations.

We staunchly believe in the power of stakeholder alignment. The collective vision and unwavering commitment of our employees, clients, and investors are crucial in propelling us forward on our strategic journey. By fostering a sense of shared purpose and alignment, we are confident that we can navigate the challenges and meet our strategic goals.

In a bid to enhance our business competitiveness, we are making substantial investments in digital transformation. Our digitalization roadmap adopts a phased approach that covers both short-term and long-term focus areas. These include IT and Operational Technology (OT) Architecture, Maintenance optimization, Warehouse & materials management, plant optimization, utility management, and field productivity.

Adding to our strategic firepower is the recent agreement by Saudi Aramco to acquire an additional stake in Petro Rabigh from Sumitomo Chemical. This significant development augurs well for our future. With Saudi Aramco becoming the majority shareholder, we anticipate benefiting from their extensive resources, access to cutting-edge technology, and best practices. This strategic alignment sets the stage for unlocking new avenues of performance enhancement and achieving our vision for 2025.

2.6 Challenges and Opportunities

The years ahead present an intriguing blend of challenges and opportunities for Petro Rabigh amid the evolving dynamics of the global petrochemical industry.

The escalating demand within emerging markets such as India and Africa, stimulated by a rise in industrial investments, offers a golden opportunity for Petro Rabigh to broaden its global influence. Additionally, the company is astutely shifting its focus towards the production of specialized products like propylene and ethylene, a move expected to bolster its profit margins.

The persistent demand in key sectors like construction and automotive further solidifies Petro Rabigh's market position, ensuring a reliable consumer base for its product portfolio. The Company is poised to benefit significantly from the Saudi government's initiatives aimed at bolstering the sector.

Conversely, the persistent pressure stemming from increased global production capacity necessitates Petro Rabigh to constantly innovate and differentiate its offerings.

At present, the petrochemicals and refining market is characterized by historically low margins, a challenge Petro Rabigh is equipped to navigate through its forward-thinking strategies and efficient operations.

The company also faces structural configuration predicaments, such as the production of High Sulfur Fuel Oil (HSFO) and High Sulfur Diesel.

Petro Rabigh will also need to adapt to variable growth rates across regions and to fluctuating crude oil prices, with a projected downturn in 2025 followed by a gradual rise in 2026 and 2027, necessitating prudent financial planning and risk management. The increased start-ups in the refining sector, such as the Dangote and Al Zour refineries, may further challenge refinery margins.

The rise of Electric Vehicles, particularly in China, is anticipated to plateau gasoline demand by 2026-2027, compelling Petro Rabigh to diversify its energy mix. The planned expansion of naphtha crackers, especially in Asia and the Middle East, presents both a challenge and an opportunity for Petro Rabigh to demonstrate its competitive edge.

Petro Rabigh, with robust strategic planning and commitment to innovation, is well-positioned to seize the opportunities that lie ahead, while skilfully navigating the complexities of the global market. The company remains steadfast in its commitment to delivering value to its stakeholders, contributing to the economy, and playing a pivotal role in the global petrochemical industry.

2.7 Risk Management

Petro Rabigh navigates a complex landscape of potential risks that could impact its operations within and beyond the Kingdom. These risks range from operational to strategic, each carrying distinct implications for the business.

1. Plant Reliability: Pertaining to potential lapses in controls or measures that could impact plant availability or reliability. Petro Rabigh addresses this through rigorous design checks, effective management of major turnarounds and inspections, and implementation of robust operational and maintenance procedures.
2. Workforce Management: This risk encompasses issues relating to discipline, workforce competencies, manpower planning, recruitment, and placement processes, succession planning, and employee engagement and motivation. Petro Rabigh mitigates this risk through comprehensive HR management policies and practices, including training and development programs, manpower planning, succession planning, and initiatives aimed at enhancing employee engagement and motivation.
3. Safety Incidents: The risk of workplace and process safety incidents is mitigated through adherence to standard operating procedures, effective work direction, quality control measures, and comprehensive training programs.
4. Cyber Security Attacks: To tackle the risk of cyber-attacks on the company's IT and OT systems, Petro Rabigh prioritizes system upgrades, cyber security preparedness, employee awareness and training, and efficient monitoring of events and alerts.
5. Cash Flow Management: The risk of insufficient cash resources to cover financial obligations is managed through careful monitoring of market variables, planning for plant shutdowns, and prudent cash management practices.
6. Strategic Planning: Petro Rabigh mitigates the risk of inadequate long-term strategic planning by staying attuned to new and emerging market trends, adapting to rapid business environmental and geopolitical changes, and addressing emerging laws and market shifts towards environment-friendly materials and products.
7. Business Interruption: The risk of business interruption due to catastrophic incidents is managed through business continuity planning and disaster recovery measures.
8. Major Project Management: The risk associated with major projects is mitigated through effective coordination and communication among stakeholders, proper project scope definition, timely contract procurement, and thorough project risk assessments.

9. Governance & Compliance Management: The risk of non-compliance with applicable legal and regulatory requirements is addressed through a robust Compliance Management System.
10. Risks related to the global economic situation: The global economic challenges and significant market volatility affecting Petro Rabigh's products, including high inflation rates, declines in manufacturing indicators, and continued interest rate hikes. The Company constantly and closely monitors market circumstances, supply and demand, interest, and currency rates to anticipate and plan for any downturns.

In 2024, Petro Rabigh managed these risks through the implementation of an Enterprise Risk Management (ERM) framework, overseen by the Governance & Risk Compliance Department (GRCD). The ERM applies to all Petro Rabigh's departments, fostering a risk-aware business culture within the organization.

Petro Rabigh continues to proactively identify and manage risks. The Company employs a top-down approach for top corporate risks, a bottom-up approach for departmental level risks, and a proactive approach for new and emerging risks.

Petro Rabigh has 50 departments and major sections, each has its own risk register to identify, assess and treat. The Company's risk registers are updated at least once a year, and the top corporate risks are reviewed quarterly. These comprehensive risk management strategies ensure Petro Rabigh remains resilient in the face of potential challenges and well-positioned to seize emerging opportunities.

Operations Overview

3

3.1 Company Operations

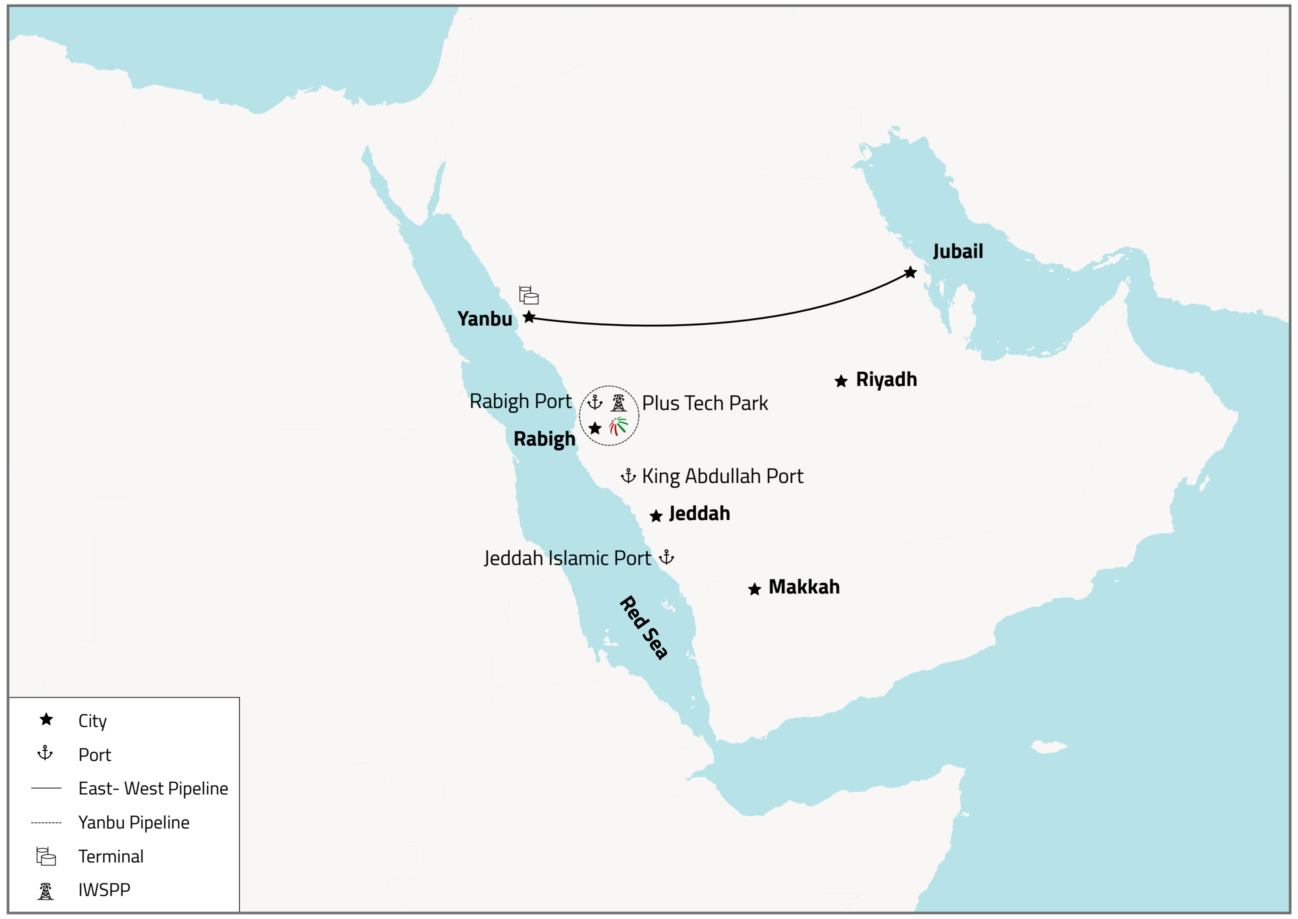
Petro Rabigh, with one of the world's largest integrated refining and petrochemicals complexes industry, proudly stands as the first of its kind in Saudi Arabia. Our world-class complex is strategically located along the Red Sea and occupies an expansive industrial space of approximately 3,000 acres. The complex is home to a state-of-the-art High Olefins Catalytic Cracker (HOFCC) and a large-scale ethane cracker of unmatched scale.

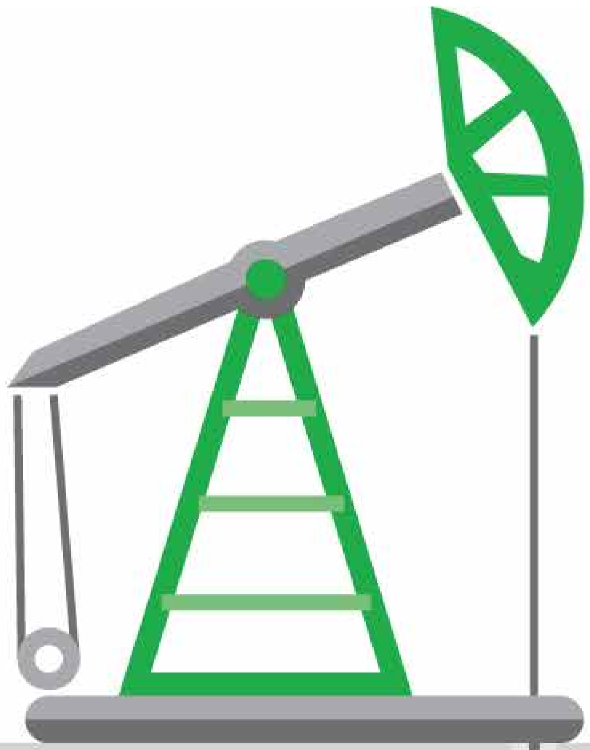
The Company has proven itself as a trailblazer in the Middle East, being the first to produce propylene oxide in the region. We are also among the kingdom's top producers of polypropylene, polyethylene, and mono ethylene glycol, confirming our prowess in the petrochemical sector.

Petro Rabigh's operations were executed in two phases: Initial Facilities and Expansion Facilities. Our Initial Facilities encompass a broad range of units, including Crude Distillation, Naphtha Merox, Gas Oil Hydrodesulphurisation, Amine Treating, Sulphur Recovery, Hydrogen Production, and many more. On the other hand, the Expansion Facilities have broadened the company's product range and augmented production capacity, including units like Ethane Cracker expansion and Naphtha Reformer and Aromatics Complex, among others.

Through a strategic partnership with Saudi Aramco, Petro Rabigh procures crude oil, ethane, and butane feedstock to produce a flurry of refined and petrochemical products that meet the expected quantity and quality standards. Petro Rabigh's commitment to innovation, excellence, and high-quality product delivery remains unwavering, ensuring it continues to meet the needs of its global clientele with superior offerings.

Petro Rabigh Facilities and Infrastructure Map





Petro Rabigh Units

Initial Facilities

1. Crude Distillation
2. Naphtha Merox
3. Kerosene Merox
4. Gas Oil Hydrodesulphurization
5. Amine Treating
6. Sulphur Recovery
7. Hydrogen Production
8. Vacuum Distillation
9. VGO Hydrotreater
10. High Olefins Fluid Catalytic Cracking
11. C4 Isomerization & Splitting
12. C4 Alkylation
13. Sulphur Recovery 2
14. Hydrogen Production 2
15. Sour Water Stripper 2 & 3
16. Amine Regeneration Unit 2 & 3
17. Ethane Cracker
18. Linear Low-Density Polyethylene 1& 2
19. High Density Polyethylene
20. Polypropylene-Homopolymer
21. Polypropylene-Co-polymer
22. Propylene Oxide
23. Mono Ethylene Glycol
24. Butane - 1

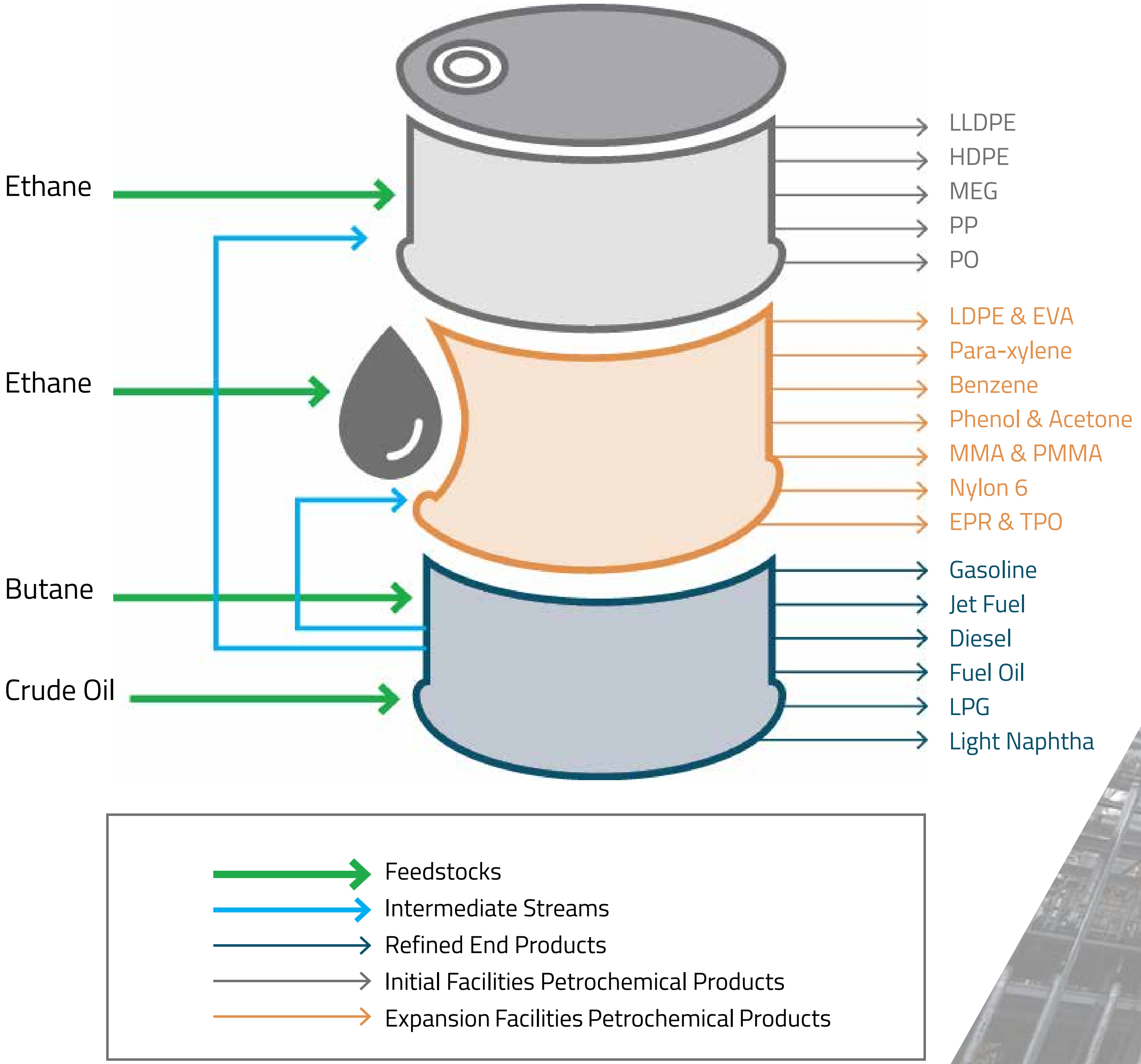
Expansion Facilities

- Ethane Cracker expansion
- Naphtha Reformer and Aromatics Complex
- MTBE, Isobutylene
- Metathesis
- Cumene
- Phenol
- MMA
- PMMA
- LDPE, EVA
- EPR
- TPO
- Nylon 6

3.1.1 Business Performance

Petro Rabigh's product offerings are used in a multitude of everyday applications. The company's diverse portfolio contributes to a wide range of end products, from plastics, detergents, and lubricants to resins, coolants, and anti-freeze solutions. Furthermore, Petro Rabigh's innovations are integral to the production of paint, carpets, clothing, and a variety of household staples such as shampoo, auto interiors, and appliances. They also play a role in the manufacturing of epoxy glue, insulation, film, fibers, packaging, candles, and various piping systems.

With a total production capacity of approximately 19.5 million metric tons per annum (mtpa) of refined and petrochemical products, Petro Rabigh holds a significant position in the industry. For a comprehensive understanding of the company's robust capabilities, the illustration below shows a detailed breakdown of the product output from both the Initial and Expansion Facilities which demonstrate the Company's expansive production range and its dedication to satisfying the diverse requirements of its customers worldwide.



Total Production Capacity

	2024
Total production capacity (ktpa)	19,539

Product Output from The Initial and Expansion Facilities

The following table illustrates the breakdown of the Initial Facilities and Expansion Facilities product slate

Product	Current Aggregate capacity of Facilities (ktpa)
Diesel	4,782
Fuel Oil	5,045
Gasoline	2,036
Jet Fuel	2,127
LPG	200
Naphtha	598
Subtotal	**14,788**
Polyethylene	900
MEG	600
PP	700
PO	200
Acetone	169
Benzene	172
EPR	66
EVA	68
LLDPE	85
MMA	37
Nylon 6	75
PMMA	49
Paraxylene	1,340
Phenol	275
TPO	15
Subtotal	**4,751**
Total	**19,539**

In 2024, the Company recorded a significant level of operational readiness, with a plant availability rate of 96.33%, a minor decline from 97.4% in 2023. Similarly, Plant utilization rate also saw a slight downtick at 68.7% in 2024, compared with 76.7% in 2023.

Petro Rabigh continues to maintain robust plant performance and capacity utilization, the marginal decreases in both plant availability and utilization in 2024 as compared to 2023 highlight potential areas for enhancing operational efficiency.

Plant Performance & Capacity Utilization

	2024
Plant Availability %	96.33%
Utilization %	68.7%

Refined Products Sales

Destinations	2023 Volume (BBL/Year)	2023 %	2024 Volume (BBL/Year)	2024 %
Asia	12,767,356	13.43%	12,631,293	14.50%
Saudi Arabia	54,844,146	57.71%	53,427,705	61.34%
Europe	4,430,521	4.66%	6,538,951	7.51%
MEAF & Turkey	22,660,840	23.85%	14,067,357	16.15%
Others	328,657	0.35%	433,177	0.50%
Total	**95,031,520**	**100%**	**87,098,484**	**100 %**

Petrochemical Products Sales

Destinations	2023 Volume (MT)	2023 %	2024 Volume (MT)	2024 %
Asia	1,935,945	53.73%	1,623,406	49.60%
Saudi Arabia	257,428	7.14%	191,125	5.84%
Europe	398,262	11.05%	414,451	12.66%
MEAF & Turkey	258,618	7.18%	397,089	12.13%
India	291,245	8.08%	156,092	4.77%
Others	461,751	12.81%	490,675	14.99%
Total	**3,603,248**	**100%**	**3,272,837**	**100%**

Boosting Sustainability with Carbon Capture

The integration of a new Carbon Capture and Utilization facility at Petro Rabigh's Mono Ethylene Glycol (MEG) plant marks a significant stride in the company's journey towards sustainable and responsible operations. This facility, capable of capturing 110,000 tons of CO_2 annually, demonstrates Petro Rabigh's environmental commitment while concurrently contributing to the Company's performance, production, and sales.

The MEG CO_2 Capture and Reuse Facility embodies Petro Rabigh's commitment to fostering a circular economy. Through the recapture and reuse of CO_2, the company significantly curtails its overall emissions, thereby improving its environmental footprint. This ingenious approach not only propels Petro Rabigh's sustainability endeavors forward but also seamlessly aligns with its strategic goals of operational efficiency and conscientious growth.

3.1.2 Expansion Plans

Petro Rabigh is currently overseeing four major projects, each at various stages of development. These projects highlight the company's commitment to not only economic growth and business improvement but also to environmental compliance. The projects include:

ECR and HOFCC Debottlenecking Project

The primary aim of the Ethane Cracker (ECR) and the High Olefins Fluid Catalytic Cracker (HOFCC) project is to alleviate existing capacity bottlenecks for two major technologies, which are essential profit drivers for Petro Rabigh. This initiative is to significantly enhance the company's profit margin and stimulate financial growth. The completion of this project will usher in a two-stage expansion of petrochemical production capacities to 127% and 115% of current capacity for ethylene and propylene products, respectively. This enhanced capacity stands to unlock further expansion possibilities to meet the burgeoning local downstream demand.

Currently, Petro Rabigh is advancing with the first stage of the expansion, which will augment the production of ethylene and propylene by 105% and 109%, respectively. The project, currently in the execution phase, has achieved 30% progress, with an estimated completion date by the end of 2025.

Naphtha Hydrotreater (NHT) Revamp

This project is part of the economic growth initiatives aimed at upgrading PRC straight run Naphtha to clean fuel. It involves the current Naphtha Hydrotreater (NHT) to treat all straight run Naphtha and produce 10 ppm Naphtha. which can be blended into the gasoline pool. The Hydrotreater's capacity is being increased form 65 to 90 MBG to maximise gasoline production. The project is expected to be completed by the third quarter of 2026.

RAWEC Conversion to Sales Gas

The Liquid Displacement Program, spearheaded by the Saudi Ministry of Energy (MoE), seeks to transition all utility plants from liquid burning to Sales Gas by 2030. In the Western Region, this conversion is set for completion by 2028. Included in this program is Petro Rabigh, in conjunction with Rabigh Arabian Water and Electricity Co. (RAWEC), a major utility plant in the Western Region. A feasibility study has been conducted to evaluate viable options for transitioning RAWEC's fuel source from current High Sulfur Fuel Oil (HFO) to Sales Gas.

Upon successful implementation, the project is set to reduce greenhouse gas (GHG) emissions by approximately 1.9 million tons per annum (mtpa) of CO_2, equivalent to 40% of the current GHG emission values. This significant reduction aligns directly with Petro Rabigh's sustainability objectives and its broader commitment to environmental responsibility. In addition, the project will help Petro Rabigh to mitigate potential increases in domestic fuel prices.

The project will also enhance RAWEC's overall efficiency to 87% by participating in the MoE's Liquid Displacement Program, which is part of the Kingdom's Vision 2030.

The scope of this project encompasses the construction of a Sales Gas Delivery System, the conversion of existing boilers from HFO to sales gas, and the addition of Gas turbines for power and steam production. Currently, the project is in the front-end engineering design (FEED) stage to further validate the project's technical and economic details and to secure stakeholder alignment before the final investment decision is reached.

VGO and HDS Revamp to Produce ULSD

This project is part of the economic growth initiatives aimed at upgrading PRC diesel to 10 ppm sulfur and meeting the Euro 5 specification. This project will revamp the current HDS unit, which is designed for 63 MBD and produces 500 ppm diesel, to a new capacity if 72 MBD and 10 ppm diesel production. Additionally, the project will upgrade the current VGO-HT unit to produce 10 ppm diesel and expand its capacity to 133 MBD instead of 120 MBD. Both the HDS and VGO revamps will require additional hydrogen. Therefore, the hydrogen production unit (HPU-2) is planned for revamp to produce hydrogen from sales gas instead of LPG, which is the current design.

Bottom-of-the-Barrel (BOTB) Project Hydrotreater Unit (DHT) projects

With the previously mentioned VGO and HDS Revamp to produce ULSD, the Bottom-of-the-Barrel (BOTB) project were successfully integrated under the Ebullated Bed configuration. This configuration targets to upgrade the Vacuum Residue in an Ebullated Bed Technology to more valuable products. The configuration includes an integrated fixed by hydrotreater for Ultra Low Sulfur Diesel (10 ppm) production. This integration has been proven commercially in the industry to enable treating both Straight Run Middle Distillate originated from the hydrocracking process within the configuration battery limit in addition to external middle distillates originated within the existing Comple

3.1.3 Operating strategy and Key Performance Indicators (KPIs)

At Petro Rabigh, the execution of operating plans is a meticulous and well-structured process. It begins with the establishment of clear objectives, leading to the development of comprehensive action plans. Resource allocation is prioritized, and communication with all relevant stakeholders is maintained throughout the process. Progress is routinely monitored, with necessary adjustments incorporated as required, ensuring the smooth execution of plans. Following the implementation, performance is thoroughly reviewed. These reviews are integral to identify lessons learned and to fine-tune future planning efforts.

Under its industrial strategy for 2024, Petro Rabigh has identified and successfully met several key success indicators, underscoring the unwavering commitment to operational excellence, environmental responsibility, and financial efficiency.

Major success indicators included the following:

- Achieved zero process safety incidents for the second consecutive year and realized a Total Recordable Injury Rate (TRIR) score of 0.026, marking a 65% reduction against the limit set for 2024.
- Made strategic moves such as upgrading Light Naphtha to Gasoline and initiating the trial production of Ultra Low Sulfur Diesel (ULSD) to enhance refinery margins.
- Successfully executed 127 out of 147 planned sustainability initiatives, reinforcing the Company's commitment to environmental stewardship.
- Captured over 60 KT of CO_2 through the MEG CO_2 capture facility, contributing to global efforts to combat climate change.
- Initiated the Mangrove Plantation Project, leading to the planting of 10,000 saplings to offset carbon emissions.
- Successful trial of the production of Ultra Low Sulfur Diesel (ULSD) by adjusting plant severity.
- Realized a 5% reduction in Controllable Operational Expenditures (OPEX) compared to the approved plan, reflecting the company's dedication to financial efficiency.
- Reduced the Approved Expenditure Limit for community services contracts by 45% over a period of five years, demonstrating fiscal responsibility.

3.1.4 2025 Operational Blueprint

Petro Rabigh's operational forecast for 2025 presents a landscape shaped by market uncertainties, primarily due to unfavorable refining and petrochemical margins. The situation is further complicated by supply chain disruptions arising from geopolitical tensions in the Red Sea area, leading to escalated logistics costs.

The energy prices increase is also expected to negatively impact 2025 earnings by an estimated $88 million compared to the year-end earnings for 2024. These circumstances, paired with a period of adverse financial performance and elevated financial charges, have led to a cash flow stress situation. Based on current profit forecasts, this tight cash position is expected to persist.

Considering these challenges, Petro Rabigh remains committed to proactive measures to ensure operational excellence. A significant Turnaround and Inspection (T&I) is scheduled for 2025, slated to last 60 days starting from mid-April. This initiative aims to restore mechanical integrity and achieve higher mechanical availability.

Furthermore, the Company has identified several strategic initiatives for operational improvements in 2025. These include:

- The successful execution of the upcoming Turnaround & Inspection (T&I) to restore mechanical integrity aiming for higher mechanical availability.
- The successful implementation of planned tie-ins related to Ethane Cracker (ECR) and the High Olefins Fluid Catalytic Cracker (HOFCC) debottlenecking project, which are expected to bolster the company's financial position.
- The completion of the construction of the Sulphur Recovery Unit (SRU) tail gas treatment project, which is set to reduce environmental impact, demonstrating Petro Rabigh's continuous commitment to sustainable practices.

3.2 Partners to Success

Founding Shareholders: Powering Petro Rabigh Progress

Petro Rabigh is an independent refining and petrochemical player, operating with the ethos and corporate culture of its two globally renowned Founding Shareholders: Saudi Aramco and Sumitomo Chemical. The company's strategic vision and roadmap have been meticulously crafted and harmonized with that of its Founding Shareholders, embodying the ambition to rank among the world's most expansive and proficient integrated refining and petrochemical conglomerates. Petro Rabigh is globally acknowledged for its industry leadership, steadfast commitment to the growth and enrichment of the local economy.

The Founding Shareholders have manifested an unwavering dedication towards Petro Rabigh, marked by consistent alignment on agile production planning and the provision of sustainable feedstock supply at competitive rates. They also ensure the ongoing off-take and placement of both refined and petrochemical products in domestic and international markets. Additionally, through a firm commitment to human capital and well-established secondment agreements, Petro Rabigh benefits from access to the expansive knowledge base and experience of the world's most extensive integrated energy enterprise, as well as the technological prowess of one of the most innovative and diverse chemical companies.

Further investment in human capital is demonstrated through the development of local staff, who are given opportunities to gain international experience at the Founding Shareholders' overseas facilities. As a testament to their long-term commitment and support, the Founding Shareholders have also furnished Petro Rabigh with credit facilities to be used for, among other aspects, general corporate and working capital purposes.

Saudi Aramco Fueling Success

Petro Rabigh have inked several agreements with Saudi Aramco for the supply of diverse feedstock needed to produce refined and petrochemical products at the expected quality and quantity. Each component of the Petro Rabigh Complex, from individual units to the overall integrated system, requires feedstock, chemicals, catalysts, and ancillaries, including but not limited to Sales Gas, electricity, steam, water, hydrogen, oxygen, and nitrogen. Given the interdependent nature of the Petro Rabigh Complex, many units are reliant on upstream units for their feedstock. The collaboration extends to the successful interface between Initial and Expansion Facilities, ensuring efficient feedstock management via interconnected storage systems.

The table below illustrates a summary of the daily contracted volumes of feedstock supplied under the various agreements between Petro Rabigh and Saudi Aramco.

Feedstock	Maximum amount
Crude Oil	400,000 bpd
Butane	12 bpd
Ethane	125 mmscfd
Sales Gas	50 mmscfd

Forging Synergies, Boosting Performance

Petro Rabigh has signed comprehensive service agreements with its founding shareholders and their associates, encompassing a wide range of operational and logistical support facets. These agreements facilitate the exchange of vital services such as human resources, training, recruitment, legal support, utilities, IT, general management, technical guidance, and pre-marketing support. They also ensure the provision of ongoing technical support, indispensable for continuous operations, offered by Saudi Aramco, and the transfer of refining and petrochemical process expertise, courtesy of Sumitomo Chemical. Additionally, both founding shareholders contribute to the enhancement of marketing technical services, engineering, safety best practices, and training. These services are procured at mutually agreed prices as outlined in each agreement.

Strategic Market Reach

Leveraging Founding Shareholders' Networks for Optimal Distribution

Petro Rabigh utilizes long-term marketing agreements with its Founding Shareholders to channel its products into the commercial market, minimizing direct market exposure while capitalizing on the Shareholders' extensive global marketing and distribution networks.

Since the establishment of the Rabigh refinery, it has served as a strategic supplier for the Western region of Saudi Arabia, with its configuration designed to cater to local demand. Petro Rabigh's strategic location near Jeddah and Makkah offers a captive market that mitigates volume risk and ensures industry-leading utilization rates. Furthermore, the Company plays a significant role in the development of the Kingdom's petrochemical industry as the second-largest domestic producer.

For Refined Products, Petro Rabigh has secured lifting, marketing, and offtake agreements with Saudi Aramco, the sole global "Marketer" of the Complex's refined products. These agreements guarantee contractual stability and visibility.

For Petrochemical Products, Petro Rabigh has original Petrochemical Products Marketing Agreements (PPMA) with Saudi Aramco and Sumitomo Chemical Asia (SCA). In alignment with Saudi Aramco's growth strategies for petrochemical products, the marketing rights for most petrochemical products have been transferred to SABIC, ARX, and ATC to leverage their specific expertise and global market presence, what has consequently expanded Petro Rabigh's reach to the extensive marketing and distribution networks of the Marketers.

SABIC: A global chemical giant with a 70% shareholding held by Saudi Aramco, has been entrusted with executing sales logistical support and after-sales support. With over 40 years of growth, SABIC has a strong foothold in the Americas, Europe, Middle East and Asia Pacific and serves customers in more than 140 countries worldwide, making it an ideal partner to enhance Petro Rabigh's market reach.

ARX: a wholly owned subsidiary of Saudi Aramco and one of the world's largest producers of synthetic rubber, has been granted the marketing rights for Ethylene Propylene Rubber. The company is headquartered in The Hague, the Netherlands and has an extensive presence across four continents: Europe, North and South America and Asia.

ATC: recognized for its proficiency in the trading market for Paraxylene and Benzene, ATC has been granted the marketing rights for these products.

The obligations of SABIC, ARX, and ATC under their respective Petrochemical Products Marketing Agreements are guaranteed by Saudi Aramco. Additionally, Sumitomo Chemical guarantees SCA's obligations under the Petrochemical Products Marketing Agreements to which it is a party.

3.3 Third Party Investment Opportunities Initiatives

Driving Industry Growth and National Development

Fueling Innovation Through Specialty Chemicals

On 15 October 2024, under the auspices of the Ministry of Energy (MoE) Petro Rabigh and Jiahua Chemicals signed a Memorandum of Understanding (MoU) to explore the possibility of constructing an innovative manufacturing facility in Rabigh. This facility will focus on the production of various specialty chemicals derived from Ethylene Oxide and Propylene Oxide, both key materials supplied by Petro Rabigh. These target products find extensive applications in the construction and automotive sectors.

This strategic collaboration aligns with Saudi Arabia's MoE's strategy to amplify local downstream and specialty chemicals production, thus reducing reliance on imports. By supporting downstream industries in the construction and automotive sectors, we aim to enhance local content and cater to the increasing demand from these crucial sectors.

Rabigh PlusTech Park

Petro Rabigh's portfolio includes owning, developing, and operating industrial complexes for conversion industries. Notably, the Company completed the handover of Rabigh PlusTech Park (RPTP) from Saudi Aramco and Rabigh Conversion Industry Management Services Company in October 2021, and Petro Rabigh has updated its bylaws to encompass the activities of operating, maintaining, and leasing plots in RPTP.

As the leading private industrial park in Saudi Arabia, Rabigh PlusTech Park is dedicated to building a sustainable future. RPTP offers top-tier support services, including power supply, water, telecommunication lines, logistics partnerships, competitive utility costs, plug & play infrastructure, facility management, and a high-security zone. We are committed to offering substantial investment opportunities to both local and foreign investors in conversion and petrochemical-related industries. Our objective is to create a platform for a wide range of downstream and petrochemical-related industries in Saudi Arabia, stimulating the local economy, creating job opportunities, and attracting local and foreign investments for high-value-added and export industries in line with Saudi Vision 2030.

Major Highlights

- On 24 October 2024, Rabigh PlusTech Park received the Permanent Operating License issued by Saudi Authorities for Industrial Cities and Technology Zones (Modon).
- Total RPTP Land Utilization achieved stands at 53%.
- The total number of active tenants is 16.

Petro Rabigh will persevere in its efforts to promote and attract new third-party investors that align strategically with its objectives and those of Saudi Vision 2030.

3.4 Marketing and Corporate Communication

Strategic Positioning: Adapting to Market Dynamics

In 2024, Petro Rabigh implemented a strategic marketing approach to navigate the evolving global landscape. We aimed to minimize sales to China in anticipation of upcoming capacity expansions, while maximizing sales to regions with higher netback. We also made concerted efforts to increase the ratio of westbound sales, despite challenging market conditions in Europe. Our strategy involved the development of new product grades, enhancing product recipes, and optimizing logistics costs to further augment netbacks.

Petro Rabigh remained committed to enhancing its brand value and market positioning. We utilized key marketing channels, primarily through our marketers: SABIC, SCA, Arlanxeo, and ATC, to reach our target markets.

Among the key challenges we faced in 2024 were logistics issues due to tensions in the Red Sea. This led to higher freight costs due to limited vessel availability and the necessity to reroute through the Cape of Good Hope. In response, Petro Rabigh implemented several strategies, including minimizing the Dammam/Jubail port utilization to 19% in August, to mitigate Eastern Province port congestion.

We have successfully increased the number of fleets to utilize the Dammam port efficiently, and increased land deliveries by almost 4,000 MT/month. We have successfully increased the number of fleets to utilize the Dammam port efficiently, and increased land deliveries by almost 4,000 MT/month. These actions effectively mitigated the impact of the challenges and ensured the smooth operation of our logistics. We also inked agreements with the marketers to secure empty containers from Jeddah, King Abdullah Port and Riyadh for Dammam shipment.

In our ongoing commitment to enhance customer satisfaction, Petro Rabigh has been collaborating closely with our marketers to address specific customer needs. We are currently developing five new grades tailored to specific requirements, covering a wide range of applications including industrial packaging, food packaging, and high-pressure pipes for infrastructure. These efforts not only meet customer expectations but also enable Petro Rabigh to penetrate new market segments, improve profitability in key regions, and expand our product portfolio.

Corporate Governance

4

4.1. Governance Framework

The Petro Rabigh Board of Directors firmly adheres to a comprehensive governance framework that ensures efficient administrative and financial supervision over the Company's operations. The annual report serves as a critical conduit for dialogue between the Company, shareholders, and other various stakeholders, enhancing transparency and fostering trust through comprehensive disclosures. By stringently adhering to the pinnacle of corporate governance standards, Petro Rabigh exemplifies its steadfast commitment to the statutory regulations established by the Capital Market Authority (CMA), ensuring a lucid and precise depiction of the Company's financial health and operational performance—both of which are indispensable to our enduring success.

In synchrony with the CMA's Corporate Governance Regulations, Petro Rabigh has forged and continuously refines its internal governance framework. The Company's organizational structure is composed of the Board of Directors (the Board), four specialized Board Committees, and the Executive Management Team.

Petro Rabigh has four Board Committees that are instrumental in warranting compliance, strategic oversight, and operational adeptness:

- Audit Committee.
- Nomination and Remuneration Committee.
- Executive Management Committee.
- Marketing Steering Committee.

The Board regularly reviews the performance of these committees to ensure alignment with regulatory requirements, accommodate to the evolving business requirements and adapt to the dynamic business landscape.

At the heart of Petro Rabigh's governance framework lies a resolute commitment to continuous shareholder engagement. The Board orchestrates dedicated communication sessions, offering shareholders an avenue to share their insights and proposals relative to the Company's strategy and performance. Furthermore, the formation of the Investor Relations Department underscores Petro Rabigh's unwavering dedication to fostering strong relationships with investors, ensuring timely responses to inquiries, and maintaining transparency in financial and strategic affairs.

This methodical approach to corporate governance underscores Petro Rabigh's enduring commitment to accountability, operational excellence, and sustainable value creation.

4.2. Board Members, Committee Members and Senior Management

Petro Rabigh Organizational Structure

The following Petro Rabigh's organizational architecture encompasses a comprehensive overview of the Board Members, Committee Members, and Executive Management, detailing their respective positions, qualifications, and accumulated expertise.

Board of Directors Composition

Article (14) of Petro Rabigh Company's Bylaws stipulates that the Company's management is entrusted to a Board of Directors, comprised of nine (9) members, appointed by the Ordinary General Assembly for a term not exceeding four (4) years. It is imperative that the majority of Board members hold non-executive roles, and the number of independent Board members should not be less than three (3). Board members can always be reappointed.

The Board of Directors of Petro Rabigh Company shall be vested with full powers to guide the Company's business, realize its objectives, define its policies and investment thresholds, and oversee its affairs both internationally and within the Kingdom of Saudi Arabia.

Biographies of the Members of the Board of Directors for the Term Starting 3rd November 2024

Eng. Ibrahim Q. Al-Buainain

Chairman of the Board of Directors

(Non-Executive Director)

Nationality: Saudi Arabian

Eng. Ibrahim Q. Al Buainain is an oil and gas industry veteran with an impressive leadership and management track record spanning 35 years in the sector. He held a number of senior leadership positions at Saudi Aramco.

Academic Qualification

- BS in Mechanical Engineering.
- MBA in Global Management.
- M.S. degree in Innovation and Global Leadership from Massachusetts Institute of Technology (MIT).

Current Positions

- Business Line Executive Vice President of Global Manufacturing, Saudi Aramco Downstream Business

Selected Previous Positions

- 1989: Operation Engineer at Ras Tanura Refinery, Saudi Aramco..
- 1995: Lead Project Engineer for Shaybah Program, Saudi Aramco.
- 1998-2004: General Manager for Saudi Aramco Joint Venture Company in South Korea (S-Oil Corporation), responsible for all trading and logistic activities for crude oil, refined products, and chemicals.
- 2004: Portfolio Manager for all Saudi Aramco International Joint Ventures.
- 2007: Director of Asia Joint Venture Department, managing Saudi Aramco business in Asia Pacific out of Hong Kong.
- 2009: Director for Rabigh Phase-II Development Project, a joint venture between Saudi Aramco and Sumitomo Chemical.
- 2011-2013: Director of Structuring and Venturing Department in New Business Development, responsible for the development and implementation of sustainable and growth-oriented business.
- 2011-2013: CEO of Saudi Aramco Energy Ventures (SAEV), Corporate Venture Capital Company, a wholly owned subsidiary of Saudi Aramco that invests globally in startup technology base ventures.
- 2014: President of Aramco Asia based in Beijing, a wholly owned affiliate of Saudi Aramco that manages Saudi Aramco interest and provides various services in the Asia-Pacific region.
- 2015: Global Head for Transaction Development, responsible for the development, coordination, implementation, and execution of new and alternative business opportunities for Saudi Aramco, including joint ventures development, mergers & acquisitions, divestitures across all sectors.
- 22016 – 2021 President and CEO of Saudi Aramco Trading Company (ATC), an integrated global trading company for hydrocarbons and chemicals.
- 2022-2023 Senior Vice President of Sales, Trading & Supply Planning, overseeing the Company's global trading and sales of crude oil and liquefied petroleum gas, its hydrocarbon supply planning network which includes the company's domestic sales of refined products and feedstock.

Mr. Noriaki Takeshita

Deputy Chairman of the Board of Directors

(Non-Executive Director)

Nationality: Japanese

Mr. Noriaki Takeshita is a seasoned professional with a leadership and management track record spanning over 42 years in the field of petrochemicals. He held a number of executive positions at Sumitomo Chemical Company, Japan.

Academic Qualification

- BS in law from Tokyo University.

Current Positions

- Director and Senior Managing Executive Officer in Sumitomo Chemical Company
- Supervising Corporate Planning, IT Innovation

Selected Previous Positions

- Chief Financial Officer of Petro Rabigh (until the end of 2021).
- Positions in Administration, Management Human Resources, Planning & Coordination, and Petrochemicals & Plastics at Sumitomo Chemical Company.
- Various roles applying his cosmopolitan experience in the Petrochemicals & Plastics sectors as well as Management, in locations including Japan, Singapore, and Rabigh.

Eng. Othman A. Al-Ghamdi

President and CEO of Petro Rabigh

(Executive Director)

Nationality: Saudi Arabian

Eng. Othman Al-Ghamdi is a seasoned professional in the refining and petrochemical sector with a rich experience spanning over 35 years. He assumed the role of President & CEO of Petro Rabigh on 1st January 2021, bringing his extensive knowledge and leadership skills to the helm of the company.

Academic Qualification

- BS in Chemical Engineering and MBA from King Fahd University of Petroleum & Minerals in Dhahran.

Selected Previous Positions

- 1990-2015: Worked at Saudi Aramco in various sectors including operation, engineering, maintenance, and projects.
- 2004: Project Manager at Saudi Aramco.
- 2005: General Manager of Planning & Technical at Fujian Refining & Petrochemical Company, a joint venture between Saudi Aramco, ExxonMobil, and Sinopec.
- 2015: Representative Director, Aramco Asia Korea Limited.
- 2016: Representative Director & CEO, S-Oil Corporation.
- July 2019: Chief Executive Officer at Saudi Aramco Mobile Refinery Ltd. (SAMREF).

Eng. Seiji Takeuchi

Non-Executive Board Member

Nationality: Japanese

Eng. Seiji Takeuchi is a distinguished professional in the petrochemicals industry, boasting a leadership and management track record that extends over 38 years. He held a number of executive positions at Sumitomo Chemical Company, Japan since 1986.

Academic Qualification

- BS in Chemical Engineering (1984).
- MS in Applied Chemistry from Tokyo's Waseda University (1986).

Current Positions

- Senior Managing Executive Officer in Sumitomo Chemical Company.
- Supervising Essential & Green Materials Sector, Business Development for Circular Carbon Economy.

Selected Previous Positions:

- 1986: Joined Sumitomo Chemical, holding positions in Research and Process Technology, Manufacturing, and Corporate Planning.
- 2007: General Manager of the Rabigh Projects Planning & Coordination Office.
- 2011 – 2014: Manager and Senior Technical Advisor of the Process Engineering Department in Petro Rabigh.
- 2015 - 2016: Executive Officer, Associate Officer, General Manager of the Planning & Coordination Office, Petrochemical & Plastic Sector at Sumitomo Chemical.

Eng. Hussain A. Al-Qahtani

Non-Executive Board Member

Nationality: Saudi Arabian

Eng. Hussain Al-Qahtani is a seasoned executive with a vast experience of more than 34 years with Saudi Aramco, through which he has established a track record of managing complex investment projects, achieving strategic business targets, building strong partnerships with key stakeholders, and delivering growth across the company's vast refining business.

Academic Qualification

- BS in Chemical Engineering from King Fahd University of Petroleum and Minerals.
- Executive Leadership Program at the IMD Business School in Lausanne, Switzerland.

Current Positions

- Senior Vice President of Fuels at Saudi Aramco Downstream, a position he has held since 1st January 2024.

Selected Previous Positions

- Representative director and CEO of S-Oil Corporation in the Republic of Korea.
- President and CEO of the Saudi Aramco Shell Refinery Corporation (SASREF) from November 2016 to May 2019.
- Director of Saudi Aramco Domestic Joint Ventures Management from September of 2015 to November of 2016, managing an extensive portfolio of Saudi
- Aramco's domestic refinery and petrochemical joint venture companies.
- Led Saudi Aramco's Process Engineering & Control Systems function, playing central role in developing high-quality process engineering solutions for the company's refineries and petrochemical plants.
- As Senior Vice President, he is a member of the boards of Saudi Aramco Total Refining & Petrochemical Company (SATORP) located in Jubail and Motiva Enterprises headquartered in Houston, Texas, Petro Rabigh and Aramco Digital Company.

Mr. Tetsuo Takahashi

Non-Executive Board Member

Nationality: Japanese

Mr. Tetsuo Takahashi is a seasoned professional with a substantial career that spans 33 years. He was appointed as a Petro Rabigh Non-Executive Board Member on 1st April 2024.

Academic Qualification

- BA in Economics from Doshisha University (1991).

Current Positions

- Executive Officer in Sumitomo Chemical Company.
- In charge of Planning & Coordination Office, Rabigh Business, Essential Materials Division.

Selected Previous Positions

- Held various assignments spanning from on-loan engagements to deputy managerial positions within Sumitomo Chemical and Rabigh Refining and Petrochemical Company.
- Manager of the Planning & Coordination Office in the Petrochemicals & Plastics Sector from 2012 to 2014.
- On loan to Rabigh Refining and Petrochemical Company as Manager of the Corporate Planning Department (2014-2016) and later as Senior Advisor in Finance and Accounting (2017-2018).
- General Manager of the Planning & Coordination Office in the Petrochemicals & Plastics Sector from 2018 to 2021.
- Executive Officer of General Manager of the Planning & Coordination Office within the Essential Chemicals & Plastics Sector, Basic Materials Division, and Industrial Chemicals Division in 2023.

Mr. Motassim A.Al- Maashouq

Independent Board Member

Nationality: Saudi Arabian

Mr. Motassim A.Al- Maashouq is an esteemed executive with a remarkable career spanning over 40 years. His held a number of strategic roles at Saudi Aramco, including serving as Vice President of New Business Development, Vice President of Corporate Planning, and Group Treasurer. His leadership was integral to Saudi Aramco's IPO preparation, where he served as Vice President-IPO Development.

Academic Qualification

- BA from the University of East Anglia.
- Executive Certificate from Stanford University's Executive Program.
- MA in Area Studies (Economics, Politics, and Law) from the School of Oriental and African Studies (SOAS), University of London.

Current Positions

- Independent Non-Executive Director for Northern Trust Saudi Arabia.
- Independent Non-Executive Director at Rajhi Bank

Selected Previous Positions

- Vice President of New Business Development at Saudi Aramco.
- Vice President of Corporate Planning at Saudi Aramco.
- Group Treasurer at Saudi Aramco.
- Vice President-IPO Development at Saudi Aramco.
- President and CEO of PetroLube.
- President and CEO of Petron Corporation in the Philippines.
- Board member at Johns Hopkins Aramco Healthcare.
- Board member at Saudi Aramco Base Oil Company-Luberef.
- Board member at Saudi Aramco Energy Ventures (SAEV).
- Board member at Saudi Aramco Entrepreneurship Center Company Limited-Wa'ed.
- Board member at TAQA.
- Board member at the Saudi Industrial Investment Company-Dussur.

Eng. Mohammed A. Al-Omair

Independent Board Member
Nationality: Saudi Arabian

Eng. Mohammed Al-Omair is a seasoned professional with a track record spanning 42 years in the oil and gas sector. He held various leadership positions at Saudi Aramco.

Academic Qualification

- BS in Civil Engineering from King Fahad University for Petroleum and Minerals (1981).

Current Positions

- Chairman of the Board of Directors for Shamah Autism Center in the Eastern Province.

Selected Previous Positions

- General Manager of Ras Tanura Refinery at Saudi Aramco.
- President of Saudi Aramco Shell Refinery Corporation (SASREF) in Jubail.
- President & Managing Director of Motor Oil Hellas refinery and Avin gas stations in Greece.
- Vice President heading the domestic Refineries and NGL Fractionation plants at Saudi Aramco, responsible for refining crude oil to supply energy to domestic and international markets.
- Vice President heading the entire operations of pipelines, distribution, and terminals of Saudi Aramco, responsible for transporting crude oil, refined products, gas, and gas liquids from sources to plants and terminals for domestic and international sales.
- Board Member in Marafiq, a utility company in Jubail and Yanbu.
- Chairman of Saudi Aramco Exxon Mobil Refinery Company (SAMREF) in Yanbu.
- Board Member in Saudi Aramco Total Refinery and Petrochemicals Company (SATORP) in Jubail.
- Represented Saudi Aramco in Marafiq, Luberef, SEC, and SUMED.

H.E. Dr. Khalid S. Al-Sultan

Independent Board Member
Nationality: Saudi Arabian

H.E. Dr. Khalid S. Al-Sultan is a prominent professional with an extensive career spanning 39 years. He has held influential roles, demonstrating his leadership and expertise across multiple sectors. His tenure as the Rector of King Abdullah City for Atomic and Renewable Energy, with the rank of Minister since 2018, underscores his commitment to advancing renewable energy initiatives.

Academic Qualification

- MS and BS in Systems Engineering from King Fahd University of Petroleum & Minerals in 1987 and 1985, respectively.
- MS in Mathematics from the University of Michigan (1990).
- PhD in Industrial Engineering and Operations Research.

Selected Previous Positions

- Chairman of the Saudi Electricity Company.
- President of the Saudi Electricity Company.
- Rector of King Abdullah City for Atomic and Renewable Energy, with the rank of Minister since 2018.
- Rector of King Fahd University of Petroleum and Minerals from 2003 to 2018.
- Undersecretary of the Ministry of Higher Education between 1998 and 2003.
- Board member on the Board of Directors at Saudi Aramco.
- Board member on the Board of Trustees at King Abdullah University of Science and Technology.
- Various positions within the Misk Foundation, Misk Schools, and the King Salman Global Academy for Arabic Language, among others.

Classification of Board Members

#	Name	Position	Type of Membership
1	Eng. Ibrahim Al-Buainain	Chairman	Non-Executive Director
2	Mr. Noriaki Takeshita	Deputy Chairman	Non-Executive Director
3	Eng. Othman A. Al-Ghamdi	President & Chief Executive Officer	Executive Director
4	Eng. Seiji Takeuchi	Member	Non-Executive
5	Eng. Hussain A. Al-Qahtani[(1)]	Member	Non-Executive
6	Mr. Tetsuo Takahashi[(2)]	Member	Non-Executive
7	Mr. Motassim A. Al-Maashouq[(3)]	Member	Independent
8	Eng. Mohammed A. Al Omair	Member	Independent
9	H.E. Dr. Khalid S. Al-Sultan[(4)]	Member	Independent

(1) Eng. Hussain A. Al-Qahtani was appointed as Board Member replacing Eng. Suleman A. Al-Bargan on 3rd March 2024.

(2) Mr. Tetsuo Takahashi has been appointed as a non-executive member of the Board effective 1st April 2024.

(3) The election of Mr. Motassim A.Al- Maashouq for the Board of Directors' term beginning on 3rd November 2024 was approved.

(4) The election of H.E. Dr. Khalid S. Al-Sultan for the Board of Directors' term beginning on 3rd November 2024 was approved.

Executive Management Members

Petro Rabigh's Executive Management is comprised of seven esteemed members, each bringing profound local and international expertise in the oil, gas, and petrochemical sectors. The primary duty of the Chief Executive Officer is to manage the Company's operations and monitor its performance, ensuring it aligns with the strategic objectives and directives set forth by the Board of Directors and shareholders. This vigilant oversight guarantees the Company's sustained progression and success.

President & Chief Executive Officer
Eng. Othman A. Al-Ghamdi

Senior Vice President, Manufacturing
Eng. Faisal A. Bahidarah

Vice President, Industrial Security
Eng. Assem M. Saleh

Vice President of Engineering and Support
Eng. Fahad A.Al-Therwi

Vice President, Industrial Relations
Mr. Adel A.Al-Mejhed

Vice President, Market Development
Eng. Yasser D.Al-Ghamdi

Chief Financial Officer(CFO), Finance and Accounting Function
Mr. Shinji Horiuchi

Eng. Faisal A. Bahidarah

Current Position

Senior Vice President, Manufacturing

Appointment Date: April 2024.

Academic Qualification

- BS degree in Engineering from King Fahad University (2002).
- MS degree in Business Administration from King Fahad University (2007).

Selected Previous Positions

- Joined Petro Rabigh in 2008, accumulating 21 years of industry experience.
- Started his career as an Engineer in the Project Department in 2008 and progressed to managerial positions across departments, including Senior Supervisor and Advisory Engineer.
- Appointed as General Manager of Refining, Utilities & Terminal in 2018.

Mr. Shinji Horiuchi

Current Position

Chief Financial Officer (CFO)

Appointment Date: July 2024.

Academic Qualification

- Bachelor of Business Administration from Kobe University in 1992.

Selected Previous Positions

- Vice President & Corporate Secretary of Sumitomo Chemical America from April 2021 to March 2024.
- Senior Manager of the Accounting Department and Corporate Planning Department at the Tokyo Head Office.
- General Manager at Sumika Finance.
- Section Head of Management Accounting at Petro Rabig

Mr. Adel A.Al-Mejhed

Current Position

Vice President, Industrial Relations

Appointment Date: April 2023

Academic Qualification

- BS in Computer Information Systems from the United States.
- MS in HR Management through Saudi Aramco Advanced Degree Program.

Selected Previous Positions

- Held various leadership positions in Saudi Aramco, including Acting Director of Human Resources Policy & Planning and Human Resources Systems Department.
- Served as the Vice President of HR & Support Services at SATORP.
- Extensive experience in advising the company on all Out of Kingdom (OOK) Joint Ventures and subsidiaries for HR Total Rewards Program

Eng. Yasser D.Al-Ghamdi

Current Position

Vice President, Market Development

Appointment Date: December 2021

Academic Qualification

- BS in Chemical Engineering from King Abdulaziz University.

Selected Previous Positions

- Began his career in 2001 with Saudi Basic Industries Corporation (SABIC) in Riyadh, holding various positions in the field of Customer Technical Support under R&D and then under the Strategic Business Unit.
- Joined Petro Rabigh in March 2007. During his tenure, he held various leadership roles in Technical Marketing, Marketing & Sales, and Production Planning.

Eng. Fahad A.Al-Therwi

Current Position

Vice President of Engineering and Support

Appointment Date: January 2024

Academic Qualification

- BS in Chemical Engineering from King Fahad University of Petroleum and Minerals.

Selected Previous Positions

- 1993: Began his journey in the industry.
- 2006: Played an integral role in the Yanbu Refinery DHT Complex Project at Saudi Aramco.
- 2006 - 2011 Led the Yanbu Refinery Projects - Engineering Division at Saudi Aramco.
- 2011 - 2016: Played a pivotal role in Jazan Refinery Complex Projects at Saudi Aramco.
- 2016 - 2019: Served as the Gasification Plant Operations Division Manager.
- 2019 - 2023: Vice President of Engineering and Projects at Saudi Aramco Base Oil Company-Luberef.

Eng. Assem M. Saleh

Current Position

Vice President, Industrial Security

Appointment Date: November 2023

Academic Qualification

- BS in Fire Protection Engineering from the University of Maryland, USA.

Selected Previous Positions

- Began his career as a Fire Protection Engineer at Saudi Aramco.
- Joined the Petro Rabigh team in 2008 as a Safety Engineer, playing a pivotal role in both phase I & phase II projects at Petro Rabigh.
- Held diverse technical and managerial roles within the Safety, Fire Protection, and Security Departments at Petro Rabigh.
- Appointed as Safety Department Manager in 2021.
- Actively contributes as a member of the Gulf Petrochemicals & Chemicals Association (GPCA) Responsible Care Committee.

Share Ownership for Board Members and Senior Executives

The following table shows Interest, contractual securities or rights issue of the board members and their relatives on shares or debt instruments

Name	Period start			Period end		
	Ownership percentage	Number of shares	Debt Instruments	Ownership percentage	Number of stocks	Debt Instruments
Mr. Abdullah J. Al-Faifi	0.0000060%	100	-	-	-	-
Eng. Mohammed A. Al-Omair	0.0000007%	12	-	0.0000007%	12	-
H.E. Dr. Khalid S. Al-Sultan	-	-	-	0.0000060%	100	-

The following table shows the Interest, contractual securities or rights issue of the senior executives and their relatives on shares or debt instruments:

Name	Period start			Period end		
	Ownership percentage	Number of shares	Debt Instruments	Ownership percentage	Number of stocks	Debt Instruments
Othman A. Al-Ghamdi	-	-	-	-	-	-
Akihiko Hiraoka (1)	-	-	-	-	-	-
Shinji Horiuchi (2)	-	-	-	-	-	-
Noriaki Oku(3)	-	-	-	-	-	-
Faisal A. Bahidarah(4)	0.00035386%	5913	-	0.00035386%	5913	-
Adel A. Al-Mejhed	0.00000718%	120	-	0.00000718%	120	-
Mohammed M. Farsi(5)	-	-	-	-	-	-
Fahad Al-Therwi(6)	-	-	-	-	-	-
Yasser D. Al-Ghamdi	-	-	-	-	-	-
Assem M. Saleh	0.0000104%	175		0.0000104%	175	-

(1) Akihiko Hiraoka has voluntarily submitted his resignation from the CFO, effective from 11th July 2024.

(2) Shinji Horiuchi was appointed as CFO, effective from 11th July 2024.

(3) Noriaki Oku has voluntarily submitted his resignation as Senior Vice President Manufacturing, effective from 21st March 2024.

(4) Faisal A. Bahidarah was appointed as Senior Vice President Manufacturing, effective from 21st March 2024.

(5) Mohammed M. Farsi has voluntarily submitted his resignation as Vice President Engineering & Support, effective from 15th January 2024.

(6) Fahad A. Therwi was appointed as Vice President Engineering & Support, effective from 15th January 2024.

Petro Rabigh acknowledges that Interest in a class of voting shares held by persons (other than the Company's directors, Senior Executives and their relatives) who have notified the Company of their holdings, along with any changes to such interests during the last fiscal year, are not applicable to the company.

4.3. Current and Previous Positions of Board Members in Companies, Inside or Outside the Kingdom

The following table shows the names of the companies, inside and outside the Kingdom, in which the Board Members of Petro Rabigh are Members or Directors, in addition to the legal entity of these companies

Eng. Ibrahim Q .Al-Buainain				
Company	Location		Membership	
	Inside the Kingdom	Outside the Kingdom	Current	Previous
Aramco Trading Company	√		√	
Aramco Overseas Company B.V.		√		√
Aramco Services Company		√	√	
Saudi Aramco Asia Company Limited		√	√	
Saudi Petroleum International Inc.		√	√	
Saudi Aramco Base Oil Company-Luberef	√		√	
Aramco Digital Company	√			√
Regional Voluntary Carbon Market Company	√		√	
Aramco Overseas Company		√		√
Aramco Far East (Beijing) Business Services Co., Ltd.		√	√	
Hyundai Oilbank Co., Ltd.		√		√
S-Oil Corporation		√		√
SATORP	√			√
Aramco Trading Singapore		√		√
Aramco Trading Fujairah		√		√
Aramco Trading Limited (London)		√		√
Petredec		√		√
Bahri	√			√
Bahri Chemicals	√			√
Aramco Chemical Company	√			√

Mr. Noriaki Takeshita				
Company	Location		Membership	
	Inside the Kingdom	Outside the Kingdom	Current	Previous
Sumitomo Chemical		√	√	

Eng. Othman A. Al-Ghamdi				
Company	Location		Membership	
	Inside the Kingdom	Outside the Kingdom	Current	Previous
S-Oil		√		√
SAMREF	√			√

Eng. Seiji Takeuchi				
Company	Location		Membership	
	Inside the Kingdom	Outside the Kingdom	Current	Previous
Sumitomo Chemical		√	√	

Eng. Hussain A. Al-Qahtani				
Company	Location		Membership	
	Inside the Kingdom	Outside the Kingdom	Current	Previous
Petro Rabigh. Co.	√		√	

Mr. Tetsuo Takahashi				
Company	Location		Membership	
	Inside the Kingdom	Outside the Kingdom	Current	Previous
Petro Rabigh. Co.	√		√	

Mr. Motassim A. Al-Maashouq				
Company	Location		Membership	
	Inside the Kingdom	Outside the Kingdom	Current	Previous
Northern Trust Saudi Arabia	√		√	
Al Rajhi Bank	√		√	

Eng. Mohammed A. Al-Omair				
Company	Location		Membership	
	Inside the Kingdom	Outside the Kingdom	Current	Previous
Sofon	√		√	
Aldrees Petroleum and Transport Company	√		√	
SAMREF	√			√
SATORP	√			√
SASREF	√			√
Motor Oil Hellas		√		√
Avin		√		√
Marafiq	√			√

H.E. Dr. Khalid S. Al-Sultan				
Company	Location		Membership	
	Inside the Kingdom	Outside the Kingdom	Current	Previous
Haw'kamah Solutions	√		√	
Mohammed Bin Salman Foundation (Misk)	√		√	
Misk Schools	√		√	
Misk City	√		√	
Riyad Schools	√		√	
AlRajhi Endowment	√		√	
SIRC	√		√	
Ardara	√		√	
Tetco	√		√	
King Salman Global Academy for Arabic - KSGAAL	√		√	

4.4. Board Meetings and Attendance Record

Petro Rabigh's Board of Directors held five scheduled meetings in 2024. The current tenure of the Board of Directors commenced on 3/11/2024 and will conclude on 2/11/2027. The following details pertain to the meetings held by the Board of Directors during the year and the Members' attendance record

Name	Position	First meeting	Second meeting	Third meeting	Fourth meeting	Fifth meeting	Number of attendances
		23 April 2024	09 July 2024	24 September 2024	03 November 2024	10 December 2024	
Eng. Ibrahim Q. Al-Buainain	Chairman	√	√	√	√	√	5
Mr. Noriaki Takeshita	Deputy Chairman	√	√	√	--	√	4
Eng. Othman A. Al-Ghamdi	President & Chief Executive Officer	√	√	√	√	√	5
Mr. Noriaki Oku (1)	Member	--	--	--	--	--	0
Mr. Tetsuo Takahashi (2)	Member	√	√	√	--	√	4
Eng. Seiji Takeuchi	Member	√	√	√	--	√	4
Eng. Suleman A. Al-Bargan(3)	Member	--	--	--	--	--	0
Eng. Hussain A. Al-Qahtani(4)	Member	√	√	√	√	√	5
Mr. Abdullah J. Al-Faifi (5)	Member	√	√	√	--	--	3
Eng. Saleh F. Al-Nazha (6)	Member	√	--	√	--	--	2
Eng. Mohammed A. Al Omair	Member	√	√	√	√	√	5
H.E. Dr. Khalid S. Al-Sultan(7)	Member	--	--	--	√	√	2
Mr. Motassim A.Al-Maashouq(8)	Member	--	--	--	√	√	2

(1) Mr. Noriaki Oku has voluntarily submitted his resignation from the Board of Directors, effective from 31st March 2024.
(2) Mr. Tetsuo Takahashi has been appointed as a non-executive member of the Board effective 1st April 2024.
(3) Eng. Suleman A. Al-Bargan has resigned from the Board where his membership ended on 29th February 2024.
(4) Eng. Hussain A. Al-Qahtani was appointed as Board Member replacing Eng. Suleman A. Al-Bargan on 3rd March 2024.
(5) Mr. Abdullah J. Al-Faifi membership ended on 2nd November 2024.
(6) Eng. Saleh F. Al-Nazha membership ended on 2nd November 2024.
(7) The election of H.E. Dr. Khalid S. Al-Sultan for the Board of Directors' term beginning on 3rd November 2024 was approved.
(8) The election of Mr. Motassim A.Al- Maashouq for the Board of Directors' term beginning on 3rd November 2024 was approved.

4.5. Summary of Board Committees Competencies, Duties and Annual Meetings

To enhance operational efficiency, the Board of Directors has established four committees within the Company. Each committee is guided by a specific charter, which outlines their roles, responsibilities, and authorities. These committees convene on a regular basis to perform their assigned tasks.

The following details provide a summary of the duties, responsibilities, number of meetings, meeting schedules, and the member attendance records of committee:

1. Executive Committee (EXCOM)

The EXCOM may adopt resolutions by circulating the proposed drafts in writing or in electronic format to all the Members for their approval and signature. Promptly following the conclusion of each EXCOM meeting, or the adoption of a written resolution, the Secretary shall distribute the meeting minutes and/or the resolutions of the EXCOM to the Board and to each Member.

The EXCOM shall have the authority to undertake the following:

A. Reviewing and approving contract award and expenditure requests for items covered in approved business plans, budgets and programs, provided that no individual item shall exceed a value of SAR 187.5 million.

B. Reviewing the business plan and recommending such plan to the Board for approval.

C. Reviewing and approving additions to the annual budgets, plans, and programs approved by the Board, as deemed necessary by the EXCOM on occasion, provided that no individual addition shall exceed SAR 187.5 million in value.

D. Reviewing and approving redefinitions, cancellations, and supplements of previously approved expenditure requests, provided that no individual item shall exceed SAR 187.5 million.

E. Receiving informational reports on miscellaneous subjects and advising the Company's Management thereon.

F. Endorsing the company's engagement into transactions with any of the Shareholders or related persons and modifying the terms of any agreement related to the same, to the extent permitted under the law, and without prejudice to the responsibilities of the Board Audit Committee (BAC).

G. Reviewing reports submitted to it, in accordance with specific functions and subjects delegated by the Board on occasion.

H. Performing additional tasks as delegated to it by the Board of Directors (BOD) when needed.

The Executive Committee (EXCOM) Members and their Attendance Record

	Executive Committee (EXCOM) Meeting Attendance in 2024							
	Name	Position	1st meeting	2nd meeting	3rd meeting	4th	5th	Number of Attendance
			01 April 2024	05 August 2024	02 October 2024	12 November 2024	03 December 2024	
1	Eng. Ibrahim Q. Al-Buainain	Chairman	√	√	√	√	√	5
2	Eng. Seiji Takeuchi	Director	*	√	√	*	√	3
3	Eng. Saleh F. Al-Nazha	Director	√	√	*	--	--	2
4	Mr. Motassim A.Al-Maashouq	Director	--	--	--	√	*	1

* Proxy to Chairman.

** The election of Mr. Motassim A.Al- Maashouq for the Board of Directors' term beginning on 3 November 2024 was approved.

2. Board Audit Committee (BAC)

The BAC is composed of four members, each endowed with extensive experience in accounting, auditing standards,internal audit procedures, financial statement analysis and understanding of relevant legal and regulatory frameworks. This deep proficiency facilitates the seamless execution of their duties. The responsibilities and duties of the BAC include, but not limited to, the following:

A. Examining Management's high-level summary of top existing and emerging risks that the Company faces, and the mitigation strategies for significant enterprise-wide risks.

B. Overseeing and supervising the Internal Audit function to ensure the Internal Audit Office maintains appropriate status and independence to effectively execute its responsibilities.

C. Ensuring that the General Auditor has the authority to report significant observations with the Committee without impediment or censorship, and that these issues receive appropriate attention from Management.

D. Evaluating the effectiveness of the Internal Audit Office, including its adherence to the applicable standards for professional internal auditing practices.

E. Approving the annual audit agenda and any modifications to the plan.

F. Proposing recommendations to the Board regarding the appointment, termination, and compensation of the External Auditors, following a review of their work scope, engagement terms, and qualifications, ensuring the independence of the External Auditors is considered in these recommendations.

G. Assessing the performance and overseeing the activities of the External Auditors and approving any activity beyond the assigned audit work scope during the performance of their duties.

H. Examining the External Auditors' reports and comments concerning the Company's financial statements, and monitoring the actions taken in response to the same.

I. Reviewing significant accounting and reporting matters, including recent professional and regulatory announcements, and comprehending their effect on financial reports.

J. Reviewing, offering opinions on, and providing recommendations to the Board regarding the interim and annual financial statements of the Company before their presentation to the Board, to assure integrity, fairness, and consistency.

K. Examining the comprehensive internal control system implemented by Management and assessing its effectiveness, including financial reporting controls and information technology security and controls.

L. Reviewing contracts and transactions the Company intends to enter into with any related party and making recommendations to the Board accordingly.

M. Ensuring that strategies and comprehensive policies for Risk Management are available and updated based on the Company's internal and external changing factors.

N. Reporting annually to shareholders, outlining the Committee's composition, responsibilities, and any other information required by the rules.

O. Institute and oversee special investigations as needed.

The Board Audit Committee Members and their Attendance Record

	Name	Position	Board Audit Committee Meeting Attendance in 2024				
			1st meeting	2nd meeting	3rd meeting	4th meeting	Number of Attendance
			20 March 2024	13 May 2024	06 August 2024	10 November 2024	
1	Mr. Abdullah J. Al-Faifi	Chairman	√	√	√	X*	3
2	Mr. Motassim A.Al-Maashouq	Chairman	--	--	--	√	1
3	Mr. Noriaki Takeshita	Member	√	√	√	√	4
4	Eng. Hussain A. Al-Qahtani	Member	√	***	√	√	3
5	Eng. Mohammed A. Al-Omair	Member	√	√	√	√	4

* Term ends as Chairman of BAC.
** Appointed as Chairman of BAC.
*** Not attended, Proxy Eng. Mohammed A. Al-Omair.

3. Nomination and Remuneration Committee (NRC)

The NRC consists of four members. The responsibilities and duties of the committee include, but are not limited to, the following:

A. Formulating, recommending to the Board, and supervising the establishment and application of policies and criteria in relation to the appointment of Directors and members of the Company's executive management.

B. Ensuring the completion of all necessary and appropriate investigations into the backgrounds and qualifications of prospective Board candidates prior to endorsing their nomination to the Board.

C. Conducting, on an annual basis at minimum, a comprehensive review, assessment, and recommendation to the Board of the skills, qualifications, and credentials necessary for membership in the Board and the Company's executive management. This includes defining the time commitment required for such memberships along with the job specifications for executive, non-executive, and independent Directors and members of the Company's Executive Management.

D. Regular review of the structure, size, composition, strengths, and weaknesses of the Board (inclusive of skills, knowledge, and experience) and the Company's Executive Management; endorsing suitable recommendations to the Board that align with the Company's interests.

E. Formulating, recommending to the Board, and supervising the execution and disclosure of a remuneration policy for Directors, Company Executives, and members of the Board's Committees, which shall subsequently be presented to the General Assembly for approval.

F. Identifying the points of strength and weakness within the Board and recommending appropriate corrective measures that align with the Company's interests.

G. Regularly reviewing and evaluating the effectiveness and suitability of the remuneration policy and making recommendations to the Board concerning the same.

The Nomination and Remuneration Committee (NRC) Members and their Attendance Record

	Name	Position	NR Committee Meeting Attendance in 2024				
			1st meeting	2nd meeting	3rd meeting	4th meeting	Number of Attendance
			05 March 2024	Via Circulated Resolution	17 September 2024	03 December 2024	
1	Eng. Mohammed A. Al-Omair	Chairman	√	--	√	--	2
2	Eng. Seiji Takeuch	Member	√	--	√	√	3
3	Eng. Suleman A. Al-Bargan **	Member	√	--	--	--	1
4	Mr. Abdullah J. Al-Faifi **	Member	√	--	√	--	2
5	Eng. Hussain A. Al-Qahtani **	Member	--	--	√	√	2
6	H.E. Dr. Khalid S. Al-Sultan *	Chairman	--	--	--	√	1

* The election of H.E. Dr. Khalid S. Al-Sultan for the Board of Directors' term beginning on 3rd November 2024 was approved.
** Eng. Hussain A. Al-Qahtani was appointed as Board Member replacing Eng. Suleman A. Al-Bargan on 3rd March 2024.
** Mr. Abdullah J. Al-Faifi membership ended on 2nd November 2024.

4. Marketing Steering Committee (MSC)

The MSC consists of three members. The tasks and responsibilities of the committee include, but are not limited to, the following:

A. Conducting a review of the Company's annual and quarterly production and supply plan for the Company's Products for the subsequent period, which the Company will deliver to the Marketers.

B. Collaborating individually with each of the Marketers in the formulation of their respective Annual Marketing Plan for the Products, which will be presented to the Board for endorsement.

C. Evaluating and providing recommendations pertaining to the Company's and the Marketers' strategies and actions associated with legal compliance (for example, in relation to anti-trust laws and export regulations).

D. Overseeing the Company's adherence to the marketing and lifting agreements, scrutinizing, and approving any amendments, taking into consideration any associated agreements.

E. Developing, endorsing, and proposing to the Board of Directors for its approval; (a) a Refined Products Annual Marketing Plan, and (b) a Petrochemical Products Annual Marketing Plan for the Company.

F. Ensuring that all such Marketing Plans are formulated in alignment with the Company's operating and production plans to be prepared by the Company.

G. Ensuring that Marketers' pricing methodologies do not subject the Company to any anti-dumping risks in any global location where the Company's products are marketed.

The Marketing Steering Committee (MSC) Members and their Attendance Record

Name	Title	MSC Meeting Attendance in 2024				
		1st Meeting 18 April 2024	2nd Meeting 27 June 2024	3rd Meeting 18 September 2024	4th Meeting 28 November 2024	Number of Attendance
Saleh F. Al-Nazha[1]	Chairman	√	√	√	-	3
Mohammed A. Al-Omair[1]	Chairman	-	-	-	√	1
Othman A. Al-Ghamdi	Member	√	√	√	√	4
Tetsuo Takahashi	Member	√	√	√	√	4
Yasser D. Al-Ghamdi	Member	√	√	√	√	4

Mr. Saleh Nazha ceased to be a committee chairman after 18th September 2024. In his place, Mr. Mohammed A. Al-Omair appointed as a new chairman.

4.6. General Assemblies of Shareholders and Board Members Attendance Record

Petro Rabigh Company convened two Shareholders Assemblies in 2024. Detailed below are the Assemblies along with the attendance record of the Board Members:

	Name	Position	Attendance	
			First meeting	First meeting
			Extraordinary General Meeting	Ordinary General Meeting
			5th June 2024	23 October 2024
1	Eng. Ibrahim Q. Al-Buainain	Chairman	√	√
2	Mr. Noriaki Takeshita	Deputy Chairman	--	--
3	Eng. Othman A. Al-Ghamdi	President & Chief Executive Officer	√	√
4	Mr. Abdullah J. Al-Faifi[6]	Member	√	√
5	Eng. Mohammed A. Al Omair	Member	√	√
6	Eng. Seiji Takeuchi	Member	--	--
7	Eng. Hussain A. Al-Qahtani[1]	Member	√	√
8	H.E. Dr. Khalid S. Al-Sultan[2]	Member	--	--
9	Mr. Motassim A.Al- Maashouq[3]	Member	--	--
10	Mr. Tetsuo Takahashi[4]	Member	--	--
11	Eng. Suleman A. Al-Bargan[5]	Member	--	--
12	Eng. Saleh F. Al-Nazha[6]	Member	--	--
13	Mr. Noriaki Oku[7]	Member	--	--

(1) Eng. Hussain A. Al-Qahtani has been appointed as a non-executive member of the Board, effective from 1st March 2024.

(2) The election of H.E. Dr. Khalid bin Saleh Al-Sultan for the Board of Directors' term beginning on 3rd November 2024 was approved.

(3) The election of Mr. Motassim A.Al- Maashouq for the Board of Directors' term beginning on 3rd November 2024 was approved.

(4) Mr. Tetsuo Takahashi has been appointed as a non-executive member of the Board effective 1st April 2024.

(5) Eng. Suleman A. Al-Bargan has voluntarily submitted his resignation from the Board of Directors, effective from 29th February.

(6) Membership of Eng. Saleh F. Al-Nazha and Mr. Abdullah Al-Faifi ended on 2nd November 2024

(7) Mr. Noriaki Oku has voluntarily submitted his resignation from the Board of Directors, effective from 3rd March 2024.

The Result of the General Assembly's Meeting:

1. the Extraordinary General Assembly's Meeting (5/6/2024)

1. Reviewed and discussed the Board of Directors' report for the fiscal year ending on 31st December 2023.
2. Reviewed and discussed the financial statements for the fiscal year ending on 31st December 2023.
3. Discussed and approved the auditor's report on the Company's accounts for the fiscal year ending on 31st December 2023.
4. Approved releasing members of the Board of Directors of their liabilities for the financial year ending 31st December 2023.
5. Approved the delegation of the General Assembly's authorization powers, as stated in paragraph (1) of Article 27 of the Companies Law, to the Board of Directors. This delegation is valid for a one-year period commencing from the date of approval by the General Assembly, or until the conclusion of the delegated Board of Directors' tenure, whichever is sooner, in compliance with the conditions specified in the Regulatory Rules and Procedures issued pursuant to the Companies Law pertaining to Listed Joint Stock Companies.
6. Approved the business transactions and contracts concluded between the Company and Saudi Aramco Company, wherein Board members Eng. Ibrahim Qassim Al-Buainain, Eng. Othman Ali Al-Ghamdi, and Eng. Suleman Amer Al-Bargan have an indirect interest. These transactions and contracts, which pertain to the purchase of goods during 2023, do not include preferential terms and amount to a total of SAR 39,289,907,000.
7. Approved the business transactions and contracts concluded between the Company and Sumitomo Chemical Company, in which the Board members Mr. Noriaki Takeshita, Mr. Noriaki Oku and Eng. Seiji Takeuchi, have an indirect interest. These transactions and contracts, which pertain to purchase of goods during 2023, do not include preferential terms and amount to a total of SAR 69,117,000.
8. Approved the business transactions and contracts concluded between the Company and Saudi Aramco Company, in which Board members Eng. Ibrahim Qassim Al-Buainain, Eng. Othman Ali Al-Ghamdi, and Eng. Suleman Amer Al-Bargan hold an indirect interest. These transactions and contracts, which pertain to the sale of refined products and petrochemical products during 2023, do not include preferential terms and amount to a total of SAR 38,055,923,000.
9. Approved the business transactions and contracts concluded between the Company and Sumitomo Chemical Company, in which the Board members Mr. Noriaki Takeshita, Mr. Noriaki Oku and Eng. Seiji Takeuchi, have an indirect interest. These transactions and contracts, which pertain to the sale of petrochemical products during 2023, do not include preferential terms and amount to a total of SAR 5,074,367,000.
10. Approved the business transactions and contracts concluded between the Company and Saudi Aramco Company, in which the Board members Eng. Ibrahim Qassim Al-Buainain, Eng. Othman Ali Al-Ghamdi, Eng. Suleman Amer Al-Bargan, have an indirect interest. These transactions and contracts, which pertain to financial charges during 2023, do not include preferential terms and amount to a total of SAR 317,948,000.
11. Approved the business transactions and contracts concluded between the Company and Sumitomo Chemical Company, in which the Board members Mr. Noriaki Takeshita, Mr. Noriaki Oku and Eng. Seiji Takeuchi, have an indirect interest. These transactions and contracts, which pertain to financial charges during 2023, do not include preferential terms and amount to a total of SAR 98,494,000.
12. Approved the business transactions and contracts concluded between the Company and Saudi Aramco Company, in which the Board members Eng. Ibrahim Qassim Al-Buainain, Eng. Othman Ali Al-Ghamdi, Eng. Suleman Amer Al-Bargan, have an indirect interest. These transactions and contracts, which pertain to rentals during 2023, do not include preferential terms and amount to a total of SAR 24,649,000.
13. Approved the business transactions and contracts concluded between the Company and Saudi Aramco Company, in which the Board members Eng. Ibrahim Qassim Al-Buainain, Eng. Othman Ali Al-Ghamdi, Eng. Suleman Amer Al-Bargan, have an indirect interest. These transactions and contracts, which pertain to secondees' costs during 2023, do not include preferential terms and amount to a total of SAR 11,837,000.
14. Approved the business transactions and contracts concluded between the Company and Sumitomo Chemical Company, in which the Board members Mr. Noriaki Takeshita, Mr. Noriaki Oku and Eng. Seiji Takeuchi, have an indirect interest. These transactions and contracts, which pertain to secondees' costs during 2023, do not include preferential conditions and amount to a total of SAR 4,564,000.
15. Approved the business transactions and contracts concluded between the Company and Saudi Aramco Company, in which the Board members Eng. Ibrahim Qassim Al-Buainain, Eng. Othman Ali Al-Ghamdi, Eng. Suleman Amer Al-Bargan, have an indirect interest. These transactions and contracts, which pertain to services and other net cost charges during 2023, do not include preferential terms and amount to a total of SAR 18,212,000.
16. Approved the business transactions and contracts concluded between the Company and Sumitomo Chemical Company, in which the Board members Mr. Noriaki Takeshita, Mr. Noriaki Oku and Eng. Seiji Takeuchi, have an indirect interest. These transactions and contracts, which pertain to services and other net cost charges during 2023, do not include preferential terms and amount to the total of SAR 260,000.
17. Approved paying an amount of SAR 1,050,000 as remuneration to the independent Board members for the fiscal year ending on December 31, 2022.
18. Approved the Board of Directors' decision to appoint Eng. Hussain bin Ali Al-Qahtani as a non-executive member of the Board of Directors, starting from the date of his appointment on 03/01/2024 to complete the Board's term until the end of the current term on 11/02/2024, succeeding the previous Non-Executive Member, Eng. Suleiman bin Amer Al-Bargan.
19. Approved the Board of Directors' decision to appoint Mr. Testsuo Takahasi as a nonexecutive member of the Board of Directors, starting from the date of his appointment on 01/04/2024 to complete the Board's term until the end of the current term on 11/02/2024, succeeding the previous Executive Member, Mr. Noriaki Oku.
20. Approved the amendment of the Company's Bylaws to be compatible with the new Companies Law & rearranging the Company's Bylaws articles and numbering them to comply with the proposed amendments.

2. The Ordinary General Assembly's Meeting (23/10/2024)

Approval for election of the Board members from among the candidates for the next term, commencing from 03/11/2024, for a term of three years, ending on 02/11/2027, with the following names:


Eng. Ibrahim Q. Al-Buainain


Eng. Hussain A. Al-Qahtani


Eng. Othman A. Al-Ghamdi


Mr. Noriaki Takeshita


Mr. Tetsuo Takahashi


Eng. Seiji Takeuchi


H.E. Dr. Khalid S. Al-Sultan


Mr. Motassim A.Al- Maashouq


Eng. Mohammed A. Al-Omair

4.7. Ownership Structure

The following table shows the ownership structure of Petro Rabigh Company

Name	2023		2024	
	Number of owned shares (million)	Ownership percentage	**Number of owned shares (million)**	**Ownership percentage**
Saudi Aramco	626.63	37.50%	**626.63**	**37.50%**
Sumitomo Chemical Co. Ltd	626.63	37.50%	**626.63**	**37.50%**
Public	417.75	25.00%	**417.75**	**25.00%**

4.8. Remuneration of Board Members, Committee Members and Senior Executives

Remuneration Policy Rules and Guidelines:

A. The Board shall recommend the remuneration of all Directors to the General Assembly for annual approval. This recommendation shall stem from the recommendation of the Nomination and Remuneration Committee (NRC) and comply with all applicable laws, regulations, and policies, including this policy. Furthermore, there are no significant deviations from this policy.

B. The remuneration of Directors may take various forms, such as specific cash payments, benefits in kind, attendance allowances, a percentage of the Company's annual net profits, or a combination of these.

C. If the Directors' remuneration is distributed as a percentage of the Company's net profits, the total annual remuneration should not exceed 10% of the net profits after relevant reserves have been deducted and after distributing a minimum of 5% of the Company's paid-up capital as profits to the shareholders.

D. Regardless of the method, the total annual remuneration and benefits for each Director, whether in cash or in kind, must not exceed SAR 500,000.

E. Notwithstanding Paragraphs B and C, the remuneration of independent Directors should not be in the form of a percentage of the Company's net profits, nor should it be directly or indirectly tied to the Company's profitability.

F. The remuneration of Directors may vary based on factors such as experience, expertise, responsibilities, independence, attendance record, and other relevant considerations.

Additional Remuneration

A. The Chairman of the Board may be eligible for additional remuneration beyond his standard Director's remuneration. This supplementary remuneration, if any, is recommended by the Nomination and Remuneration Committee (NRC) and approved by the Board annually.

B. Directors who are members of any Committee may receive additional remuneration beyond their standard Director's remuneration.

C. Directors who also serve as Senior Executives may be eligible for additional remuneration beyond their standard Director's remuneration.

D. If a Board Director also holds the position of Secretary of the Board, he may receive additional remuneration beyond his standard Director's remuneration. This supplementary remuneration, if any, is determined by the Board annually, based on the NRC's recommendation.

Remunerations of Board Members 2024 (Amounts are in SAR Thousands)

Name	Fixed remunerations									Variable remunerations				End-of-service award	**Aggregate Amount**	Expenses Allowance
	Specific amount	Allowance for attending Board meetings	Total Allowance for attending committee meetings	In-kind benefits	Remunerations for technical, managerial and consultative work	Remunerations of the chairman, Managing Director or Secretary, if a member	**Total**	Percentage of the profits	Periodic remunerations	Short-term incentive plans	Long-term incentive plans	Granted shares (insert the value)	**Total**			
First: Independent Board Directors																
Eng. Saleh F. Nazha[1]	350	0	0	0	0	0	**350**	0	0	0	0	0	**0**	0	**350**	0
Mr. Motassim A. Al-Maashouq	350	0	0	0	0	0	**350**	0	0	0	0	0	**0**	0	**350**	0
Eng. Mohammed A. Al-Omair	350	0	0	0	0	0	**350**	0	0	0	0	0	**0**	0	**350**	0
Mr. Abdullah J. Al-Faifi [3]	350	0	0	0	0	0	**350**	0	0	0	0	0	**0**	0	**350**	0
H.E. Dr. Khalid S. Al-Sultan [4]	350	0	0	0	0	0	**350**	0	0	0	0	0	**0**	0	**350**	0
Total	**1,050**	**0**	**0**	**0**	**0**	**0**	**1,050**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**1,050**	**0**
Second: Non-Exec. Board Directors																
Eng. Ibrahim Q. Al- Buainain	0	0	0	0	0	0	**0**	0	0	0	0	0	0	0	0	0
Mr. Noriaki Takeshita	0	0	0	0	0	0	**0**	0	0	0	0	0	0	0	0	0
Eng. Suleman A Bargan[5]	0	0	0	0	0	0	**0**	0	0	0	0	0	0	0	0	0
Eng. Hussain A. Al-Qahtani [6]	0	0	0	0	0	0	**0**	0	0	0	0	0	0	0	0	0
Mr. Noriaki Oku [7]	0	0	0	0	0	0	**0**	0	0	0	0	0	0	0	0	0
Mr. Tetsuo Takahashi [8]	0	0	0	0	0	0	**0**	0	0	0	0	0	0	0	0	0
Eng. Seiji Takeuchi	0	0	0	0	0	0	**0**	0	0	0	0	0	0	0	0	0
Total	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**
Third: Exec. Directors																
Eng. Othman A. Al-Ghamdi	0	0	0	0	0	0	**0**	0	0	0	0	0	0	0	0	0
Total	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**

(1) Eng. Saleh F. Al-Nazha membership ended on 2nd November 2024

(2) The election of Mr. Motassim A.Al- Maashouq for the Board of Directors' term beginning on 3rd November 2024 was approved.

(3) Mr. Abdullah J. Al-Faifi membership ended on 2nd November 2024.

(4) The election of H.E. Dr. Khalid S. Al-Sultan for the Board of Directors' term beginning on 3rd November 2024 was approved.

(5) Eng. Suleman A. Al-Bargan has resigned from the Board where his membership ended on 29th February 2024

(6) Eng. Hussain A. Al-Qahtani was appointed as Board Member replacing Eng. Suleman A. Al-Bargan on 3rd March 2024.

(7) Mr. Noriaki Oku has voluntarily submitted his resignation from the Board of Directors, effective from 31st March 2024.

(8) Mr. Tetsuo Takahashi has been appointed as a Non-executive member of the Board effective 1st April 2024.

Remuneration of Board Committees Members 2024

Rules and Guidelines:

A. The remuneration for Committee members shall align with the charter of the respective Committee.

B. Regardless of the above stipulation, the Nomination and Remuneration Committee (NRC) is tasked with reviewing and recommending the remuneration of Committee members to the Board.

(Amounts are in SAR Thousands)

Name	Fixed Remuneration (Except for the allowance for attending Board meetings)	Allowance for attending meetings	Total
Audit Committee Members			
Mr. Abdullah J. Al-Faifi [1]	0	0	0
H.E. Dr. Khalid S. Al-Sultan [2]	0	0	0
Mr. Noriaki Takeshita	0	0	0
Eng. Suleman A. Al-Bargan [3]	0	0	0
Eng. Hussain A. Al-Qahtani [4]	0	0	0
Eng. Mohammed A. Al-Omair	0	0	0
Total	0	0	0
Nomination & Remuneration Committee Members			
Eng. Mohammed A. Al-Omair	0	0	0
Eng. Seiji Takeuchi	0	0	0
Eng. Suleman A. Al-Bargan [3]	0	0	0
Mr. Abdullah J. Al-Faifi [1]	0	0	0
Total	0	0	0
Marketing Committee Members			
Eng. Saleh F. Al-Nazha[5]	0	0	0
Mr. Motassim A.Al- Maashouq[6]	0	0	0
Mr. Noriaki Oku[7]	0	0	0
Mr. Tetsuo Takahashi[8]	0	0	0
Eng. Othman A. Al-Ghamdi	0	0	0
Total	0	0	0

1. Mr. Abdullah J. Al-Faifi membership ended on 2nd November 2024.
2. The election of H.E. Dr. Khalid S. Al-Sultan for the Board of Directors' term beginning on 3rd November 2024 was approved.
3. Eng. Suleman A. Al-Bargan has resigned from the Board where his membership ended on 29th February 2024.
4. Eng. Hussain A. Al-Qahtani was appointed as Board Member replacing Eng. Suleman A. Al-Bargan on 3rd March 2024.
5. Eng. Saleh F. Al-Nazha membership ended on 2nd November 2024.
6. The election of Mr. Motassim A.Al- Maashouq for the Board of Directors' term beginning on 3rd November 2024 was approved.
7. Mr. Noriaki Oku has voluntarily submitted his resignation from the Board of Directors, effective from 31st March 2024.
8. Mr. Tetsuo Takahashi has been appointed as a non-executive member of the Board effective 1st April 2024.

Name	Fixed Remuneration (Except for the allowance for attending Board meetings)	Allowance for attending meetings	Total
Executive Committee Members			
Eng. Ibrahim Q. Al-Buainain	0	0	0
Eng. Saleh F. Al-Nazha [1]	0	0	0
Mr. Motassim A.Al-Maashouq[2]	0	0	0
Mr. Noriaki Oku [3]	0	0	0
Mr. Tetsuo Takahashi [4]	0	0	0
Total	**0**	**0**	**0**

1. Eng. Saleh F. Al-Nazha membership ended on 2nd November 2024.
2. The election of Mr. Motassim A.Al- Maashouq for the Board of Directors' term beginning on 3rd November 2024 was approved.
3. Mr. Noriaki Oku has voluntarily submitted his resignation from the Board of Directors, effective from 31st March 2024.
4. Mr. Tetsuo Takahashi has been appointed as a non-executive member of the Board effective 1st April 2024.

Remuneration of Top Five Senior Executives 2024

Remuneration Rules and Guidelines:

A. The remuneration of all Senior Executives shall be recommended by the NRC and approved by the Board in accordance with the relevant employment contracts and internal policies and compensation plans.

B. The NRC shall review and approve the employment contracts with Senior Executives, including contracts with new appointments. It shall also review and approve any contract with an employee with compensation equivalent to Senior Executives.

Benefits and Incentive Plans

A. Senior Executives are entitled to certain benefits provided by the Company. Besides pension, benefits are primarily in the areas of medical services, access to the Company's recreational facilities, housing-related allowances (or equivalent), and transportation-related allowances (or equivalent). The nature and levels of benefits for Senior Executives shall be periodically reviewed by the NRC and approved by the Board.

B. The Company may offer Senior Executives variable compensation that is market-informed and subject to the fulfillment of pre-defined performance goals, whether short-term or long-term. Such variable compensation plans shall be subject to the recommendation of the NRC and the approval of the Board.

C. The Company may offer Senior Executives and other employees the opportunity for share ownership through an employee share plan or similar programs. Such plans and programs shall be subject to the recommendation of the NRC and the approval of the Board and shall be in accordance with applicable laws, regulations, and instructions.

The following table sets out the aggregated remuneration paid to the Company's five highest-paid Senior Executives, inclusive of the CEO and CFO positions.

Annual Remuneration (SAR Thousands)	
Remuneration paid to the Company's five highest paid Senior Executives, inclusive of the CEO and CFO positions	7,076

There are no arrangements or agreements under which a director or a Senior Executive of the Company has waived any remuneration.

4.9. Board Performance Assessment

The Board of Directors has established a systematic mechanism for annual "Board Effectiveness". This comprehensive review mechanism focuses on distinct facets of Board performance with the objective of clarifying any potential areas of concern, pinpointing their underlying causes, and examining the feasibility of specific governance solutions.

The annual Board evaluation exercise is an introspective process, relying solely on input from Board members, inclusive of the President and Chief Executive Officer (P&CEO). This holistic evaluation of the "Board-as-a-Whole" encourages Directors to cultivate a collective understanding of their governance responsibilities and role.

The evaluation encompasses ten parameters, which are grouped into the following paramount categories: Membership Accountability, Governance, Board Operations, Legal Responsibility, Financials, Planning, and Board Member Relations.

The Nomination and Remuneration Committee (NRC) has the responsibility of overseeing the evaluation process, with the NRC Secretary leading the task of analyzing and reporting the findings. This structure ensures a thorough and unbiased assessment of the Board's effectiveness, and aids in maintaining the highest standards of corporate governance.

4.10. Company's Bylaws

The Bylaws of Petro Rabigh Company function as the foundational document that delineates the Company's legal structure, operational protocols, and fundamental mission. This document comprises critical sections that define the Company's structure, including its inception, capital structure, Board of Directors, and committee formations. It also meticulously outlines the procedures and policies that govern the Company's operations, thereby ensuring compliance with the Saudi Companies Law and the corporate governance regulations in the Kingdom of Saudi Arabia.

The Company's Bylaws empower the Board of Directors with extensive authority and prerogatives to manage the Company's operations in a way that aligns with its strategic objectives. This encompassing mandate includes, but is not limited to, strategic planning, investment decisions, policy formulation, and oversight of the Company's domestic and international affairs. The Board exercises these powers under the purview of the General Assembly's jurisdiction, adhering strictly to the laws and regulations applicable in Saudi Arabia.

The Company's Bylaws include a multitude of provisions that establish the regulatory framework for the Company's internal and external relations and transactions. For a more comprehensive understanding, the Articles of Association can be accessed on the Company's official website or via Petro Rabigh's page on the Tadawul website.

4.11. Provisions and Compliance

Petro Rabigh Company (PRC) fully implements all mandatory and guiding principles of the Corporate Governance Regulations (CGR) as described by the Capital Market Authority (CMA) and as reflected in the Company's Bylaws and related Board approved policies.

The Company has recently updated its Bylaws and related board level policies and Committees' charters in response to the changes in CMA regulations. Changes to Bylaws were approved by the Board Audit Committee on 18th March 2024.

Petro Rabigh Company adheres to, follows and monitors all the 42 articles of the CMA's CGR to ensure we fully comply with government regulations.

4.12. Penalties, Sanctions, and Cases

Petro Rabigh is committed to the strict observance of all relevant laws, regulations, and guidelines. In testament to this commitment, there have been no instances of penalties, sanctions, or preventive restrictions imposed on the Company by the Capital Market Authority or any other regulatory or judicial authorities.

Our steadfast adherence to this policy safeguards our shareholders' interests and customers' rights. We strive to maintain our standing as an industry partner of choice, and a trusted supplier to our regional markets and communities. This policy is central to our commitment to uphold the highest levels of corporate governance and regulatory compliance.

4.13. Transactions with Related Parties

The following table shows a detailed description of the contracts concluded with the related parties in 2024, and the interests of the Company's Board Members and Senior Executives in these contracts:

	Related Party	Agreement nature	Relation with the company	Agreement conditions	Duration	Value (SAR) thousands	Board Members
1	Saudi Aramco and its associated companies	Purchase of Goods	Founding shareholder and its affiliates	Crude Oil Feedstock Supply Agreement (COSA) Ethane Feedstock Supply Agreement Butane Feedstock Supply Agreement Petroleum Product Sales Agreement Fuel Oil Supply Agreement Allocated Sales Gas Supply Agreement Master Sale Agreement for product on spot basis	20 – 30 years	34,278,830	Ibrahim Q. Al-Buainain Hussain Ali Al Qahtani Othman A. Al-Ghamdi The 3 Board members associated with these agreements have indirect interest as employees of Saudi Aramco
2	Sumitomo Chemical Company and its associated companies	Purchase of Goods	Founding shareholder and its affiliates	Various agreements for purchase of materials, goods, and services	Annual	73,235	Noriaki Takeshita Seiji Takeuchi Tetsuo Takahashi The 3 Board members associated with these agreements have indirect interest as employees of Sumitomo Chemical Company
3	Saudi Aramco and its associated companies	Sale of Refined Products & Petrochemical Products	Founding shareholder and its affiliates	Phase I Refined Products Offtake Agreement (RPOA) Sulphur and Refined Products Lifting and Marketing Agreement (SRPLMA) Liquefied Petroleum Gas and Light Naphtha Lifting and Marketing Agreement Phase II Light Naphtha Offtake Agreement Phase I Petrochemical Products Marketing Agreement (PPMA) Phase II Petrochemical Products Marketing Agreements Domestic Distribution Agreement (DDA)	5 – 10 Years and further extendable	33,569,700	Ibrahim Q. Al-Buainain Hussain Ali Al Qahtani Othman A. Al-Ghamdi The 3 Board members associated with these agreements have indirect interest as employees of Saudi Aramco
4	Sumitomo Chemical Asia PTE Limited	Sale of Petrochemical Products	Affiliate of founding shareholder	Phase I Petrochemical products marketing agreement (PPMA) Phase II Petrochemical products marketing agreements	10 Years and further extendable	4,851,700	Noriaki Takeshita Seiji Takeuchi Tetsuo Takahashi The 3 Board members associated with these agreements have indirect interest as employees of Sumitomo Chemical Company
5	Saudi Aramco and its associated company	Financial charges on Loans and Leases	Founding shareholder and its affiliate	Revolving Corporate Facility Agreement Corporate Facility Agreement Equity Bridge Loan Rabigh Community Lease Agreement Terminal Lease Agreement Land Lease Agreement Rabigh Plus Tech Park Land Lease Agreement	Revolving Corporate Facility Agreement: January 2025 Corporate Facility Agreement: December 2025 ity Bridge Loan Agreement: December 2027 Lease Agreements: 25 – 99 years	363,191	Ibrahim Q. Al-Buainain Hussain Ali Al Qahtani Othman A. Al-Ghamdi The 3 Board members associated with these agreements have indirect interest as employees of Saudi Aramco
6	Sumitomo Chemical Company	Financial charges on Loan	Founding shareholder	Revolving Corporate Facility Agreement	January 2025	91,780	Noriaki Takeshita Seiji Takeuchi Tetsuo Takahashi The 3 Board members associated with these agreements have indirect interest as employees of Sumitomo Chemical Company

	Related Party	Agreement nature	Relation with the company	Agreement conditions	Duration	Value (SAR) thousands	Board Members
7	Saudi Aramco	Leases Rentals	Founding shareholder	Rabigh Community Lease Agreement Terminal Lease Agreement Land Lease Agreement Rabigh Plus Tech Park Land Lease Agreement	Lease Agreements: 25 – 99 years	25,999	Ibrahim Q. Al-Buainain Hussain Ali Al Qahtani Othman A. Al-Ghamdi The 3 Board members associated with these agreements have indirect interest as employees of Saudi Aramco
8	Saudi Aramco	Second-ment Agreement	Founding shareholder	Secondment Agreement	Continuous term to apply effective from July 1, 2006, until the date on which the shareholder ceases to be a shareholder of the Company.	13,595	Ibrahim Q. Al-Buainain Hussain Ali Al Qahtani Othman A. Al-Ghamdi The 3 Board members associated with these agreements have indirect interest as employees of Saudi Aramco
9	Sumitomo Chemical Company	Second-ment Agreement	Founding shareholder	Secondment Agreement	Continuous term to apply effective from July 1, 2006, until the date on which the shareholder ceases to be a shareholder of the Company.	2,510	Noriaki Takeshita Seiji Takeuchi Tetsuo Takahashi The 3 Board members associated with these agreements have indirect interest as employees of Sumitomo Chemical Company
10	Saudi Aramco and its associated companies	Services agreements	Founding shareholder and its affiliates	Services agreements	Annual	60,777	Ibrahim Q. Al-Buainain Hussain Ali Al Qahtani Othman A. Al-Ghamdi The 3 Board members associated with these agreements have indirect interest as employees of Saudi Aramco
11	Sumitomo Chemical Company and its associated companies	Services agreements	Founding shareholder and its affiliates	Services agreements	Annual	456	Noriaki Takeshita Seiji Takeuchi Tetsuo Takahashi The 3 Board members associated with these agreements have indirect interest as employees of Sumitomo Chemical Company

	Related Party	Agreement nature	Relation with the company	Agreement conditions	Duration	Value (SAR) thousands	Board Members
12	Saudi Aramco	Amended and Restated Revolving Shareholder Loan Agreement	Founding Shareholder	Amended and Restated Revolving Shareholder Loan Agreement. Pursuant to this Agreement, Saudi Aramco waived a portion of the RSL amounting to Saudi Riyals 1,875 million together with accrued commission thereon.	One-Time	1,875,000	Ibrahim Q. Al-Buainain Hussain Ali Al Qahtani Othman A. Al-Ghamdi The 3 Board members associated with these agreements have indirect interest as employees of Saudi Aramco
13	Sumitomo Chemical Company	Amended and Restated Revolving Shareholder Loan Agreement	Founding Shareholder	Amended and Restated Revolving Shareholder Loan Agreement. Pursuant to this Agreement, Sumitomo Chemical Company waived a portion of the RSL amounting to Saudi Riyals 1,875 million together with accrued commission thereon.	One-Time	1,875,000	Noriaki Takeshita Seiji Takeuchi Tetsuo Takahashi The 3 Board members associated with these agreements have indirect interest as employees of Sumitomo Chemical Company
14		R1 Shareholder Loan Write-Off Agreement	R1 Shareholder Loan Write-Off Agreement	Founding Shareholder	One-time	22,552	Ibrahim Q. Al-Buainain Hussain Ali Al Qahtani Othman A. Al-Ghamdi The 3 Board members associated with these agreements have indirect interest as employees of Saudi Aramco
15	Sumitomo Chemical Company	R1 Shareholder Loan Write-Off Agreement	Founding Shareholder	R1 Shareholder Loan Write-Off Agreement dated August 28, 2024. Pursuant to this Agreement, Sumitomo Chemical Company waived the remaining accumulated interest on the R1 Loan.	One-time	22,552	Noriaki Takeshita Seiji Takeuchi Tetsuo Takahashi The 3 Board members associated with these agreements have indirect interest as employees of Sumitomo Chemical Company

4.14. Shareholders Information

In alignment with the Board's commitment to maintaining the highest level of disclosure and transparency, Petro Rabigh is dedicated to ensuring the provision of comprehensive, clear, and accurate information that enables our shareholders to fully exercise their rights. We are committed to delivering timely updates and continuously improving our communication channels with shareholders.

In a bid to strengthen our shareholder engagement, we have broadened our initiatives through official communication channels and quarterly earnings calls. Our Executive Management, in cooperation with the Investor Relations Department, is planning to participate in diverse investment conferences and organize meetings with investment managers and financial analysts who specialize in market and sector trends, both domestically and internationally.

Furthermore, our Investor Relations Department is always ready and proactive in arranging meetings at the Company's headquarters and coordinating site visits to Petro Rabigh's facilities. This approach fosters a deeper relationship and greater transparency with the investor community.

Shareholders Information

Date Established	19 Sep 2005
Listing Date	27 Jan 2008
Company's Short Name on Tadawul	PETRO RABIGH
Company's Code on Tadawul	2380
ISIN Code	SA120GAH5617
Affiliate Market	Saudi Tadawul – Main Market – TASI
Sector	Energy
No. of Issued Shares	1,671,000,000
Paid Capital	SAR 16,710,000,000
Par Value/Share	SAR 10
of Free Float %	25%
Foreign Ownership by the End of 2024*	2.35%
Share Closing Price by the End of 2024	SAR 8.26
Market Cap by the End of 2024	SAR 13,802,460,000

*Except for Foreign Strategic Investors

Substantial Shareholders

Shareholder Name	Number of Shares Owned (million)	Ownership percentage
Saudi Aramco	626.63	37.50%
Sumitomo Chemical Co. Ltd	626.63	37.50%

Foreign Investors' Ownership*

The following table shows the change in the actual percentage of foreign investors' ownership in the Company by the end of 2024, noting that the maximum possible percentage of foreign investors' ownership at Petro Rabigh Company is 49%.

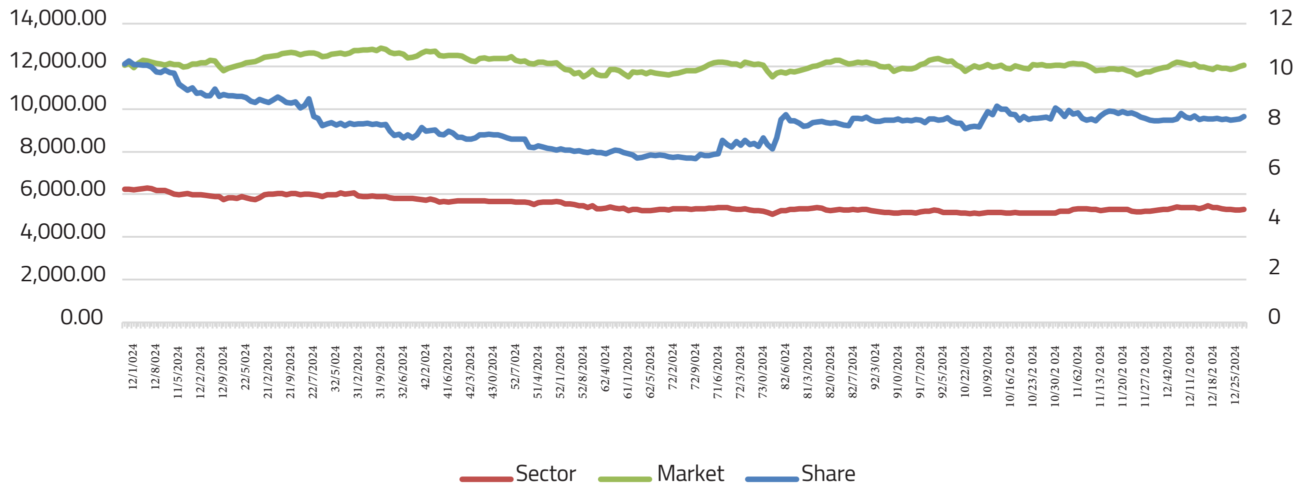
Company	Total foreign ownership	
	Maximum Limit	Actual Ownership**
Petro Rabigh	49%	2.35%

*Except for Foreign Strategic Investors

**As of 31st December 2024

Performance of the Petro Rabigh Shares in 2024

Comparison of the Performance of "Petro Rabigh" Shares with indices "TASI" and "Energy" sector during 2024.



Monitoring the Monthly Performance Development of Petro Rabigh Company Share in 2024

(Previous and Current Monthly Closing Prices in SAR)

Month	Previous Close	Current Cloth	Change	Change%
January	10.34	9.14	-1.2	-12%
February	9.14	8.27	-0.87	-10%
March	8.27	7.53	-0.74	-9%
April	7.53	7.54	0.01	0%
May	7.54	6.84	-0.7	-9%
June	6.84	6.7	-0.14	-2%
July	6.7	7.06	0.36	5%
August	7.06	8.2	1.14	16%
September	8.2	8.21	0.01	0%
October	8.21	8.16	-0.05	-1%
November	8.16	8.24	0.08	1%
December	8.24	8.26	0.02	0%

Monitoring the Development of Monthly Trading Movements of Ptero Rabigh Company Share in 2024

Months (Date)	Volume Traded (Share)	Value Traded (SAR)	No. of Trades
Jan	51,115,584	498,620,553	62,399
Feb	90,295,834	775,795,833	66,290
Mar	95,817,538	747,207,246	82,526
Apr	46,235,760	350,199,783	46,662
May	31,773,358	226,961,831	40,045
Jun	20,302,389	137,671,066	24,674
Jul	35,941,513	251,342,323	48,533
Aug	114,168,604	920,412,174	96,504
Sep	44,291,078	362,015,339	46,942
Oct	70,172,539	583,344,587	60,147
Nov	40,250,647	336,696,074	38,559
Dec	26,615,449	218,652,734	27,331
Total	666,980,293	5,408,919,544	640,612

The Company Weight as a Percentage of the Main Market (TASI) by the End of Each Month as a Market Cap

Months (Date)	Market Capitalization SAR	% to Industry Group	% to Market
Jan	13,668,780,000	0.20	0.13
Feb	13,819,170,000	0.18	0.12
Mar	12,582,630,000	0.17	0.12
Apr	12,599,340,000	0.17	0.12
May	11,429,640,000	0.16	0.11
Jun	11,195,700,000	0.16	0.11
Jul	11,797,260,000	0.17	0.12
Aug	13,702,200,000	0.20	0.13
Sep	13,718,910,000	0.21	0.14
Oct	13,635,360,000	0.21	0.14
Nov	13,769,040,000	0.20	0.14
Dec	13,802,460,000	0.20	0.14

Company's Shareholders Register Requests in 2024

In 2024, Petro Rabigh Company has requested the shareholders register from the Securities Depository Center (Edaa) on the following dates and for the following reasons:

No.	Reason	Date
1	Corporate Action	31/01/2024
2	Corporate Action	29/02/2024
3	Corporate Action	31/03/2024
4	Corporate Action	30/04/2024
5	Corporate Action	31/05/2024
6	General Assembly	05/06/2024
7	Corporate Action	30/06/2024
8	Corporate Action	31/07/2024
9	Corporate Action	31/08/2024
10	Corporate Action	30/09/2024
11	General Assembly	23/10/2024
12	Other	30/11/2024
13	Other	31/12/2024

Disclosure and Transparency

Petro Rabigh Company is dedicated to maintaining full transparency and fairness by disclosing all significant decisions and information to investors through the Saudi Stock Exchange (Tadawul) and our Investor Relations website. The Company is fully committed to adhering to all policies and procedures concerning the disclosure of financial statements and performance reports, in accordance with legal requirements, regulatory standards, and directives from the relevant authorities.

Our commitment to compliance underpins our efforts to uphold principles that safeguard shareholder rights, ensuring equity through the provision of information to all shareholders in a timely manner, with equal opportunities and in the generally acknowledged methods.

Throughout the year, the Company offers insights into its performance, activities, and business operations via its annual report and General Assembly meetings. This ensures that all our shareholders and investors are regularly updated about significant developments that could impact the Company's financial standing and business operations, without compromising our competitive edge.

Petro Rabigh Company Financial Statements and Disclosures in 2024

S	Date	Announcement Title
1	4/1/2024	(Petro Rabigh) announces receiving official notification to increase the feedstock prices and fuel oil.
2	16/1/2024	(Petro Rabigh) regarding its Announcement of its Accumulated Loses Reaching 38.34% of its Capital.
3	21/1/2024	(Petro Rabigh) Addendum Announcement regarding its 16th January 2024 Announcement of its Accumulated Loses Reaching 38.34% of its Capital
4	20/2/2024	(Petro Rabigh) Announces Resignation and Appointment of a Board Member.
5	24/3/2024	(Petro Rabigh) announces its annual financial results ended on 31/12/2023.
6	15/4/2024	(Petro Rabigh) Announces Resignation and Appointment of a Board Member.
7	6/5/2024	(Petro Rabigh) Board invites its shareholders to attend the Extraordinary General Assembly Meeting the (First Meeting
8	14/5/2024	(Petro Rabigh) announces its Interim financial results ended on 2024-03-31 (Three Months).
9	6/6/2024	(Petro Rabigh) Announces the Results of the Extraordinary General Assembly's Meeting, (First Meeting).
10	10/6/2024	(Petro Rabigh) announces the opening of the nomination period for the Board of Directors' membership for the next term.
11	10/7/2024	(Petro Rabigh) announces the latest development to opening of the nomination period for the Board of Directors' membership for the next term.
12	31/7/2024	(Petro Rabigh) announces the latest development to opening of the nomination period for the Board of Directors' membership for the next term.
13	7/8/2024	(Petro Rabigh) announces its Interim financial results ended on 2024-06-30 (Six Months, and that accumulated losses as at June 30, 2024 reached 53.09% of capital.
14	7/8/2024	Announcement by (Petro Rabigh) in connection with the announcement made by Saudi Arabian Oil Company ("Saudi Aramco") and Sumitomo Chemical Co., Ltd. ("Sumitomo") regarding a binding share sale and purchase agreement pursuant to which Saudi Aramco will acquire from Sumitomo 375,974,998 shares in Petro Rabigh, representing approximately 22.5% of the share.
15	29/8/2024	(Petro Rabigh) announces the signing of amended and restated revolving shareholder loans agreements.
16	12/9/2024	(Petro Rabigh) announces the decrease in its accumulated losses to 36.16% of its share capital.
17	1/10/2024	(Petro Rabigh) Board invites its shareholders to attend the Ordinary General Assembly Meeting the (First Meeting).
18	15/10/2024	(Petro Rabigh) announces the signing a Memorandum of Understanding with Jiahua Chemicals.
19	24/10/2024	(Petro Rabigh) Announces the Results of the Ordinary General Assembly's Meeting (first meeting).
20	7/11/2024	(Petro Rabigh) announces the appointment of the Chairman and Vice Chairman of the Board of Directors, the formation of the committees, the appointment of the Board Secretary, and the appointment of the Company's representatives to the Capital Market Authority.
21	10/11/2024	(Petro Rabigh) announces its Interim financial results ended on 2024-09-30 (Nine months).
22	10/11/2024	Append announcement from (Petro Rabigh) regarding the appointment of the Chairman and Vice Chairman of the Board of Directors, the formation of the sub-committees, the appointment of the Board Secretary and the company's representatives to the Capital Market Authority.

Dividends Distribution Policy

After deducting all general expenses and other costs, including taxes and zakat as mandated by Shari'a law, the Company's annual net profits shall be allocated as follows:

- Ten percent (10%) of the annual net profits will be set aside to form a statutory reserve. This allocation may be discontinued by the Ordinary General Assembly when said reserve equals thirty percent (30%) of the Company's paid-up capital.
- Upon recommendation from the Board of Directors, the Ordinary General Assembly may choose to set aside a certain percentage of the annual net profits to establish an additional reserve, allocated for the purpose or purposes decided by the Ordinary General Assembly
- The Ordinary General Assembly may decide to create other reserves as they serve the Company's interests, or to ensure - as far as possible - the distribution of fixed dividends to the shareholders. The Ordinary General Assembly may also choose to deduct amounts from the net profit to establish social institutions for the Company's employees, or to bolster existing institutions of this nature.
- Unless the Ordinary General Assembly decides otherwise, a minimum of 1% of the remaining annual net profits will be distributed to the shareholders.

The Company may distribute interim dividends either quarterly or semi-annually, in line with the rules set forth by the relevant authority.

Petro Rabigh did not distribute dividends in 2024. As a result, there are no arrangements or agreements in place where a shareholder of the Company has forfeited any rights to dividends.

Shareholders Suggestions and Feedback regarding the Company and its Performance

The Board of Directors at Petro Rabigh Company has implemented the following measures to inform its members, especially non-executives, about the shareholders' suggestions and feedback regarding the company and its performance:

The Corporate Affairs & Investor Relations Department at Petro Rabigh compiles shareholders' suggestions, comments, and questions about the company's performance. These are then assembled into a quarterly report for the Board of Directors.

4.15. Results of the Annual Review of the Company's Internal Control Procedures

Results of the annual review of the effectiveness of the internal control procedures

The Internal Audit Office (IAO) has concluded that the company's internal control procedures and practices were effectively implemented during the audit period. Further, there were no critical or major observations found during the 2024 audits that can impair the effectiveness of the Company's internal control systems.

The Board Audit Committee (BAC) holds the opinion that the internal control is sound in design and has been duly implemented.

Board Audit Committee's recommendations with conflict with Board resolution

There was no conflict observed with Board resolution or for regarding appointment, dismissal, assessment or determining the remuneration of an External Auditor.

Notes in the Internal Auditor's report

- No notes were observed concerning the company's performance in 2024.
- The auditor report didn't include any reservations in 2024 financial statements.
- No recommendations are made for appointing an internal auditor for company in 2024, since Petro Rabigh has an established Internal Audit Office headed by General Auditor and consists of a team of experienced Internal Auditors.

Corporate Governance Regulations

Generally speaking, Petro Rabigh Company complies with the provisions of the Corporate Governance Regulations issued by the Capital Market Authority (CMA) and the main governance principles for companies operating in the Kingdom.

Petro Rabigh Company is committed to adhering to all governance regulations to keep pace with their latest developments, and to continuously update related policies and measures in the event of any regulatory updates that necessitate such changes.

4.16. Board Declarations

Petro Rabigh Company Board hereby declares that

- The accounting records have been duly updated and prepared.
- The internal control system has been duly made and adequately implemented.
- The Board has no doubts in Petro Rabigh Company' ability to continue its activity.
- No substantial events have occurred that affect the safety of the Company's financial position following the end of the financial year 2024, that need to be disclosed, other than the already available information declared earlier.
- The Company Board did not receive any request from the financial auditors calling upon the General Assembly to convene in 2024.
- The Company Board did not receive a request from Shareholders holding 5% or more of the Company Capital claiming upon the General Assembly to convene in 2024.
- No measures have been taken obstructing the rights of Shareholders to vote.
- Petro Rabigh Company did not report any normal or legal person who holds 5% or more of the Company's issued shares in 2024.
- The Board of Directors of the Company declared that except for the aforementioned information, there are no businesses or contracts to which the Company is a party, and in which a Director of the Company or its Senior Executives or any person related to any of them is or was interested.
- There are no treasury shares held by the Company.
- There are no convertible debt instruments into shares, there are no option rights, subscription right memos or similar rights issued or granted by the Company in 2024.
- There are no recoveries, purchases or cancellations by the Company during 2024 for any of the recoverable debt instruments.
- There are no redemption, purchase or cancellation by the company of any redeemable debt instruments and the value of such securities outstanding.
- There are no conversion or subscription rights under any convertible debt instruments, contractually based securities, warrants or similar rights issued or granted by the company.
- No arrangements or agreements have been concluded, according to which any of the Company's Board Members or Senior Executives have assigned any salaries or remunerations.
- Petro Rabigh Company is not party to any agreement in which any of the Board Members, CEO, CFO or any related person has or had a substantial interest, save for what has been already disclosed in the General Assembly meeting.
- Petro Rabigh Company did not offer any cash loans whatsoever to any of its Board Members and did not serve as a guarantor for any loan to any Third Party.
- No option rights or subscription rights are held by any of the Board Members, Senior Executives, their spouses or minor children.
- Petro Rabigh Company' independent auditor has expressed its opinion without reservations on the consolidated financial statements of 2024.
- No recommendations have been issued by the Audit Committee that conflict with the Board resolutions or which the Board did not accept regarding the Company's auditor appointment, dismissal, remuneration, performance appraisal or the appointment of the internal auditor.
- No member of the Board is engaging in or was engaging in such a competing business with the Company or its activities.
- No affiliate company so Petro Rabigh didn't issue and shares or debt instruments for it.

Sustainability

5

> Reducing our environmental footprint is at the forefront of our business strategies, and we aspire to achieve sustainable cost leadership through operational efficiency, demonstrating our commitment to environmental stewardship.

Eng. Othman A. Al-Ghamdi
President and CEO of Petro Rabigh

5.1. Sustainability Overview

Steering Towards a Sustainable Future: Adapting to Global Markets and Realizing National Vision.

As we set course for a more sustainable future, Petro Rabigh stands at the helm, guided by a steadfast commitment to Environmental, Social, and Governance (ESG) practices. Our path is closely aligned with Saudi Arabia's Vision 2030, with sustainable growth guiding us toward a more prosperous and environmentally responsible future

In the increasingly complex corporate world, businesses are confronted with a multitude of ESG-related risks that threaten their financial sustainability and long-term success. In our globally connected sphere, the call to implement robust ESG practices is amplified, especially in burgeoning markets and challenging environments.

At Petro Rabigh, we recognize the value of assessable ESG performance. Our leadership team sees sustainable growth not as a fleeting trend, but as a vital underpinning that propels every aspect of our business. We have integrated ESG values into the core of our operations.

In line with this transformation, Petro Rabigh, as a responsible corporate entity, has steadfastly committed to navigating the global shift towards a sustainable future. We have integrated a comprehensive framework into our business model, which encapsulates key environmental, social, and corporate governance considerations. Notably, our strategic investments are designed to deliver value to society and foster environmental conservation, acknowledging the major influence our refinery and petrochemical activities have on climate change and wider societal impact.

Petro Rabigh is leading the transition to sustainability and net-zero emissions, implementing world-class ESG practices. We understand that this paradigm shift requires the concerted efforts of our workforce, clientele, investors, partners, and the wider market. To this end, we are dedicated to fostering collaborative engagement, aiming to safeguard a prosperous world for generations to come.

Our environmental and social responsibilities are at the core of our operations. Our mission focuses on promoting economic and social development within the market, while customizing our approach to address the unique needs of each business, in full compliance with all relevant legal and regulatory guidelines. Our Sustainability Policy, and its execution, are built on these principles, identifying key ESG issues and setting proportionate measures and guidelines that align with our organizational structure and market positioning.

As we navigate forward, Petro Rabigh remains firm in our commitment to ESG practices. We have recalibrated our vision, mission, and strategic goals to mirror our ESG-centric approach, ensuring our operations align seamlessly with environmental and societal needs. Bolstered by our unwavering dedication to sustainable growth, we are certain of our ability to foster a more sustainable world for generations to come.

In tandem with these principles, we prioritize ethical and transparent relationships with the communities in which we operate, demonstrating respect for human rights and advocating for sustainable development. Petro Rabigh is committed to driving positive, sustainable change, and we warmly invite all stakeholders to join us on this pivotal journey towards a more vibrant and sustainable future.

Pioneering Initiatives for a Prosperous Future

Petro Rabigh has embarked on a set of sustainability initiatives, launched in 2024, with an ambitious roadmap for future endeavors. These initiatives span across four key domains: environment, social, economics and governance and reflect our holistic approach to corporate citizenship. We are committed to delivering meaningful contributions towards societal wellbeing, economic prosperity, and environmental preservation, aligning with the goals of Saudi Arabia's Vision 2030.

Our sustainability initiatives focus on three key areas:

- Economic Development: Sponsoring orphans, empowering youth and women.
- Social Engagement: Community awareness programs, national celebrations, and health campaigns (e.g., No Smoking Campaign).
- Environmental Responsibility: Recycling campaigns, green space expansion, mangrove planting, beach cleaning, and coral reef restoration.

Sustainability Initiatives Launched in 2024 and Planned Future Initiatives

Environment initiatives (Planned)	Social initiatives	Economic initiatives
Increasing greenery in the area	Founding / National days	Enabling women programs
Mangrove Plantation	Community activities	Sponsoring orphans (Ongoing)
Beach Cleaning	Recycling Campaign	Enabling Youth
Coral Reef Restoration	No Smoking Campaign	

5.2. Corporate Social Responsibility (CSR)

At Petro Rabigh, our commitment to sustainability and social responsibility continues to be a driving force in our business strategy. In 2024, we reached a key milestone in our sustainability journey, guided by our CSR framework established in 2023.

Our CSR framework focuses on four key areas: Environmental Protection, Health & Wellness, Education & Training, and Socio-Economic Development.

These pillars reflect Petro Rabigh's values and align with Saudi Vision 2030 and the UN SDGs.

In accordance with the Saudi 2030 Vision, we are committed to fostering a Vibrant Society, underpinned by strong roots, fulfilling lives, and a firm foundation. We aim to stimulate a Thriving Economy by offering rewarding opportunities, investing for the long-term, embracing an open business environment, and leveraging our unique position within the industry. Lastly, we aspire to build an Ambitious Nation that is effectively governed and responsibly enabled.

In tandem with these commitments, our work also aligns with 10 out of 17 of the United Nations' SDGs, including: No Poverty, Good Health and Well-Being, Quality Education, Clean Water and Sanitation, Renewable Energy, Sustainable Cities and Communities, Responsible Consumption and Production, Climate Action, Life Below Water, and Life on Land.

As we move into 2025, our objectives remain grounded in these four pillars and broader societal goals. We will continue to uphold and advance our commitments, aiming to make a positive and lasting impact on both our immediate community and the world at large. Our journey towards sustainability and social responsibility is ongoing, and we are excited to share this journey with all our stakeholders.

Petro Rabigh's CSR Focus Areas

- Environment Protection and Awareness
- Health and Wellness
- Training and Education Development (ENABLING)
- Socio-Economic Development

Based On

VISION 2030 KINGDOM OF SAUDI ARABIA

1. A Vibrant Society:
   - with strong roots
   - with fulfilling lives
   - with strong foundation
2. A Thriving Economy
   - Rewarding Opportunities
   - Investing for the Long-term
   - Open for Business
   - Leveraging its Unique Position
3. An Ambitious Nation
   - Effectively Governed
   - Responsibly Enabled

SUSTAINABLE DEVELOPMENT GOALS

(10 out of 17) Sustainability Development Goals:

Corporate Social Responsibility (CSR) Programs 2023 onwards

Environment Protection and Awareness	Health and Wellness	Training and Education Development (Enabling)	Socio-Economic Development
Examples	Examples	Examples	Examples

- Environmental Awareness Campaigns
  - Above and below Campaign.
  - Earth hour -March 26
- HRH MBS Green Saudi Initiative
  - Plantation of Mangroves – Steps towards environmental sustainability.
	1. Medical Support for Children in Need.
	2. Support for Rabigh Fishermen Livelihood.
	3. Rabigh Orphans Sponsorship
	
	Other:
	- PRC departmental football championship
	- Petro Rabigh marathon
	- Breast cancer marathon
	- Petro Rabigh Flower Festival
	- Let us clean our community
	- Family fun day
	- Blood donation campaign
		- Enabling Rabigh Families Training Project.
		- Rabigh Training Institute Restoration.
		
		Other:
		- Home fire prevention campaign (be safe)
		- Summer program (A) for High-school students.
		- Summer program (B) University students.
		- COOP program for university students.
		- Tamheer Program
			1. HRH Prince Khalid Al Faisal, Emir (Governor) of Makkah Province various initiatives.
			2. Government Agencies Support.
			3. Provisions for National Relief.
			4. Disadvantaged Families Support
			  - Ramadan Basket.
			  - Eid Kiswah
			5. Disadvantaged Widows Support
			
			Other
			- Saudi national day celebrations
			- Saudi founding day celebration
			- Ramadan night's celebrations

RELATED SAUDI VISION 2023 PILLAR			
An Ambitious Nation	A Vibrant Society	A Vibrant Society	A Thriving Economy An Ambitious Nation
Related UNITED NATIONS Sustainability Development Goals (SDGs)			
6 Clean Water and Sanitation 7 Affordable and Clean Energy 12 Responsible Consumption and Production 13 Climate Action 14 Life Below Water 15 Life on Land	3 Good Health and Well-Being	4 Quality Education	1 No Poverty 11 Sustainable Cities and Communities

Envisioning a Sustainable Future: Petro Rabigh's 2025 CSR Strategy

As we set our course for 2025, our Corporate Social Responsibility (CSR) strategy remains resolute in harmonizing economic, social, and environmental considerations. This strategy, in alignment with Saudi Arabia's Vision 2030 and the United Nations' Sustainable Development Goals, underlines our unwavering commitment to Corporate Sustainability and enhancing Shared Value through meticulously designed initiatives. These initiatives aim to engender a positive and sustainable imprint on our society and environment.

Our strategy is founded on the principle of Community Engagement, wherein programs and initiatives are meticulously selected to address the needs of charitable and government institutions identified at the outset of the year. Therefore, our plan places emphasis on establishing comprehensive key pillars under which all future initiatives will be executed, fostering collaboration with government bodies, charities, and non-profit organizations.

Our strategy underscores four major pillars, aimed at bolstering Community Investment and fostering sustainable development:

Environmental Development and Awareness

Our commitment to a "Circular Economy" approach involves efforts to mitigate household waste, heighten community awareness about sustainable practices, and instil a culture of natural resource conservation.

Health and Well-Beinga

Our objective is to enhance quality of life by championing individual well-being. This involves rolling out innovative healthcare programs encompassing prevention and treatment, with a focus on both mental and physical health.

Education and Training Development

Our strategy includes significant investments in Human Capital Development, enhancing the educational and professional skills of our beneficiaries. This includes providing training programs that empower youth and prepare them for the evolving job market.

Social and Economic Development

We are dedicated to promoting Economic Sustainability by backing social entrepreneurs and initiatives that focus on economically empowering our target groups.

The selection of initiatives is driven by programs proposed by the National CSR Platform in association with government social responsibility agencies, non-profit organizations under the Ministry of Human Resources and Social Development, as well as national institutions and local charities. These initiatives are executed within a Board-approved budget, ensuring we maximize our positive impact.

Empowering Communities, Championing Diversity: Petro Rabigh's 2024 CSR Achievements

In 2024, Petro Rabigh advanced its CSR commitment, strengthening social, environmental, and diversity initiatives.

Here is an insight into how these objectives were realized and their broader impact on our organization:

- Empowering Women and Fostering Training Opportunities

  Objective Realized: Our commitment to empowering women through skill enhancement and career growth opportunities has catalyzed gender equity and fortified our workforce.

  Impact on the Company: Beyond enhancing diversity, these efforts position Petro Rabigh as a leader in workplace inclusion. This aligns us with global ESG standards and positions us as a forward-thinking organization, attracting top-tier talent.

- Ramadan Food Baskets and Eid Clothes for the Underserved

  Objective Realized: Our support for underserved communities during Ramadan and Eid has fortified social solidarity and underlined our cultural sensitivity.

  Impact on the Company: By honoring local traditions, these initiatives strengthen community trust and corporate goodwill.

- Sports and Health Initiatives

  Objective Realized: By advocating community engagement and endorsing physical and mental well-being through sports and health programs, we contribute to fostering a healthier society. These initiatives align with the UN's Sustainable Development Goal number 3: Good Health and Well-being.

  Impact on the Company: Our commitment to enhancing quality of life positions us as a brand that prioritizes health and wellness. This strengthens community trust, boosts employee morale, and fosters customer loyalty, while establishing a vibrant and health-conscious corporate identity.

Our environmental efforts also gained momentum in 2024. Through our recycling program, we collected over 500 tons of materials, reinforcing our leadership in sustainable business practices.

Overall Impact: Our initiatives portray Petro Rabigh as a socially responsible entity, fostering robust stakeholder relationships, instilling pride in our employees, and building a brand image that is grounded in empathy, innovation, and sustainability. By successfully aligning CSR strategies with measurable impact, Petro Rabigh reaffirms its leadership in sustainability. Our commitment to meaningful change remains steadfast as we continue to shape a responsible and innovative future.

Petro Rabigh's CSR excellence was recognized with the prestigious Gold Award at the 2024 Global CSR Forum, a testament to the transformative impact of our initiatives and our leadership in corporate responsibility.

5.3. Occupational Health and Safety

Petro Rabigh has demonstrated an unwavering commitment to Occupational Health and Safety (OHS), showcasing a commendable OHS performance in 2024, as exemplified by the exceptional safety record, robust safety management systems, and proactive risk management strategies.

Key Highlights

A Year of Zero Process Safety Incidents:

Petro Rabigh completed 2024 with Zero Process Safety Incidents, recording Zero Process Safety Incidents, a testament to the effective safety management strategies, robust process safety programs, and the dedication of both management and employees to upholding safety standards. The company's total recordable injury rate was a mere 0.026, positioning Petro Rabigh among the industry leaders in safety performance.

Prioritizing Occupational Health

Our dedication to OHS is deeply ingrained in our corporate culture and operations. The Safety Management System (SMS) adheres to national and international standards, including OSHA PSM, API 754, and ISO 45001, ensuring a safe and respectful working environment. Regular audits maintain compliance, while structured engagement initiatives enhance safety awareness and risk mitigation across the organization.

Promoting a Safety-Conscious Environment

The company's safety leadership initiatives are designed to foster a culture of safety consciousness and risk mitigation. These include proactive management involvement, interactive discussions with employees and contractors, and structured platforms for reporting workplace hazards and safety concerns. The Petro Rabigh Executive Management, led by the P&CEO, conducted 47 safety-focused walkthroughs across company facilities, reinforcing the priority placed on safety.

Risk Assessment and Management

Petro Rabigh has made significant strides in risk assessment and management, as evidenced by the zero Process Safety Incidents recorded in 2024. This achievement is attributed to a proactive approach that includes Hazard and Operability (HAZOP) revalidation and and successful completion of 4 revalidation studies, 253 qualitative risk assessment studies, and 215 investigations of Tier-3 Loss of Primary Containment (LOPC) incidents.

Occupational Health Services

Comprehensive Programs for Employee Health" The company's comprehensive Occupational Health Services program, which includes hearing, vision, and lung tests, periodic medical examinations, and special medical programs for firefighters and security personnel, underscores its commitment to employee health.

Inclusive Safety Measures

In its ongoing endeavor to provide a safe and healthy environment for its workforce, Petro Rabigh extends its safety management approach to include contractors. The company's Contractor Health and Safety Management is systematically managed, with semi-annual sessions held with contractor companies to align safety strategies.

Aligning with Industry Standards

Petro Rabigh's Membership in the Gulf Petrochemicals and Chemicals Association (GPCA)" Petro Rabigh's membership in the Gulf Petrochemicals and Chemicals Association (GPCA) further aligns the company with industry standards and a commitment to excellence.

5.3.1. QSHES Policy

A Holistic Commitment to Excellence, Sustainability, and Well-being

Petro Rabigh's Quality, Safety, Health, Environment, and Security (QSHES) policy is central to our operations and is meticulously designed to safeguard the well-being of our employees, contractors, and the community, while concurrently championing environmental protection and sustainable growth.

The Company's leadership views this policy as a strategic tool to steer it towards excellence in QSHES management and superior business performance, reflecting our firm commitment to establishing industry-leading standards of excellence, our dedication to maintaining system integrity, and prioritize the well-being of all stakeholders, while fostering a sustainable and eco-friendly environment.

At Petro Rabigh, we adopt a comprehensive, coordinated, and integrated approach to implementing our QSHES Policy. The policy mandates the provision of a safe and healthy workplace by reducing QSHES risks, eliminating hazards, and preventing harm to people, assets, and the environment. Additionally, it emphasizes compliance with legal requirements, effective implementation of compliance obligations, and adherence to the Responsible Care (RC) Guiding Principles.

5.3.2. Championing Safety Excellence

Our Pioneering Initiatives for Enhanced Security and Zero Incidents

Looking ahead to 2025 and beyond, we are guided by our strategic objectives and our Quality, Safety, Health, Environment, and Security (QSHES) Policy. We aim to achieve zero safety incidents by 2030, a goal that is central to our 2025 strategy. Key initiatives that will drive us towards this goal include readiness for 2025 Turnaround and implementation of the TA Safety Plan, enhancing the implementation of our Stop Work program, improving the integrity of our assets and facilities' fire and safety systems, enhancing operational discipline and safety communication, and conducting a Safety Perception Survey.

Our commitment to the safety and security of all stakeholders is unwavering. We believe that a safer work environment is a more productive one, and we are committed to ensuring that our policies and programs reflect this belief. We are proud of our achievements thus far and are excited about the opportunities that lie ahead as we continue to foster a culture of safety and security.

Total Recordable Injury Rate for Employees and Contractors

2020	0.15
2021	0.096
2022	0.028
2023	0.026
2024	0.026

Process Safety Total Incident Rate

2020	0.06
2021	0.087
2022	0.000
2023	0.000
2024	0.000

Safety Department Key Initiatives to Achieve Zero Safety Incidents by 2030

- Safety Perception Survey
- Enhance safety communication
- Enhance operational discipline
- Improve assets/facilities fire and safety systems integrity
- Enhance the implementation of Stop Work program
- Readiness for 2025 Turnaround & implementation TA Safety Plan

5.4 Human Capital and Employees

Empowering Success: Unveiling 2024's Human Capital Breakthroughs

In 2024, Petro Rabigh Human Capital Development (HCD) department made significant strides in employee development, providing an impressive 830 courses for new recruits. These training programs spanned a wide range of essential areas, including Health, Safety, Security, and Environment (HSSE) Training, Behavioral & Leadership programs, technical programs, as well as access to the renowned open-source learning platform, "Coursera".

As we look forward to 2025, the HCD department has strategically set a target to offer 125 courses. This streamlined focus will allow for a more concentrated approach to employee development, ensuring depth and mastery of critical competencies that align with our organizational goals and objectives.

Key Milestones:

In June 2024, the department facilitated the integration of 29 CO-OP university students into the internship program at Petro Rabigh. This initiative aligns with the organization's commitment to being recognized as a Socially Responsible Organization. Concurrently, 14 firefighters underwent comprehensive, practical training at the King Abdullah University of Science and Technology. This commitment to comprehensive training is a testament to the organization's priority for safety and operational excellence.

As the year progressed, December marked a period of significant achievement. There was a completion of a total of 22,052 safety training programs by Petro Rabigh Employees, demonstrating the organization's steadfast commitment to a safe and secure work environment. This initiative, along with the successful completion of the Center of Excellence 2024 program by 542 employees, and the attendance of 424 employees in the Behavioral & Leadership training programs, contribute to the organization's strategic goal of achieving operational excellence leading to sustained profits.

The Human Capital Development Department also oversaw the completion of a job certification program by 10 employees, resulting in an impressive overall job certification rate of 99.73% among industrial employees.

In addition, 356 out of 541 industrial employees finished a recertification program, contributing to an achievement rate of 65.80% for job recertification.

Further, 28 operators were trained using an Operator Training Simulator, enhancing their skills to ensure smooth plant operation. The department's efforts in implementing a Structured Training Matrix for plant operators and SSV yielded successful completion rates of 97.63% & 96.19% for Plant Specific Safety & Ground Rule, respectively.

Moreover, an achievement of 99.73% Industrial Job Certification was accomplished in 2024, with a cumulative total of 99.73% out of a target of 1828 employees passing the test for their current and/or next grade code under the Industrial Competency Certification Program (ICCP).

Finally, the department introduced a new Structured Training Program (STP) for Plant Operators, a key step towards enhancing operators' job skills and core competencies through a dedicated self e-learning program. A substantial number of employees completed various training courses under this program.

These milestones underscore the organization's commitment to achieving operational excellence, safe operation practices, and sustained profits. The Human Capital Development Department remains dedicated to fostering a culture of excellence and safety and is committed to achieving the organization's goal of becoming an Employer and Business Partner of Choice through ongoing investment in skill development.

Furthermore, in a productive collaboration with the Human Resources Development Fund (HRDF), the HCD department launched several initiatives aimed at enhancing employee skills and fostering professional growth. The outcome of these initiatives is as follows:

1. iLead Program: The HCD department facilitated the enrollment of Petro Rabigh Company (PRC) employees in the iLead Program run by Cranfield University, UK. The program spanned a three-month period and saw a total of 157 PRC employees graduate, expanding their leadership skills and capabilities.

2 Maharat Program: A substantial number of employees, totaling 530, participated in a variety of courses designed for personal development and leadership enhancement under the HRDF Maharat Program. This initiative is part of our commitment to nurturing a talented and versatile workforce.

3. Professional Certificates Program: The HRDF's Professional Certificates Program has been another focus for the HCD department. This program's primary objective is to inspire and drive the national workforce to attain professional certificates, thereby fostering the development of their skills and expertise in specialized fields in high demand in the labor market.

These initiatives underscore the commitment of the HCD department to continuous learning and professional development, aligning with the organization's strategic objectives of cultivating a highly skilled and adaptable workforce.

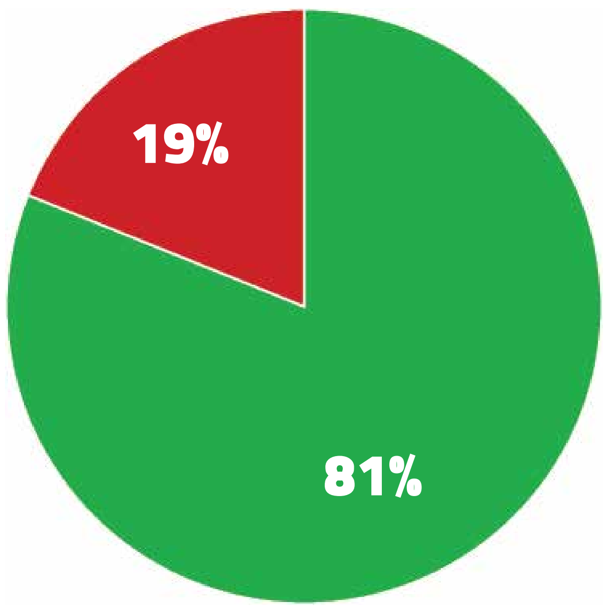
Boosting Local Employment

Petro Rabigh has demonstrated its commitment to the Saudization initiative as per the Nitaqat certificate issued by the Ministry of Human Resources and Social Development. As of 31st December 2024, the total workforce of the Company stood at 2792 employees, out of which 2265 are Saudi nationals and 527 are non-Saudi employees. This workforce composition places the Company in the 'Platinum' classification, reflecting a Saudization percentage of 81%. This achievement underscores Petro Rabigh's dedication to supporting local talent and contributing to the national economy and Vision 2030 goals of creating jobs for Saudis.

Number of Employees

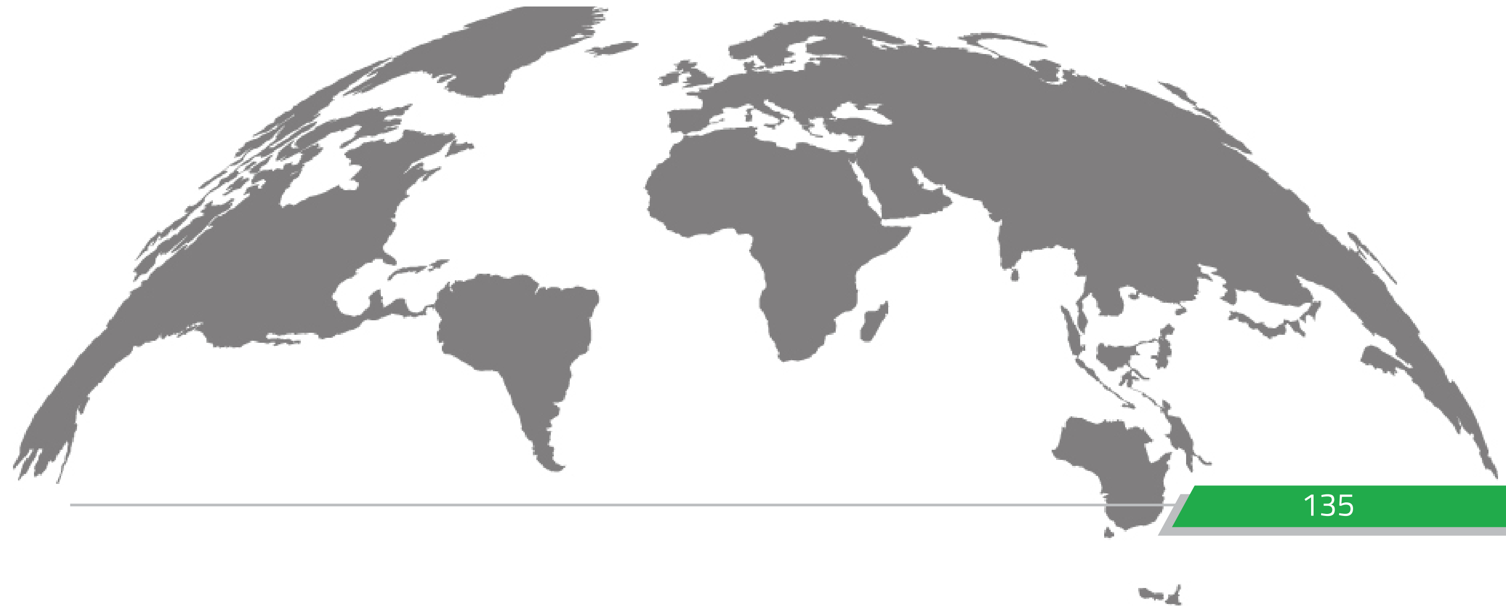
2024	2,792

Percentage of Saudi and Non-Saudi Employees in 2024



Headcount by 2024-end

Saudi Arabian	2265
Indian	249
Filipino	74
Pakistani	73
Indonesian	30
Malaysian	28
South African	12
Korean	11
Venezuelan	11
Canadian	9
Egyptian	7
British	4
Singaporear	3
American	2
Japanese	2
Sudanese	2
Australian	1
Belgian	1
Colombian	1
French	1
Hungarian	1
Lebanese	1
Palestinian	1
Somali	1
Spanish	1
Sri Lankan	1
Total	2792



Year	Percentage of Male Employees	Percentage of Female Employees
2020	98.7%	1.3%
2021	98.7%	1.3%
2022	98.8%	1.2%
2023	98.6%	1.4%
2024	98.3%	1.7%

Fueling Workforce Success with Employee Benefits

Home Ownership Incentive Program: Petro Rabigh's Board of Directors has sanctioned an incentive scheme to foster home ownership among our Saudi workforce. This initiative is designed to enhance employees' stability and convenience, thereby positively influencing their performance and tenure with the company. The program enables employees to own or build a single-family housing unit.

Employee Lot Allowance: In conjunction with the Home Ownership Program, Petro Rabigh provides a land lot allowance of SAR 200,000, treated as a depreciable personal loan over a 10-year service period. The repayment of this loan is only required if an employee departs from the company before completing 10 years of uninterrupted service from the loan issuance date.

Employee Savings Plan: Petro Rabigh facilitates an employee savings plan where employees can allocate up to 10% of their basic salary. The company encourages this financial prudence by matching 10% of the employee's monthly contribution for each year of continuous service, up to a maximum of 100% starting from the 10th consecutive year of service.

The Balance as of 31 December 2024 for the above-mentioned Programs and Funds are as follows:

Description	Balance in ⃁ Thousands
Shares Ownership Incentive Program for Employees	5,288
Employee Housing Loan-Home Ownership Program (10% Fund)	22,248
Employee Lot Allowance (Home Ownership Program)	73,359
Employer's contribution to Employee Savings Plan	162,990

Financial Performance

6

Key Financial Results

Driving Operational Efficiency and Financial Discipline Amid Market Challenges

2024

Sales (Million ⃁)	39,349
Gross loss (Million ⃁)	(985)
Operating loss (Million ⃁)	(2,571)
Total Equity (Million ⃁)	9,803
Net Cash from Operating Activities (Million ⃁)	4,195

6.1. CFO's Review

Mr. Shinji Horiuchi

Chief Financial Officer

Dear Shareholders,

It is a pleasure to share with you Petro Rabigh's financial performance in 2024.

It was a challenging year due to several external factors, including lower sales volumes of refined and petrochemical products, declining prices, unscheduled shutdowns for repairs and maintenance, and higher costs for essential inputs. Despite these obstacles, we have made steady progress in improving our financial position.

Our sales decreased by 11.8%, from 44.60 billion Riyals in 2023 to 39.35 billion Riyals in 2024. This was primarily due to a decline in demand for refined and petrochemical products, lower global product pricing, and overall market volatility.

Despite the decrease in sales, our operating loss improved by 1.2%, from 2.60 billion Riyals in 2023 to 2.57 billion Riyals in 2024. This suggests that our cost-saving measures and operational efficiencies have partially offset the revenue drop.

Our net loss, after zakat and taxes, improved by 3.2%, decreasing from 4.69 billion Riyals in 2023 to 4.54 billion Riyals in 2024. This indicates that our financial discipline and cost control initiatives have helped control expenses despite lower sales. The improvement, though modest, underscores our efforts to stabilize our financial performance amid challenging market conditions.

In terms of our assets and liabilities, our total assets declined by 4.7% to 60.24 billion Riyals, while our total liabilities decreased by 4.2% to 50.43 billion Riyals. This reflects a reduction in both current and non-current liabilities.

On the cash flow front, we generated 4.19 billion Riyals in operating cash flow in 2024, a significant improvement from the negative 1.61 billion Riyals in 2023. This turnaround was driven by a sharp increase in trade and other payables, higher cash inflows from trade receivables due to improved collections, and positive changes in inventory management.

The uplift in feedstock and fuel oil prices, amounting to an additional $127 million as of January 2024, has had a marked effect on the company's financial performance. This increase, being a direct input into the company's production process, has contributed to a rise in the overall cost of goods sold. However, such circumstances also present the company with opportunities to refine its cost management strategies and explore more cost-efficient or sustainable alternatives in its operations.

In contrast, the Company's 2024 financial results showed encouraging signs, as significant improvements were observed in the pricing of gasoline, fuel oil, and jet fuel, courtesy of the RPOA amendment, which became effective in the fourth quarter of 2024. The company also benefited from interest savings following the waiver of the Revolving Shareholder Loan (RSL). Furthermore, looking for different pricing formulas, and negotiating supply and product contracts also contributed to a favorable financial outcome.

Looking ahead, we are cautiously optimistic. Our Q4 2024 results showed signs of recovery, with a 10.7% increase in sales and a return to gross profitability. This suggests a potential market rebound or improved demand for our products.

Despite the challenging conditions in 2024, our performance demonstrates the resilience of our business model. We remain committed to enhancing shareholder value by improving our operational efficiencies, managing costs effectively and capitalizing on any market recovery.

6.2. Financial Performance

By the end of 2024, Petro Rabigh's sales has decreased by 11.8% from 44.60 billion Riyals in 2023 to 39.35 billion Riyals in 2024, primarily due to lower sales volumes of refined and petrochemical products as a result to difficult market conditions and dropping prices. In addition, an unplanned shutdown of the High Olefins Fluid Catalytic Cracking (HOFCC) unit for repairs and maintenance in early 2024 added to the sales decline.

Moreover, the company faced weakened margins on refined and petrochemical products over the year, along with rising costs for ethane, diesel fuel, and sales gas from the start of 2024. This was due to increased freight costs caused by disruptions in Red Sea shipping routes. The year also saw a rise in financing costs due to higher interest rates.

Despite all these challenges, the company's net operating losses improved slightly, decreasing to 2.57 billion Riyals, from 2.60 billion Riyals in 2023. Consequently, net losses after zakat and taxes decreased to 4.54 billion Riyals from 4.69 billion Riyals in the previous year.

Statement of Profit or Loss (Mln SAR)					
	2020	2021	2022	2023	2024
Sales	21,870	45,638	55,952	44,604	39,349
Cost of sales	(22,773)	(40,882)	(54,269)	(45,182)	(40,334)
Gross profit (loss)	(903)	4,756	1,684	(579)	(985)
Operating profit (loss)	(2,436)	3,192	12.23	(2,603)	(2,571)
(Loss) profit after zakat and tax	(3,781)	2,037	(1,115)	(4,693)	(4,545)
(Loss) earning per share– Basic and Diluted (Saudi Riyals)	(4.32)	2.32	(0.79)	(2.81)	(2.72)

6.3. Summary of the company's financial statements in the last five years

Sales

Petro Rabigh sales declined by 11.8% to 39,349.07 million Riyals in 2024, compared to 44,603.99 million Riyals in 2023, primarily to weaker demand for refined and petrochemical products, lower global product pricing, and overall market volatility. The decline in industrial activity and reduced petrochemical margins contributed to lower revenues.

Sales were predominantly driven by the Refining segment, which contributed a significant 71%, equating to 27.84 million Riyals of the total sales. The Petrochemicals segment, accounted for 29% of the total sales or 11.50 million Riyals.

Our refined products sales were primarily focused within Saudi Arabia and the broader Middle Eastern region, with the Kingdom accounting for 61.72% of the total., underscoring the critical role the domestic market plays in our overall business strategy.

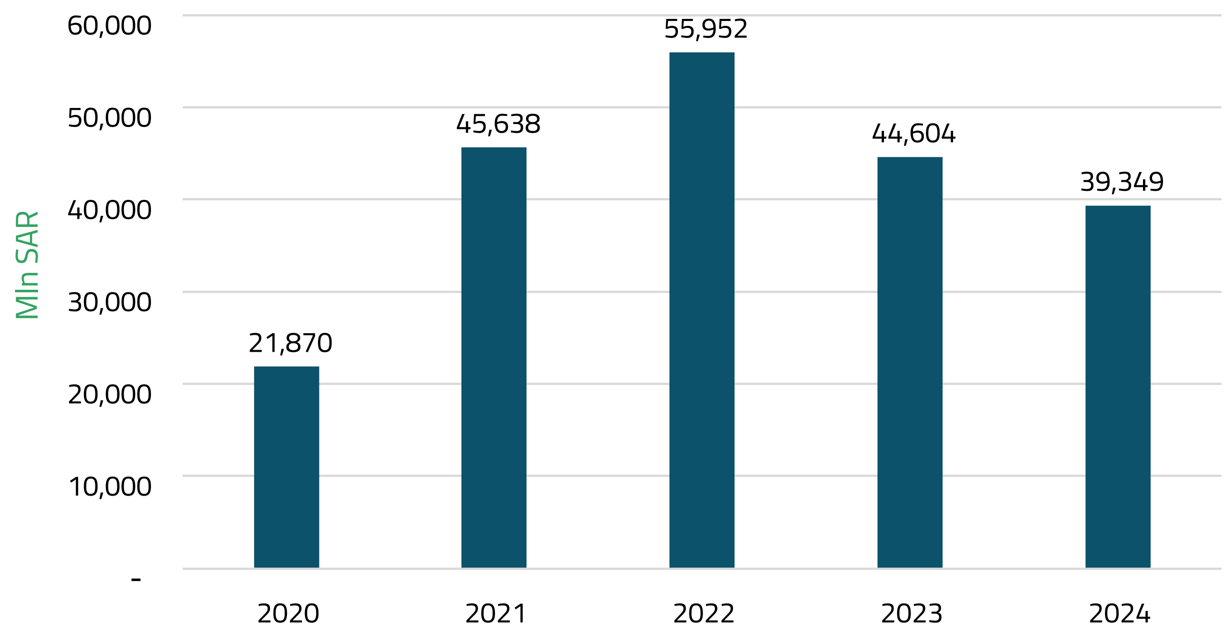
The Middle East, Africa, and Turkey (MEAF & Turkey) region followed as the second-largest market, contributing 17.54%. The Asia region, excluding India where no sales were recorded, constituted 13.23% of the sales, while Europe contributed 7.09% to the total sales.

Meanwhile, petrochemical sales exhibited a different geographical distribution. The Asian market emerged as the primary destination for our petrochemical products, representing 49.41% of the sales, highlighting Petro Rabigh's strong foothold Asia.

Europe and the Middle East, Africa, and Turkey (MEAF & Turkey) region contributed a significant 13.32% to total sales, followed by Europe which contributed 12.87%,

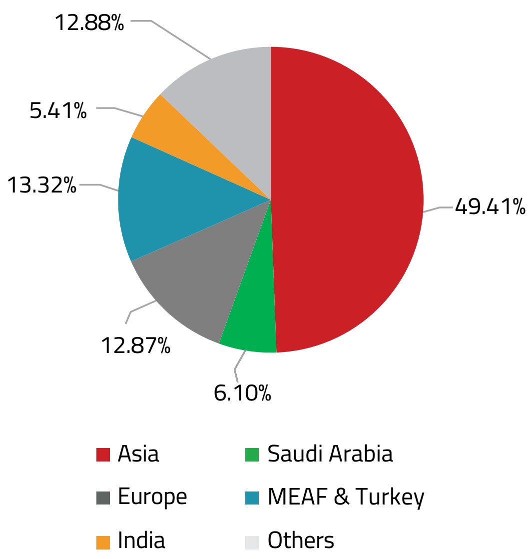
In contrast, the domestic Saudi market contributed a smaller portion of petrochemical sales, accounting for 6.10%, while India contributed 5.41%. The distribution of petrochemical sales underscores Petro Rabigh's broad-based market strategy and its ability to cater to diverse regional demands in the petrochemical sector.

Petro Rabigh Sales Over the Past Five Years



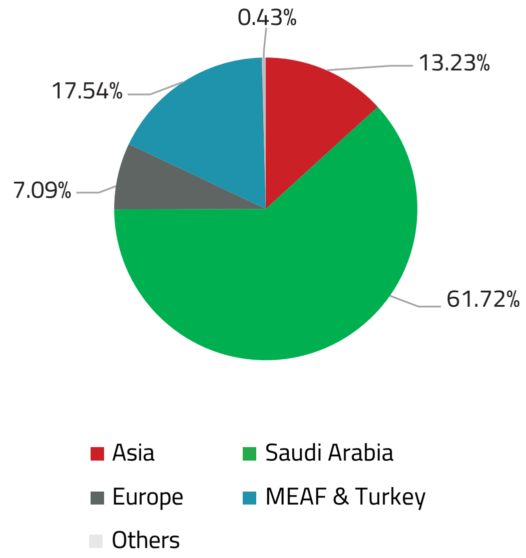
Revenues

Petrochemical		
Destinations	Sales (Mln SAR)	%
Asia	5,685	49.41%
Saudi Arabia	702	6.10%
Europe	1,481	12.87%
MEAF & Turkey	1,533	13.32%
India	622	5.41%
Others	1,482	12.88%
Total	**11,505**	**100%**



Revenues

Refined Products		
Destinations	Sales (Mln SAR)	%
Asia	3,683	13.23%
Saudi Arabia	17,185	61.72%
Europe	1,975	7.09%
MEAF & Turkey	4,883	17.54%
Others	119	0.43%
Total	**27,844**	**100%**



Operating Loss

Despite the decline in sales, operating loss improved by 1.2%, decreasing from (2,602.95) million Riyals in 2023 to (2,571.19) million Riyals in 2024.

This marginal improvement suggests that cost-saving measures and operational efficiencies partially offset the revenue drop.

Net Loss (After Zakat and Tax)

Net loss improved by 3.2%, decreasing from (4,692.73) million Riyals in 2023 to (4,544.53) million Riyals in 2024.

This reflects enhanced financial discipline and cost control initiatives, which helped control expenses despite lower sales. The improvement, though modest, underscores the company's efforts in stabilizing its financial performance amid challenging market conditions.

Comparison of Assets and Liabilities (Mln SAR)					
	2020	2021	2022	2023	2024
Current assets	9,507	17,895	12,261	11,939	11,069
Non-current assets	61,188	55,467	53,318	51,264	49,167
Total assets	70,694	73,362	65,579	63,203	60,237
Current liabilities	20,185	33,801	26,931	22,756	21,736
Non-current liabilities	44,305	31,255	23,393	29,896	28,697
Total liabilities	64,491	65,056	50,324	52,652	50,433
Total equity	6,203	8,306	15,255	10,551	9,803
Total equity and liabilities	70,694	73,362	65,579	63,203	60,237
Cash and cash equivalents	1,016	3,972	2,045	1,372	1,429

Total Assets

Total assets declined by 4.7%, dropping from 63,202.88 million Riyals in 2023 to 60,236.57 million Riyals in 2024, primarily due to depreciation charges and a reduction in trade receivables.

Total Liabilities

Total liabilities decreased by 4.2%, from 52,652.20 million riyals in 2023 to 50,433.27 million riyals in 2024, primarily driven by a reduction in loans and borrowings, partially offset by an increase in trade payables.

Statement of Cash Flows (Mln SAR)					
	2020	2021	2022	2023	2024
Net cash from (used in) operating activities	944	5,297	4,461	(1,614)	4,195
Net cash used in investing activities	(2,336)	2,829	(890)	(1,072)	(921)
Net cash (used in) from financing activities	2,092	(5,170)	(5,499)	2,013	(3,217)
Cash and cash equivalents at beginning of the year	316	1,016	3,972	2,045	1,372
Cash and cash equivalents at end of the year	1,016	3,972	2,045	1,372	1,429

Net Cash from Operating Activities

Petro Rabigh generated 4,195.14 million Riyals in operating cash flow in 2024, compared to a negative (1,614.10) million Riyals in 2023, marking a significant improvement.

This turnaround was driven by:

- A sharp increase in trade and other payables (SAR 3.79 billion) compared to a decline in 2023.
- Higher cash inflows from trade receivables (SAR 1.71 billion) due to improved collections.
- Positive changes in inventory management, contributing an additional 117 million Riyals in cash flow.

Net Cash Used in Investing Activities

Cash outflows from investing activities declined by 14.1% to (921.28) million Riyals in 2024 from (1,071.95) million Riyals in 2023. The decline was due to reduced purchases of property and plant.

Net Cash (Used in) from Financing Activities

Petro Rabigh's financing cash flows turned negative in 2024, with an outflow of (3,216.96) million Riyals, compared to an inflow of 2,013.39 million Riyals in 2023. The decrease was mainly due to reduced loan drawdowns and repayments made during the year.

6.4. Key Financial Ratios

The following table below tracks Petro Rabigh's financial performance over the past five years, focusing on key financial ratios.

Petro Rabigh Key Financial Ratios over Five Years

	2020	2021	2022	2023	2024
Per Share Data					
Shares Outstanding (Mln)	1,251	1,251	1,671	1,671	1,671
Par Value (SAR)	10	10	10	10	10
Operating Cash Flow per Share (SAR)	0.75	4.24	2.67	(0.97)	2.51
Liquidity					
Current Ratio (%)	47.10	52.94	45.53	52.46	50.9
Cash Ratio (%)	5.03	11.75	7.59	6.03	6.57
Debt Ratio					
Total Debt Ratio (%)	91.22	88.68	76.74	83.31	83.7
Total Asset to Equity Ratio (times)	11.40	8.83	4.30	5.99	6.14
Total Liabilities to Equity Ratio (%)	1039.59	783.25	329.89	499.04	514.45
Debt to Total Assets Ratio (%)	61.13	52.79	39.67	45.40	37.16

6.5. Q4 Financial Performance

Petro Rabigh's results for the fourth quarter of 2024 showed signs of recovery, particularly evident in the growth of sales, enhancement of gross margins, and a notable decrease in losses.

Fourth quarter sales increased by 10.7% to 11,397.05 million Riyals, from 10,294.23 million in the fourth quarter of 2023.

This marked the only quarter in 2024 to see sales growth, suggesting a possible market recovery or increased demand for Petro Rabigh's products.

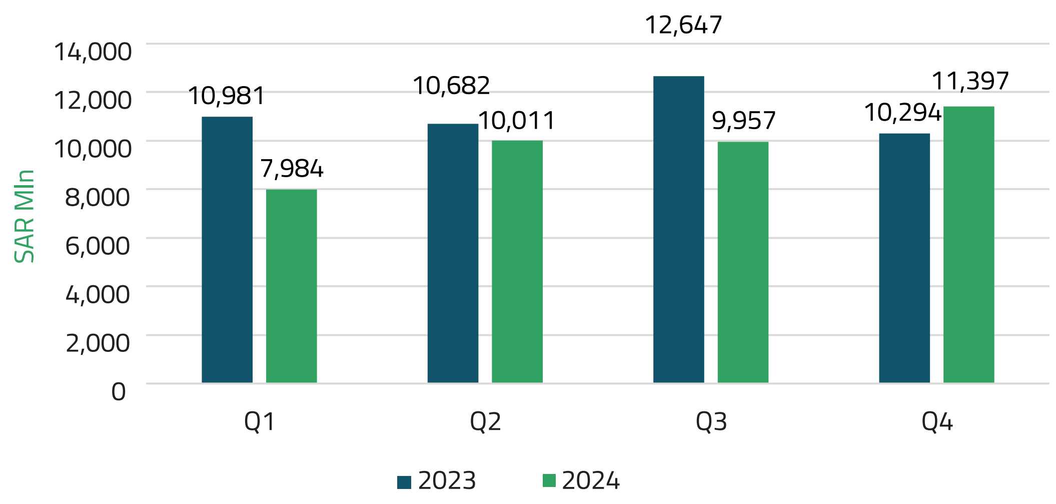
The company returned to gross profitability in the fourth quarter, recording 118.12 million Riyals, a notable improvement from a loss of (558.83) million Riyals in the fourth quarter of 2023.

Quarterly Financial Performance (Mln SAR)

	Q1		Q2		Q3		Q4		Total	
	2023	2024	2023	2024	2023	2024	2023	2024	2023	2024
Sales	10,981	7,984	10,682	10,011	12,647	9,957	10,294	11,397	44,604	39,349
Gross loss	(128)	(505)	(202)	(147)	310	(451)	(559)	118	(579)	(985)
Operating loss	(519)	(830)	(703)	(530)	(594)	(886)	(787)	(325)	(2,603)	(2,571)
Loss after Zakat and tax	(964)	(1,365)	(1,196)	(1,100)	(1,145)	(1,300)	(1,387)	(779)	(4,693)	(4,545)

This improvement reflects better cost management, improved pricing strategies, and potential increase in production efficiency.

Quarterly Financial Performance



6.6. Overview of Total Loans as of December 31, 2024

Loans, borrowings and other liability:

Item (SAR 000)	2023	2024
Loans and facilities from banks, financial institutions, founding shareholders and their affiliates	22,417,798	19,558,304
Loan from Saudi Industrial Development Fund (SIDF)	3,006,741	2,823,318
Other facilities	3,269,182	--
	28,693,721	22,381,622
Less: Current portion	(9,082,981)	(3,378,977)
Non-current portion	19,610,740	19,002,645

Loans from banks, financial institutions, founding shareholders and their affiliates as of 2024 end:

Lender	Loan Availed up to December 31, 2024	Loan Tenor (Years)	Balance on December 31, 2023	Additions / Restructuring during 2024	Repayments/ Restructuring during 2024	Balance on December 31, 2024
Japan Bank For International Cooperation	7,492,500	12.5 - 13	4,646,406	-	(609,710)	4,036,697
Commercial Banks	3,506,250	12.5 - 13	1,509,687	-	(198,104)	1,311,583
Public Investment Fund	4,875,000	12.5 - 13	3,022,987	-	(396,825)	2,626,162
Islamic Financial Institutions	3,506,250	12.5 - 13	398,781	-	(52,329)	346,452
Sumitomo Mitsui Banking Corporation - Equity Bridge Loans	8,250,000	7	6,281,568	-	(28,903)	6,252,665
Aramco Overseas Company - Equity Bridge Loans	3,000,000	7	2,986,712	-	(13,743)	2,972,969
Saudi Aramco - Revolving Corporate facility	2,812,500	3	1,762,500	1,050,000	(1,875,000)	937,500
Sumitomo Chemical Company - Revolving Corporate facility	2,812,500	3	1,762,500	1,050,000	(1,875,000)	937,500
Saudi Aramco - Corporate facility	112,500	3	-	112,500	-	112,500
Accrued Interest on loans	-	-	46,657	1,466,433	(1,488,814)	24,276
Total	36,367,500	-	22,417,798	3,678,933	(6,538,428)	19,558,304

Loan from Saudi Industrial Development Fund (SIDF)

During the year ended December 31, 2019, the Company entered into a loan agreement with SIDF to replace a portion of the loans for Phase II Expansion Project. The facility available under this loan agreement amounts to 3,600 million Saudi Riyals and is fully utilized as at December 31, 2024. The loan is repayable in unequal semi-annual instalments commencing from Rabi Aakhir 1443H (corresponding to November 2021) to Shawwal 1453H (corresponding to January 2032). Upfront fee amounting to 288 million Riyals was deducted at the time of receipt of the loan and is amortised over the loan term. The loan also bears a follow up fee to be paid on semi-annual basis. The loan has certain covenants, which among other things requires certain financial ratios to be maintained. The loan facility is secured by a mortgage on the property, plant and equipment of the Company amounting to 7,200 million Riyals.

Other Facilities

The Company has working capital facilities of 3,375 million Saudi Riyals with local commercial banks on prevailing market rates. During the year ended December 31, 2024, drawdowns and repayments amounting to 15,920 million Riyals and 19,182 million Riyals, respectively have been made by the Company with a closing balance of Saudi Riyals Nil as at December 31, 2024 (December 31, 2023: 3,262 million Saudi Riyals).

The Company has a credit facility of 375 million Saudi Riyals with a local commercial bank on prevailing market rates. As at December 31, 2024, the facility has been unutilized (December 31, 2023: Saudi Riyals Nil).

6.7. Statutory Payments

The following table shows a statement of the value of any paid and outstanding statutory payments on account of any Zakat, taxes, fees or any other charges that have not been paid by the Company until the end of 2024:

	2024	
	Paid (SAR million)	Charges that have not been paid until the end of the annual financial period (SAR Million)
Value added tax	38.9	0
General Organization for Social Insurance (GOSI)	115	9.2
Zakat	0	1.8
Withholding tax	66.1	29.9
Labor Office fees	4.1	0
Costs of Visas and Passports	1.1	0
Others	N/A	N/A

6.8. Compliance with Accounting Standards

The financial statements for the financial year ending as at December 31, 2024 have been prepared in accordance with IFRS-KSA, and with other standards and pronouncements that are endorsed by SOCPA.

The external auditor's report does not contain reservations on the annual financial statements.

The table below includes the latest changes to the standards that must be applied for annual periods beginning on or after January 1, 2024, and are available for early adoption for annual periods beginning on January 1, 2024.

Standard/Interpretation	Description
IFRS 16	Lease Liability in Sale and Leaseback (Amendments to IFRS 16)
IAS 1	Classification of liabilities as current or non-current liabilities with covenants (amendments to IAS 1)
IAS 7 and IFRS 7	Supplier Finance arrangements (Amendments to IAS 7 and IFRS 7)

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

6.9. Appendix

Terms and Abbreviations

Currencies

SAR/Saudi Riyal

Saudi Arabian riyal, the lawful currency of the Kingdom

$/USD/Dollar

U.S. dollar

Units of Measurement

Barrel (bbl)

Barrels of crude oil, condensate or refined products

bpd

Barrels per day

mmscf

Million standard cubic feet

mtpa

Million (metric) tons per annum

Technical terms

CO_2

Carbon dioxide.

Condensate

Light hydrocarbon substances produced with raw gas which condense into liquid at normal temperatures and pressures associated with surface production equipment.

Greenhouse gas (GHG) emissions

Any gaseous compound in the atmosphere that is capable of absorbing infrared radiation. Generally, consists of water vapor, CO2, methane, nitrous oxide, hydro fluorocarbons, perfluorocarbons and Sulphur hexafluoride. Aramco's inventory includes CO2, methane and nitrous oxide.

Hydrocarbons

Crude oil and other hydrogen and carbon compounds in liquid or gaseous state.

Liquids

Crude oil, condensate, and NGL.

LPG

Liquefied petroleum gas, which is a mixture of saturated and unsaturated hydrocarbons, with up to five carbon atoms, used as household fuel.

NGL

Natural gas liquids, which are liquid or liquefied hydrocarbons produced in the manufacture, purification, and stabilization of natural gas. For the reporting of reserves, ethane is included in NGL. For the reporting of production, NGL is included in total liquids, and ethane is reported as a component of total gas.

Plant Availability

The percentage of time a plant or equipment is operational and able to perform its intended tasks, compared to the total scheduled operational time.

Reliability

Total products volume shipped/ delivered within 24 hours of the scheduled time, divided by the total products volume committed. Any delays caused by factors that are under the Company's control (e.g. terminal, pipeline, stabilization, or production) negatively affect the score, whereas delays caused by conditions that are beyond the Company's control, such as adverse weather, are not considered.

Total Recordable Injury Rate (TRIR)

Sum of recordable Injuries that occurred in the workplace per 200,000 work hours, used to evaluate and quantify a company's safety performance

Utilization

The percentage of a factory's capacity that is actually being used to produce goods, compared to its maximum potential output.

Products

AC: Acetone

BZ: Benzene

ECR: Ethane cracker

EPPE: Easy Processing Polyethylene

EPR: Ethylene Propylene Rubber

EPR: Ethylene Propylene Rubber

EVA: Ethylene Vinyl Acetate

HDPE: High Density Polyethylene

HOFCC: High Olefins Fluid Catalytic Cracker

LDPE: Low Density Polyethylene

LLDPE: Linear Low Density Polyethylene

LPG: Liquefied Petroleum Gas

LRT: Lenders Reliability Test

MEG: Mono Ethylene Glycol

MMA: Methyl Methacrylate

MTBE: Methyl Tert-Butyl

PE: Polyethylene ()

PL: Phenol

PMMA: Poly Methyl Methacrylate

PO: Propylene Oxide

PP: Polypropylene

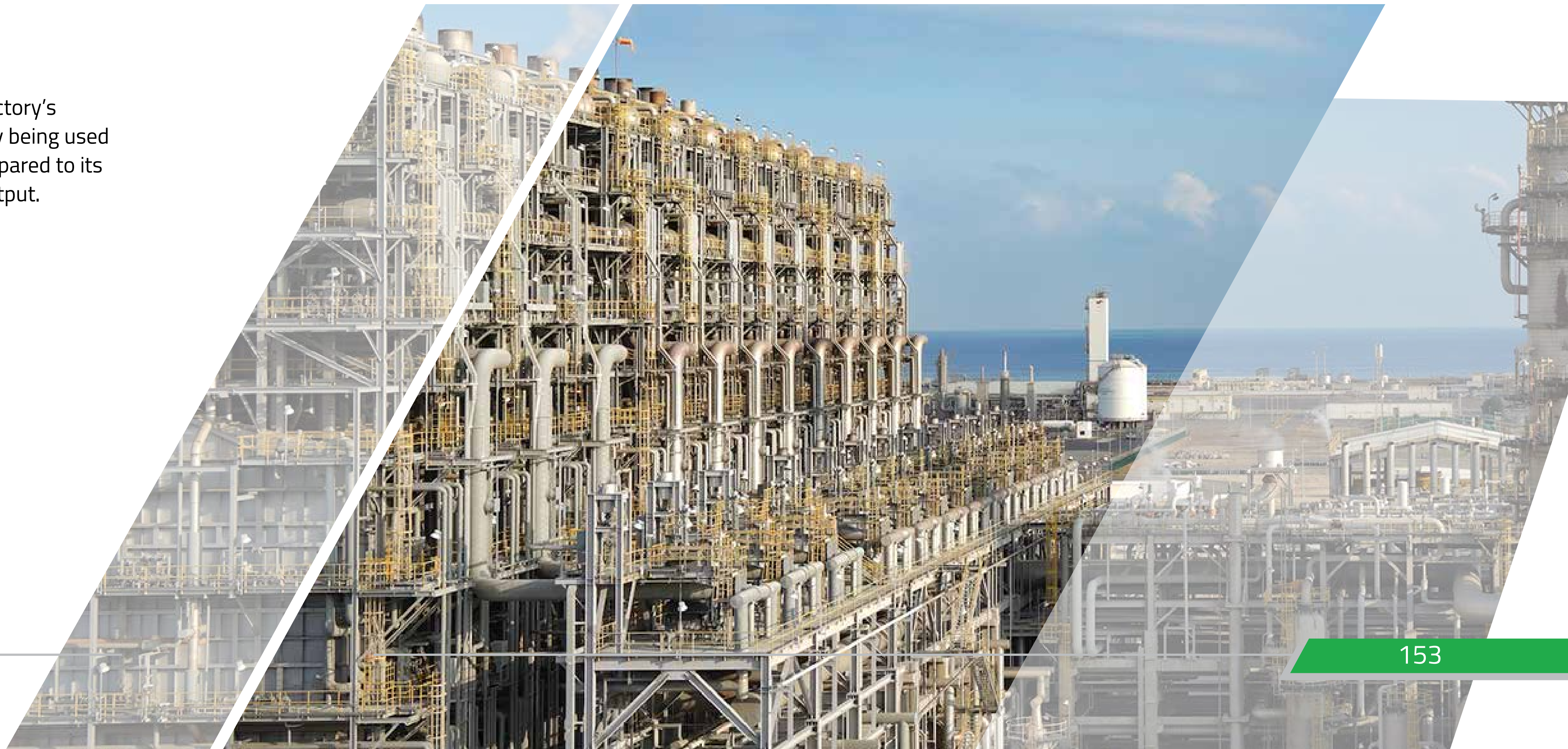
PX: Para Xylene

SR: Sulphur Recovery

T&I: Turnaround& Inspection

TPO: Thermo Plastic Olefin

ULSD: Ultra Low Sulfur Diesel



Financial Statements

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7.1. Independent auditor’s report

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
جده 21534
المملكة العربية السعودية
سجل تجاري رقم 4030290792

المركز الرئيسي في الرياض

Independent Auditor’s Report

To the Shareholders of Rabigh Refining and Petrochemical Company

Opinion

We have audited the financial statements of Rabigh Refining and Petrochemical Company (“the Company”), which comprise the statement of financial position as at December 31, 2024, the statements of profit or loss, comprehensive income, changes in equity and cash flows for the year then ended, and notes to the financial statements, comprising material accounting policies and other explanatory information.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at December 31, 2024, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRS) that are endorsed in the Kingdom of Saudi Arabia and other standards and pronouncements issued by the Saudi Organization for Chartered and Professional Accountants (SOCPA).

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing that are endorsed in the Kingdom of Saudi Arabia. Our responsibilities under those standards are further described in the Auditor’s Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the International Code of Ethics for Professional Accountants (including International Independence Standards), that is endorsed in the Kingdom of Saudi Arabia that are relevant to our audit of the financial statements, and we have fulfilled our other ethical responsibilities in accordance with the Code’s requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

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Independent Auditor’s Report

To the Shareholders of Rabigh Refining and Petrochemical Company (continued)

Carrying value of property, plant and equipment

Refer to Note 2 and 3 for the accounting estimate and accounting policy relating to property, plant and equipment and Note 12 for the related disclosures in the accompanying financial statements.

The key audit matter	How the matter was addressed in our audit
As at December 31, 2024, the Company's statement of financial position includes property, plant and equipment amounting to Saudi Riyals 39,707 million (2023: Saudi Riyals 41,225 million). Management performs a formal assessment at each reporting period-end to consider whether there is any indication that items of property, plant and equipment may be impaired. Based on the valuation model prepared to determine the recoverable amount of the relevant Cash Generating Unit ("CGU"), management ensures that the property, plant and equipment are not carried at more than their recoverable amount. The key estimates and assumptions underlying the valuation model included: • Forecast product prices; • Usage and economic conditions which may affect the expected remaining useful lives and terminal values; • Future operating costs; and • Discount rate. The recoverable amount computed using the valuation model is in excess of carrying value of the CGU. We considered this a key audit matter given the complexity inherent in the key estimates and assumptions underlying the valuation model.	We performed the following audit procedures to address the key audit matter: • obtained an understanding of the management’s process of identifying the impairment indicators, performing impairment assessment and method to determine the recoverable amount of the property, plant and equipment; • performed multiple risk assessment procedures including and not limited to inquiries with management and internal audit, inspection of minutes of meetings; • obtained and evaluated the impairment assessment performed by management and involved our internal valuation specialists to check the mathematical accuracy and the assumptions used by management in the valuation model such as forecasted revenue and forecasted EBITDA, compared relevant data to the latest production plans and projections and approved business plans by the Board of Directors, discount rate used for impairment assessment and inputs used to determine terminal values; • performed sensitivity analysis over key assumptions in the calculation of value in use to assess the potential impact on recoverable amounts of a range of possible outcomes; • considered the appropriateness of the related accounting policies and disclosures in accordance with the requirements of applicable financial reporting framework included in the financial statements for the year ended December 31, 2024.

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Independent Auditor's Report

To the Shareholders of Rabigh Refining and Petrochemical Company (continued)

Other Information

Management is responsible for the other information. The other information comprises the information included in the annual report but does not include the financial statements and our auditor's report thereon. The annual report is expected to be made available to us after the date of this auditor's report.

Our opinion on the financial statements does not cover the other information and we will not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

When we read the annual report, when made available to us, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with IFRS Accounting Standards that are endorsed in the Kingdom of Saudi Arabia and other standards and pronouncements issued by SOCPA, the applicable requirements of the Regulations for Companies and Company's By-laws and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance, the Board of Directors are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. 'Reasonable assurance' is a high level of assurance, but is not a guarantee that an audit conducted in accordance with International Standards on Auditing that are endorsed in the Kingdom of Saudi Arabia, will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with International Standards on Auditing that are endorsed in the Kingdom of Saudi Arabia, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.

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Independent Auditor's Report

To the Shareholders of Rabigh Refining and Petrochemical Company (continued)

Auditor's Responsibilities for the Audit of the Financial Statements

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, then we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit of **Rabigh Refining and Petrochemical Company** ("the Company").

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

KPMG Professional Services Company

Nasser Ahmed Al Shutairy
License No. 454

Jeddah, March 16, 2025
Corresponding to Ramadan 16, 1446H

7.2. Statement of profit or loss

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

	Notes	For the year ended December 31, 2024	2023
Sales	5,25	**39,349,068**	44,603,993
Cost of sales	6,25	**(40,334,090)**	(45,182,492)
Gross loss		**(985,022)**	(578,499)
Other income, net	7	**101,619**	92,513
Selling and marketing expenses	8	**(855,681)**	(1,093,315)
General and administrative expenses	9	**(832,106)**	(1,023,652)
Operating loss		**(2,571,190)**	(2,602,953)
Financial charges	10	**(2,195,368)**	(2,217,061)
Financial income		**20,522**	27,036
Loss before Zakat and tax		**(4,746,036)**	(4,792,978)
Zakat	23	**(1,773)**	(5,341)
Tax	23	**203,282**	105,586
Loss after Zakat and tax		**(4,544,527)**	(4,692,733)
Loss per share (Saudi Riyals) - Basic and diluted	11	**(2.72)**	(2.81)

Shinji Horiuchi Chief Financial Officer	Othman A. Al Ghamdi President and Chief Executive Officer	Motassim A. Al-Maashouq Board Member and Chairman of the Board Audit Committee

The accompanying notes 1 to 28 form an integral part of these financial statements.

7.3. Statement of comprehensive income

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

	Notes	For the year ended December 31, 2024	2023
Loss after Zakat and tax		**(4,544,527)**	(4,692,733)
Other comprehensive income:			
Items that will not be reclassified to profit or loss:			
Remeasurement gain (loss) on defined benefit plan	21	**1,038**	(12,345)
Tax effect	23	**(78)**	926
Other comprehensive gain (loss)		**960**	(11,419)
Total comprehensive loss for the year		**(4,543,567)**	(4,704,152)

Shinji Horiuchi Chief Financial Officer	Othman A. Al Ghamdi President and Chief Executive Officer	Motassim A. Al-Maashouq Board Member and Chairman of the Board Audit Committee

The accompanying notes 1 to 28 form an integral part of these financial statements.

7.4. Statement of financial position

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

	Notes	As at December 31, 2024	2023
Assets			
Non-current assets			
Property, plant and equipment	12	**39,706,860**	41,225,263
Right-of-use assets	13	**8,594,795**	9,309,306
Intangible assets	14	**138,901**	219,735
Long-term loans	15	**282,590**	268,746
Investment	15	**10,000**	10,000
Deferred tax asset	24	**434,070**	230,866
		49,167,216	51,263,916
Current assets			
Inventories	17	**3,818,239**	3,972,417
Trade receivables	15	**3,482,958**	5,190,684
Current portion of long-term loans	15	**6,488**	1,715
Prepayments and other receivables	18	**2,332,627**	1,402,006
Cash and cash equivalents	16	**1,429,039**	1,372,141
		11,069,351	11,938,963
Total assets		**60,236,567**	63,202,879
Equity and liabilities			
Equity			
Share capital	19	**16,710,000**	16,710,000
Statutory reserve	20	**252,134**	252,134
Employees' share ownership plan	21	**(5,288)**	(5,305)
Accumulated losses		**(7,153,546)**	(6,406,148)
Total equity		**9,803,300**	10,550,681
Non-current liabilities			
Loans, borrowings and other long-term liability	15	**19,002,645**	19,610,740
Lease liabilities	13	**8,831,374**	9,471,708
Employees' benefits	21	**863,166**	813,526
		28,697,185	29,895,974
Current liabilities			
Current portion of loans and borrowings	15	**3,378,977**	9,082,981
Current portion of lease liabilities	13	**637,391**	630,368
Trade and other payables	15	**15,605,111**	11,856,665
Accrued expenses and other liabilities	22	**2,112,830**	1,186,210
Zakat payable	24	**1,773**	-
		21,736,082	22,756,224
Total liabilities		**50,433,267**	52,652,198
Total equity and liabilities		**60,236,567**	63,202,879

Shinji Horiuchi Chief Financial Officer	Othman A. Al Ghamdi President and Chief Executive Officer	Motassim A. Al-Maashouq Board Member and Chairman of the Board Audit Committee

The accompanying notes 1 to 28 form an integral part of these financial statements.

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7.5. Statement of changes in equity

RABIGH REFINING AND PETROCHEMICAL COMPANY
(A Saudi Joint Stock Company)
STATEMENT OF CHANGES IN EQUITY
(All amounts in thousands of Saudi Riyals unless otherwise stated)

	Notes	Share capital	Statutory reserve	Employees' share ownership plan	Accumulated losses	Total
Balance as at January 1, 2024		**16,710,000**	**252,134**	**(5,305)**	**(6,406,148)**	**10,550,681**
Loss after Zakat and tax		**-**	**-**	**-**	**(4,544,527)**	**(4,544,527)**
Other comprehensive gain		**-**	**-**	**-**	**960**	**960**
Total comprehensive loss		**-**	**-**	**-**	**(4,543,567)**	**(4,543,567)**
Transactions with founding shareholders	2, 15.3.1 (b) and 15.3.4	**-**	**-**	**-**	**3,795,105**	**3,795,105**
Vesting of shares under employees' share ownership plan		**-**	**-**	**17**	**-**	**17**
Zakat reimbursement		**-**	**-**	**-**	**1,064**	**1,064**
Balance as at December 31, 2024		**16,710,000**	**252,134**	**(5,288)**	**(7,153,546)**	**9,803,300**
Balance as at January 1, 2023		16,710,000	252,134	(5,339)	(1,701,934)	15,254,861
Loss after Zakat and tax		-	-	-	(4,692,733)	(4,692,733)
Other comprehensive loss		-	-	-	(11,419)	(11,419)
Total comprehensive loss		-	-	-	(4,704,152)	(4,704,152)
Vesting of shares under employees' share ownership plan		-	-	34	-	34
Zakat reimbursement		-	-	-	(62)	(62)
Balance as at December 31, 2023		16,710,000	252,134	(5,305)	(6,406,148)	10,550,681

Shinji Horiuchi Chief Financial Officer	Othman A. Al Ghamdi President and Chief Executive Officer	Motassim A. Al-Maashouq Board Member and Chairman of the Board Audit Committee

The accompanying notes 1 to 28 form an integral part of these financial statements.

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7.6. Statement of cash flows

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

	Notes	For the year ended December 31, 2024	2023
Cash flows from operating activities			
Loss before Zakat and tax		**(4,746,036)**	(4,792,978)
Adjustments for non-cash items:			
Depreciation	12,13	**3,111,613**	3,134,457
Financial charges	10	**2,195,368**	2,217,061
Financial income		**(20,522)**	(27,036)
Amortization	14	**80,834**	86,166
Provision for slow moving inventories	17	**37,153**	13,260
Impairment loss on receivables	9	**-**	96
Provision for claim	26	**-**	342,716
Loss on disposal of property, plant and equipment	7	**4,909**	10,092
(Gain) loss on derecognition of right-of-use assets and lease liabilities	7	**(566)**	285
		662,753	984,119
Changes in:			
Inventories		**117,025**	43,087
Trade receivables		**1,707,726**	186,587
Prepayments and other receivables		**(929,557)**	(596,333)
Trade and other payables		**3,793,550**	(603,975)
Accrued expenses and other liabilities		**926,492**	427,385
Employees' benefits		**50,696**	81,490
		6,328,685	522,360
Zakat and income tax paid	24.1	**-**	(36,752)
Interest received		**20,522**	27,036
Interest paid		**(2,154,068)**	(2,126,743)
Net cash from (used in) operating activities		**4,195,139**	(1,614,099)
Cash flows from investing activities			
Purchase of property, plant and equipment	12	**(889,029)**	(1,036,420)
Disbursement of long-term loans		**(86,156)**	(72,609)
Recovery of long-term loans		**53,906**	37,082
Net cash used in investing activities		**(921,279)**	(1,071,947)
Cash flows from financing activities			
Proceeds from loans and borrowings		**18,132,552**	32,500,228
Repayments of loans and borrowings		**(20,722,165)**	(29,881,304)
Repayment of lease liabilities		**(627,325)**	(605,529)
Dividend paid		**(24)**	(1)
Net cash (used in) from financing activities		**(3,216,962)**	2,013,394
Net increase (decrease) in cash and cash equivalents		**56,898**	(672,652)
Cash and cash equivalents at beginning of the year	16	**1,372,141**	2,044,793
Cash and cash equivalents at end of the year	16	**1,429,039**	1,372,141
Supplemental schedule of non-cash information			
Transactions with founding shareholders	2, 15.3.1 (b), 15.3.4	**3,795,105**	-
Zakat reimbursable from shareholder		**1,064**	62
Addition to property, plant and equipment through accrued expenses and other liabilities		**-**	90
Addition to intangible assets through property, plant and equipment	14	**-**	14,618
Addition to right-of-use assets	13	**-**	9,876

Shinji Horiuchi Chief Financial Officer	Othman A. Al Ghamdi President and Chief Executive Officer	Motassim A. Al-Maashouq Board Member and Chairman of the Board Audit Committee

The accompanying notes 1 to 28 form an integral part of these financial statements.

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7.7 Notes to the financial statements

RABIGH REFINING AND PETROCHEMICAL COMPANY
(A Saudi Joint Stock Company)
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2024
(All amounts in thousands of Saudi Riyals unless otherwise stated)

1 General information

Rabigh Refining and Petrochemical Company ("the Company" or "PetroRabigh") is a company registered in the Kingdom of Saudi Arabia under Commercial Registration No. 4602002161 issued by the Ministry of Commerce and Investment, Jeddah, on Shaaban 15, 1426H (September 19, 2005) subsequently revised by Ministry of Commerce and Investment, Riyadh on Shawal 22, 1428H (November 3, 2007).

The Company is engaged in the development, construction and operation of an integrated refining and petrochemical complex (the Complex), including the manufacturing and sales of refined and petrochemical products.

The Company's registered address is P.O. Box 101, Rabigh 21911, Kingdom of Saudi Arabia.

2 Basis of preparation

These financial statements of the Company have been prepared in accordance with International Financial Reporting Standards (IFRS) as endorsed by Saudi Organization for Chartered and Professional Accountants (SOCPA) in the Kingdom of Saudi Arabia as well as other standards and pronouncements issued by SOCPA (collectively referred to as "IFRS as endorsed in KSA").

These financial statements have been prepared on a historical cost basis except for investment, which is measured at fair value through statement of profit or loss and defined benefits obligations which is recognised at the present value of future obligations using the Projected Unit Credit Method. These financial statements are presented in Saudi Arabian Riyals (Saudi Riyals).

The Company has incurred a comprehensive loss of Saudi Riyals 4,544 million for the year ended December 31, 2024 (2023: Saudi Riyals 4,704 million), and as at that date the accumulated losses reached Saudi Riyals 7,154 million (2023: Saudi Riyals 6,406 million) representing 42.81% (December 31, 2023: 38.34%) of the Company's share capital. Furthermore, as at December 31, 2024, the Company's current liabilities exceeded its current assets by Saudi Riyals 10,667 million (2023: Saudi Riyals 10,817 million).

On August 7, 2024, Saudi Arabian Oil Company (Saudi Aramco) and Sumitomo Chemical Company (Sumitomo Chemical) (together, the 'founding shareholders') announced (the announcement) a sale and purchase agreement (the 'Sale and Purchase Agreement' or 'SPA') whereby Saudi Aramco will acquire from Sumitomo Chemical 375,974,998 shares representing approximately 22.5% of the share capital of the Company (the 'Transaction'). On completion of the Transaction, which is subject to a several conditions as set out in the SPA, Saudi Aramco will own approximately 60%, Sumitomo will own 15%, and the public will own 25% of the Company's shares. Pursuant to the Transaction and subject to alignment with the Company, the founding shareholders have agreed to take certain specific steps which aim to improve the Company's financial position and facilitate its turnaround strategy, which include:

(i) waiving existing revolving shareholder loans ('RSL'), which Saudi Aramco and Sumitomo Chemical provided to the Company in the aggregate amount of Saudi Riyals 5,625 million (USD 1,500 million), with Saudi Riyals 3,750 million (USD 1,000 million) being waived in the year 2024 and the remaining Saudi Riyals 1,875 million (USD 500 million) to be waived in 2025; and

(ii) subject to the closing of the transaction, injecting Saudi Riyals 5,263.6 million in aggregate (Saudi Riyals 2,631.8 million each from Saudi Aramco and Sumitomo) in additional funds into the Company through a mechanism to be agreed with the Company which will require endorsement by the Capital Market Authority ('CMA') and approval by the Company's extraordinary general assembly.

Following the announcement of the founding shareholders, on August 28, 2024, the Company signed Amendment and Restated RSL agreements ('Amended RSL Agreements'), pursuant to which each of the founding shareholders waived a portion of the RSLs amounting to Saudi Riyals 1,875 million (USD 500 million) each and aggregate Saudi Riyals 3,750 million (USD 1,000 million), together with related commissions accrued thereon (also see note 15.3.1 (b)). Subsequent to the year ended December 31, 2024, on January 28, 2025, the Company and its founding shareholders signed the Amended and Restated RSL Write-off and Termination agreements whereby the founding shareholders irrevocably and unconditionally waived the Company's obligation to repay the remaining balance of RSL amounting Saudi Riyals 1,875 million (USD 500 million) (representing Saudi Riyals SAR 937.5 million each (USD 250 million) for each founding shareholder under its respective agreement). Further, with regards to (ii) above, the Company has appointed the Financial and Legal Advisors, who are currently preparing necessary documentation to agree on the Capital Increase mechanism with the Sponsors and Regulators.

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RABIGH REFINING AND PETROCHEMICAL COMPANY
(A Saudi Joint Stock Company)
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2024
(All amounts in thousands of Saudi Riyals unless otherwise stated)

2 Basis of preparation (continued)

The Board of Directors of the Company has evaluated the Company's funding position and liquidity to assess the Company's ability to meet its obligations as they fall due for a period of at least 12 months from the date of signing the Company's financial statements ("Assessment Period"). In evaluating whether the going concern basis of preparation of the Company's financial statements is appropriate, the Directors of the Company approved Business Plan for the years 2025, 2026 and 2027 including cash-flows forecasts for the Assessment Period, and evaluated several initiatives which were started under the Transformation Program.

In addition, the management has also reviewed potential support from the founding shareholders to improve the Company's short-term cashflow needs and margin improvement including (i) payment term adjustments for both refined and petrochemical products with reduction of credit period depending on the Company' cash flow needs; and (ii) additional credit period on the crude invoices as required.

Based on the above, the Company's management has assessed its ability to continue as a going concern and is satisfied that the Company's operations shall continue for a foreseeable future under the normal course of business and the Company is expected to have adequate resources to continue its operations and is expected to be able to discharge its liabilities as and when they fall due. Accordingly, these financial statements are continued to be prepared on the basis of going concern assumption.

2.1 New standards, interpretations and amendments

Standards, interpretations and amendments adopted

The Company has applied the following amendments for the first time for the annual reporting period commencing January 1, 2024:

Standard / Interpretation	***Description***
IFRS 16	Lease Liability in a Sale and Leaseback (Amendments to IFRS 16)
IAS 1	Classification of liabilities as current or non-current and non-current liabilities with covenants (amendments to IAS 1)
IAS 7 and IFRS 7	Supplier Finance Arrangements (Amendments to IAS 7 and IFRS 7)

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

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 financial statements are disclosed below. The Company intends to adopt these standards, where applicable, when they become effective.

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

2.2 Critical accounting estimates and judgments

The preparation of Company's financial statements requires management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets, liabilities and accompanying disclosures. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of the asset or liability affected in future periods.

The 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 within the next financial period, are described below. The Company based its assumptions and estimates on parameters available when the 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.

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2 Basis of preparation (continued)

Business model for managing financial assets

In making an assessment whether its business model for managing financial assets is to hold assets in order to collect contractual cash flows, the Company considers the following:

- Management's stated policies and objectives for the asset and the operation of those policies in practice;
- how management evaluates the performance of the asset;
- whether management's strategy focuses on earning contractual income;
- the degree of frequency of any expected asset sales;
- the reason for any asset sales; and
- whether assets that are sold are held for an extended period of time relative to their contractual maturity or are sold shortly after acquisition or an extended time before maturity.

Generally, a business model is a matter of fact which can be evidenced by the way the business is managed and the information provided to management.

Contractual cash flows of financial assets

The Company exercises judgment in determining whether the contractual terms of financial assets it originates or acquires give rise on specific dates to cash flows that are solely payments of principal and interest income on the principal outstanding and so may qualify for amortised cost measurement. In making the assessment, the Company considers all contractual terms, including any prepayment terms or provisions to extend the maturity of the assets that change the amount and timing of cash flows and whether the contractual terms contain leverage.

Defined benefit plan

The cost of post-employment defined benefits are the present value of the related obligation, as determined using actuarial valuations. An actuarial valuation involves making various assumptions, which may differ from actual developments in the future. These include the determination of the discount rate, future salary increases, withdrawal before normal retirement age, mortality rates, etc. Due to the complexity of the valuation, the underlying assumptions and its long-term nature, a defined benefit obligation is sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

The parameter most subject to change is the discount rate. With respect to determining the appropriate discount rate, yield and duration of high quality bonds obligation, as designated by an internationally acknowledged rating agency, and extrapolated as needed along the yield curve to correspond with the expected term of the defined benefit obligation.

Useful lives of property, plant and equipment

The Company exercises judgement in determining the estimated useful lives of property, plant and equipment for calculating depreciation. This estimate is determined after considering expected usage of the assets or physical wear and tear. The Company reviews the residual value and useful lives annually and future depreciation charges are adjusted where the Company believes the useful lives differ from previous estimates.

Extension options for leases

In case of lease contracts where extension options are also available to the Company, judgement is applied in evaluating whether it is reasonably certain to exercise the option. The Company reassesses whether it is reasonably certain to exercise the extension options, upon the occurrence of either a significant event or significant change in circumstances that are within the control of the Company.

Impairment of non-financial assets

The Company assesses, at each reporting date or more frequently if events or changes in circumstances indicate, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's (CGU) fair value less cost to sell, and its value in use, and is determined for the individual asset, unless the asset does not generate cash inflows which are largely independent from other assets or groups. Where the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining the fair value less costs to sell, an appropriate source is used, such as observable market prices or, if no observable market prices exist, estimated prices for similar assets or if no estimated prices for similar assets exist, it is based on discounted future cash flow calculations.

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2 Basis of preparation (continued)

Provision for inventory obsolescence

The Company makes a provision for slow moving and obsolete inventory items. Estimates of net realizable value of inventories are based on the most reliable evidence at the time the estimates are made. These estimates take into consideration fluctuations of price or cost directly related to events occurring subsequent to the balance sheet date to the extent that such events confirm conditions existing at the end of the year.

3 Material accounting policies

(a) Current versus non-current classification

The Company presents assets and liabilities in the statement of financial position based on current/non-current classification. An asset is current when it is:

- Expected to be realised or intended to be sold or consumed in the normal operating cycle;
- It is held primarily for the purpose of trading;
- Expected to be realised within twelve months after the reporting period; or
- Cash or cash equivalent.

All other assets are classified as non-current.

A liability is current when:

- It is expected to be settled in the normal operating cycle;
- It is held primarily for the purpose of trading;
- It is due to be settled within twelve months after the reporting period; or
- There is no right to defer the settlement of the liability for at least twelve months after the reporting period.

The Company classifies all other liabilities as non-current.

(b) Fair value measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest. A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits from the asset's highest and best use or by selling it to another market participant that would utilise the asset in its highest and best use.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs. All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy. This is described, as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1: Quoted (unadjusted) market prices in active markets for identical assets or liabilities.
- Level 2: Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.
- Level 3: Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

For assets and liabilities that are recognised in the financial statements at fair value on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period. The Company determines the policies and procedures for both recurring fair value measurement, and for non-recurring measurement.

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3 Material accounting policies (continued)

(c) Revenue recognition

Contracts with customers

The Company recognizes revenue from contracts with customers when or as it satisfies a performance obligation by transferring control of promised goods or service to a customer. When, or as, a performance obligation is satisfied, the Company recognizes as revenue, the amount of the transaction price that is allocated to that performance obligation. The transaction price is the amount of consideration to which the Company expects to be entitled after deducting value added taxes, excise duties and similar levies. The transaction price is allocated to the performance obligations in the contract based on standalone selling prices of the goods or services promised.

The transfer of control for refined and petrochemical products usually coincides with title passing to the marketers / off-takers and the marketers/off-takers taking physical possession, while the Company has no effective control or continuing managerial involvement to the degree usually associated with ownership over these products.

Revenue in respect of sales of refined and petrochemical products is recognised over the period as per the related offtake and other agreements with the customers. Transfer of refined and petrochemical products to customers is considered as series of distinct goods and the Company uses output method to measure the progress towards complete satisfaction or performance obligation. The Company has further used IFRS 15 practical expedient of right to invoice, and revenue is booked on monthly basis in respect of goods and services for which the Company has a right to invoice as per the related agreements.

The portion of sales made through marketers / off-takers are recorded at the relevant provisional prices agreed with such marketers / off-takers at the time of delivery of products, which are subsequently adjusted as appropriate based on the actual selling prices, after deducting the costs of shipping and distribution. All revenue from these sales, both that recognized at the time of delivery and that from post-delivery price adjustments, is disclosed as revenue from contracts with customers.

The Company estimates the variable consideration as the most likely amount based on available market information and recently published prices of refined and petrochemical products. The Company includes in the transaction price, some or all of an amount of variable consideration only to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognized will not occur when the uncertainty associated with the relevant variable consideration is subsequently resolved.

Dividends

Dividends are recognised when:

- The Company's right to receive the payment is established, which is generally when shareholders approve the dividend;
- It is probable that the economic benefits associated with the dividend will flow to the entity; and
- The amount of the dividend can be measured reliably.

Interest income

Interest income is calculated using the effective interest (profit) rate method. The effective interest rate is the interest rate that exactly discounts the estimated stream of future cash payment or receipts over the expected life of the financial instrument or when appropriate over the shorter period.

(d) Foreign currencies

The Company's financial statements are presented in Saudi Riyals which is also the functional currency of the Company. Transactions in foreign currencies are initially translated by the Company into Saudi Riyals using the exchange rate at the date of the transaction it first qualifies for recognition.

Monetary assets and liabilities denominated in foreign currencies are retranslated in the functional currency using the exchange rate ruling at the reporting date. Differences arising on settlement or translation of monetary items are recognized in the statement of profit or loss.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates as at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined. The gain or loss arising on translation of non-monetary assets measured at fair value is treated in line with the recognition of gain or loss on change in fair value in the item (i.e., the translation differences on items whose fair value gain or loss is recognized in statement of comprehensive income or statement of profit or loss are also recognized in statement of comprehensive income or statement profit or loss, respectively).

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3 Material accounting policies (continued)

(e) Property, plant and equipment

Property, plant and equipment are stated at cost, less accumulated depreciation and impairment loss, if any, except for capital projects-in-progress, which are stated at cost less impairment loss, if any. Cost includes expenditure that is directly attributable to the acquisition or construction of each asset. Finance costs on borrowings to finance the construction of the assets are capitalized during the period of time that is required to complete and prepare the asset for its intended use.

Subsequent expenditure is capitalized only when it increases the future economic benefits embodied in the item of property, plant and equipment. All other expenditures are recognized in the statement of profit of loss when incurred. Spare parts that are considered essential to ensure continuous plant operation whose useful lives are more than one year are capitalized and classified as plant, machinery and operating equipment.

When significant parts of property, plant and equipment are required to be replaced at intervals, the Company recognizes such parts as individual assets with specific useful lives and depreciates them accordingly.

Expenditures incurred on testing and inspections, which are carried normally every 5 years, are capitalized as part of the respective items of property, plant and equipment and amortized over the period of five years. All other repair and maintenance costs are recognized in the statement of profit or loss as incurred.

Depreciation is calculated on a straight-line basis to write off the cost of property, plant and equipment over their estimated useful lives which are as follows:

	Number of years
Buildings and infrastructure	12-50
Plant, machinery and operating equipment	2-40
Vehicle and related equipment	6-25
Furniture and IT equipment	5-14

An item of property, plant and equipment is derecognized upon disposal or when no future economic benefits are expected from its use. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the statement of profit or loss when the asset is derecognized.

(f) Leases

At inception of a contract, the Company assesses whether the contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

The Company recognizes a right-of-use asset and a lease liability at the commencement date of the lease (i.e., the date the underlying asset is available for use). The right-of-use asset is initially measured at cost, less any accumulated depreciation and impairment losses, if any and adjusted for any re-measurement of lease liabilities. The cost of right-of-use assets includes the initial measurement of the lease liability adjusted for any lease payments made at or before the commencement date, any initial direct costs incurred and an estimate of costs to dismantle, less any lease incentive received. The estimated useful life of right-of-use assets are determined on the same basis as those of property, plant and equipment, except for leasehold land for which the estimated useful life is considered to be the lease term.

The lease liability is initially measured at the present value of the lease payments to be made over the lease term, discounted using the Company's incremental borrowing rate (if the interest rate implicit in the lease is not available). Lease liability is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Company's estimate of the amount expected to be payable under a residual value guarantee, or if the Company changes its assessment of whether it will exercise a purchase, extension or termination option. Any such re-measurement in the lease liability is adjusted against the carrying value of the right-of-use asset or charged to profit or loss if carrying value of the related asset is zero.

Short-term leases and leases of low-value assets

The Company has elected not to recognize right-of-use assets and lease liabilities for short-term leases that have a lease term of 12 months or less, and leases of low-value assets. The Company recognizes the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

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3 Material accounting policies (continued)

(g) Intangible assets

Intangible assets, having no physical existence however separately identifiable and providing future economic benefits, are initially recognized at purchase price and directly attributable costs. Intangible assets are stated at cost less accumulated amortization and impairment loss, if any.

Software and licenses

Software and licenses procured for various business use and having finite useful lives are presented as intangible assets. Software and licenses are amortized on a straight-line basis over their estimated useful lives of 5 years and 12-22 years, respectively.

Amortization methods and useful lives are reviewed at each financial year end and adjusted if appropriate.

Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the statement of profit or loss when the asset is derecognised.

(h) Borrowing costs

Borrowing costs attributable to the acquisition, construction or production of a qualifying asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the respective asset. All other borrowing costs are expensed in the period in which they occur. Borrowing costs consist of interest and other costs that the Company incurs in connection with the borrowing of funds.

(i) Financial instruments

The Company applied the following classification and measurement requirements for financial instruments.

Recognition and derecognition of financial instruments

A financial asset or financial liability is recognised when the Company becomes a party to the contractual provisions of the instrument, which is generally on trade date. The Company derecognizes a financial asset when the contractual cash flows from the asset expire or it transfers its rights to receive contractual cash flows on the financial asset in a transaction in which substantially all the risks and rewards of ownership are transferred. Any interest in transferred financial assets that is created or retained by the Company is recognised as a separate asset or liability.

A financial liability is derecognized from the statement of financial position when the Company has discharged its obligation or the contract is cancelled or expires.

Classification of financial instruments

The Company classified its financial assets into the following measurement categories:

(i) Those to be measured subsequently at amortised cost; or

(ii) Fair value through profit or loss.

The classification depends on the Company's business model for managing financial assets and the contractual terms of the financial assets cash flows.

The Company classifies its financial liabilities as those measured at amortized cost. The classification of financial assets is defined in Note 15.

Measurement

Financial instruments at fair value through profit or loss are recognised initially at fair value with transaction costs recognised in the statement of profit or loss as incurred. All other financial instruments are recognised initially at fair value plus directly attributable transaction costs. The Company initially measures trade receivables at the transaction price as trade receivables do not contain a significant financing component.

3 Material accounting policies (continued)

(i) Financial instruments (continued)

Financial instruments measured at amortized cost

A financial asset is measured at amortized cost if it is held within a business model whose objective is to hold assets in order to collect contractual cash flows and the contractual terms represent contractual cash flows that are solely payments of principal and interest.

Financial instruments measured at fair value through profit or loss

Financial assets measured at fair value through profit or loss comprise items specifically designated as fair value through profit or loss on initial recognition and financial assets held within a business model whose objective is to hold assets in order to collect contractual cash flows and the contractual terms represent contractual cash flows that are not solely payments of principal and interest. Where a financial liability is designated at fair value through profit or loss, the movement in fair value attributable to changes in the Company's own credit quality is calculated by determining the changes in credit spreads above observable market interest rates and is presented separately in other comprehensive income.

Upon initial recognition, financial instruments may be designated as fair value through profit or loss. Restrictions are placed on the use of the designated fair value option and the classification can only be used:

- In respect of an entire contract if a host contract contains one or more embedded derivatives;
- If designating the financial instruments eliminates or significantly reduces measurement or recognition inconsistencies (i.e. eliminates an accounting mismatch) that would otherwise arise from measuring financial assets or liabilities on a different basis.
- If financial assets and liabilities are both managed and their performance evaluated on a fair value basis in accordance with a documented risk management or investment strategy.

On initial recognition, for a financial asset the fair value option is only applied if it eliminates an accounting mismatch that would otherwise arise from measuring items on a different basis. The above fair value option criteria remains unchanged for a financial liability.

Offsetting

Financial assets and liabilities are offset and the net amount is presented in the statement of financial position when the Company has a legal right to offset the amounts and intends to settle on a net basis or to realize the asset and settle the liability simultaneously.

(j) Impairment

Financial assets

At each reporting date, the Company applies a three-stage approach to measuring expected credit losses (ECL) on financial assets accounted for at amortized cost. Assets migrate through the following three stages based on the change in credit quality since initial recognition:

(i) Stage 1: 12-months ECL

For exposures where there has not been a significant increase in credit risk since initial recognition and that are not credit impaired upon origination, the portion of the lifetime ECL associated with the probability of default events occurring within the next 12 months is recognized.

(ii) Stage 2: Lifetime ECL – not credit impaired

For credit exposures where there has been a significant increase in credit risk since initial recognition but that are not credit impaired, a lifetime ECL is recognized.

(iii) Stage 3: Lifetime ECL – credit impaired

Financial assets are assessed as credit impaired when one or more events that have a detrimental impact on the estimated future cash flows of that asset have occurred. For financial assets that have become credit impaired, a lifetime ECL is recognized and interest revenue is calculated by applying the effective interest rate to the amortized cost (net of provision) rather than the gross carrying amount.

3 Material accounting policies (continued)

(j) Impairment (continued)

(iii) Stage 3: Lifetime ECL – credit impaired (continued)

Objective evidence that financial assets are impaired can include significant financial difficulty of the borrower, default or delinquency by a borrower, restructuring of a loan or advance by the entity on terms that the entity would not otherwise consider, indications that a borrower or issuer will enter bankruptcy, the disappearance of an active market for a security, or other observable data relating to a Company such as adverse changes in the payment status of borrowers or issuers in the Company, or economic conditions that correlate with defaults in the Company.

The Company considers the probability of default upon initial recognition of asset and whether there has been a significant increase in credit risk on an ongoing basis throughout each reporting period. To assess whether there is a significant increase in credit risk, the Company compares the risk of a default occurring on the asset as at the reporting date with the risk of default as at the date of initial recognition. It considers available reasonable and supportive forward-looking information.

The Company considers evidence of impairment at both a specific asset and collective level. All individually significant financial instruments found not to be specifically impaired are then collectively assessed for any impairment that has been incurred but not yet identified.

Impairment losses for a financial instrument are recognised in the statement of profit or loss and reflected in impairment for credit losses. When a subsequent event causes the amount of impairment loss to decrease, the decrease in impairment loss is reversed through the statement of profit or loss.

When an asset is uncollectible, it is written off against the related provision. Such assets are written off after all the necessary procedures have been completed and the amount of the loss has been determined. Subsequent recoveries of amounts previously written off reduce the amount of the expense in the statement of profit or loss. If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed by adjusting the provision. The amount of the reversal is recognised in the statement of profit or loss.

The Company has adopted the simplified approach as allowed by IFRS 9 and measures the loss allowance at an amount equal to lifetime expected credit losses for all trade receivables.

Non-financial assets

The Company assesses, at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or CGU's fair value less costs of disposal and its value in use. The recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or group of assets. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

External valuers are involved for valuation of significant assets. The involvement of external valuers is decided by the Company after discussion with the Company's Audit Committee. Selection criteria include market knowledge, reputation, independence and whether professional standards are maintained. The Company decides, after discussions with the external valuers, which valuation techniques and inputs to use for each case.

At each reporting date, the Company analyses the movements in the values of assets and liabilities which are required to be remeasured or re-assessed as per the Company's policies. For this analysis, the Company verifies the major inputs applied in the latest valuation by agreeing the information in the valuation computation to contracts and other relevant documents. The Company also compares the change in the fair value of each asset and liability with relevant external sources to determine whether the change is reasonable.

In assessing value in use, the estimated future cash flows are discounted to their present value using a discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded companies or other available fair value indicators.

The Company bases its impairment calculation on detailed budgets and forecast calculations.

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3 Material accounting policies (continued)

(j) Impairment (continued)

Impairment losses are recognized in the statement of profit or loss. An assessment is made at each reporting date to determine whether there is an indication that previously recognized impairment losses no longer exist or have decreased. If such indication exists, the Company estimates the asset's or CGU's recoverable amount. A previously recognized impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognized. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognized for the asset in prior years. Such reversal is recognized in the statement of profit or loss.

(k) Trade receivables

Trade receivables are amounts due from customers for sale of goods in the ordinary course of business. Trade receivables are recognized initially at fair value and subsequently carried at amortized cost using effective interest rate method, less provision for impairment, if any. Subsequent recoveries of amounts previously written-off are credited to profit or loss against general and administrative expenses.

(l) Inventories

Inventories are stated at the lower of cost and net realisable value. The cost is determined using the weighted average basis and includes all cost incurred in the normal course of business in bringing each product to its present condition and location. In the case of work in progress and finished goods, cost include the purchase cost, the cost of refining and processing including an appropriate proportion of depreciation and production overheads based on normal operating capacity.

The net realisable value of inventories is based on the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

(m) Cash and cash equivalents

Cash and cash equivalents comprise cash on hand, cash with banks and other short-term highly liquid investments, if any, with original maturities of three months or less from the purchase date.

(n) Zakat and tax

Zakat and income tax are provided for in accordance with the Saudi Arabian fiscal regulations. Zakat and income taxes are charged to the statement of profit or loss. Additional amounts payable, if any, at the finalization of final assessments are accounted for when such amounts are determined. The Zakat and income tax paid by the Company are reimbursed by the respective founding shareholders except for general public shareholders and are accordingly adjusted in their respective equity accounts.

Deferred tax is calculated using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred tax liabilities are recognized for all taxable temporary differences, except when the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.

Deferred tax assets are recognized for all deductible temporary differences, the carry forward of unused tax credits and unused tax losses to the extent that it is probable that taxable profit will be available against which the deductible temporary differences can be utilized.

Deferred tax relating to items recognised outside statement of profit or loss is recognised either in statement of comprehensive income or directly in equity.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are reassessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

The Company withholds taxes on certain transactions with non-resident parties in the Kingdom of Saudi Arabia as required under Saudi Arabian Income Tax Law.

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3 Material accounting policies (continued)

(o) Employees' benefits

End of service benefits

The Company operates an unfunded post-employment defined benefit plan. The cost of providing benefits under the defined benefit plan is determined using the projected unit credit method. Actuarial gains and losses are recognized in full in the period in which they occur in statement of comprehensive income. Re-measurements are not reclassified to statement of profit or loss in subsequent periods.

Past service costs are recognized in statement of profit or loss on the earlier of:

- the date of the plan amendment or curtailment; and
- the date on which the Company recognizes related restructuring costs.

Net interest is calculated by applying the discount rate to the net defined benefit liability. The Company recognizes the following changes in the net defined benefit obligation under cost of sales and general and administrative expenses in the statement of profit or loss:

- Service costs comprising current service costs, past-service costs, gains and losses on curtailments and non-routine settlements; and
- Net interest expense or income.

The defined benefit liability comprises the present value of the defined benefit obligation, less past service costs.

Employees' savings program

The Company operates a thrift savings program (the "program") on behalf of its employees and the Company matches the employee contribution with an equal, or lesser, contribution towards the program that is commensurate with the employee's participation seniority in the program. Participation in the program by the regular employees who have completed their probationary period is optional and employees may choose the option to invest or not to invest in the program. The contributions from the Company are recognized as employees' expenses and are charged to the statement of profit or loss. The Company has arranged with the local bank, being the custodian bank, to manage the program on behalf of the Company in accordance with Islamic Shari'ah Law.

Employees' Share Ownership Plan (ESOP)

The employees' service cost of share options granted to employees under the Employees' Share Ownership Plan (ESOP) is measured by reference to the fair value of the Company's shares on the date on which the options are granted. This cost is recognized as an employee expense, over the period in which the performance and / or service conditions are fulfilled, ending on the date on which the relevant employees become fully entitled to the award ('the vesting date'). The cumulative expense recognized for equity-settled transactions at each reporting date until the vesting date reflects the extent to which the vesting period has expired and the Company's best estimate of the number of shares that will ultimately vest. The charge in the statement of profit or loss for a period represents the movement in cumulative expense recognized as at the beginning and end of that period.

Shares purchased are kept with a bank acting as trustee for the ESOP and are carried at cost as a deduction from equity until the options vest and the underlying shares are transferred to the employees. On the vesting date of an individual option, the difference between the employee service cost and the purchase cost of the shares is taken directly to retained earnings (accumulated losses) as an equity adjustment.

(p) Segment reporting

Operating segment

An operating segment is group of assets and operations:

(i) engaged in revenue producing activities;

(ii) results of its operations are continuously analyzed by management in order to make decisions related to resource allocation and performance assessment; and

(iii) financial information is separately available.

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3 Material accounting policies (continued)

(q) Provisions

Provisions are recognized when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Where the Company expects some or all of a provision to be reimbursed, the reimbursement is recognized as a separate asset when the reimbursement is virtually certain. The expense relating to a provision is presented in the statement of profit or loss net of any reimbursement.

(r) Investment property

Investment properties are lands and buildings held for purposes of rental income or capital appreciation or both. Investment properties are measured in accordance with the cost model and depreciation is calculated on straight line basis over their useful lives. Investment properties are derecognized when they are sold or when they are occupied by the Company or if they are not held to increase their value.

4 Agreements with founding shareholders

The founding shareholders of the Company are Saudi Arabian Oil Company ("Saudi Aramco") and Sumitomo Chemical Company Limited ("Sumitomo Chemical"), each having 37.5% equity interest in the share capital of the Company. The Company has entered into various agreements with founding shareholders and their affiliates including among others some of the key agreements which are relevant to the financial reporting are summarised below:

4.1 Crude oil feedstock supply agreement

On January 28, 2006, the Company entered into a Crude Oil Feedstock Supply Agreement (COSA) with Saudi Aramco for the supply to the Company of its crude oil feedstock requirements in respect of the Complex, up to a maximum supply of 400,000 barrels per day (bpd). The price at which Saudi Aramco sells the crude oil feedstock to the Company is based, amongst other variable market factors, on international crude oil prices. The COSA is valid for 30 years commencing from October 1, 2008.

4.2 Ethane feedstock supply agreements

The Company entered into Ethane Feedstock Supply Agreements on January 28, 2006 and March 16, 2015 with Saudi Aramco for the supply to the Company of its ethane feedstock requirements in respect of the Complex, up to a maximum aggregate supply of 125 million standard cubic feet per day (MMSCFD). The price at which Saudi Aramco sells the ethane feedstock to the Company is the price commonly applied by Saudi Aramco to industrial customers in the Kingdom. The Ethane Feedstock Supply Agreements are valid for 20 years commencing from the respective effective dates stated in the Agreements.

4.3 Butane feedstock supply agreement

On January 28, 2006, the Company entered into a Butane Feedstock Supply Agreement with Saudi Aramco for the supply to the Company of its butane feedstock requirements in respect of the Complex, up to a maximum supply of 12,000 bpd. The price at which Saudi Aramco sells the butane feedstock to the Company is the price commonly applied by Saudi Aramco to its industrial customers in the Kingdom. The Butane Feedstock Supply Agreement is valid for 20 years commencing from December 1, 2008.

4.4 Petroleum product sales agreement

On July 3, 2006, the Company entered into a Petroleum Product Sales Agreement with Saudi Aramco for the supply of fuel oil up to a maximum of 32 MBD monthly which the Company would, in turn, supply to Rabigh Arabian Water and Electricity Company (RAWEC) for use as fuel for the provision of certain utilities to the Company. The price at which Saudi Aramco sells the fuel oil to the Company is the government established price prevailing on the date of product delivery to the Company. The agreement is valid for 25 years commencing from June 1, 2008.

4.5 Fuel oil supply agreement

On March 16, 2015, the Company entered into a Fuel Oil Supply Agreement with Saudi Aramco for the supply of fuel oil up to a maximum of 20 MBD monthly which the Company would, in turn, supply to RAWEC for use as fuel for the provision of certain utilities to the Company. The price at which Saudi Aramco sells the fuel oil to the Company is the government established price prevailing on the date of product delivery to the Company. The agreement is valid for 25 years commencing from February 15, 2018.

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4 Agreements with founding shareholders (continued)

4.6 Allocated Sales gas supply agreement

On July 1, 2020, the Company entered into an Allocated Sales Gas Supply Agreement with Saudi Aramco for the supply of Sales Gas up to a maximum of 50 MMSCF per day. The price at which Saudi Aramco sells the Sales Gas to the Company is the prevailing domestic market price in the Kingdom of Saudi Arabia, as established by the relevant Governmental entity from time to time. The Allocated Sales Gas Supply Agreement is valid for 20 years commencing from July 1, 2020.

4.7 Master Sale agreement for product on Spot basis

On February 20, 2024, the Company entered into a Master Sale Agreement with Saudi Aramco for the purpose of purchasing on spot-basis, certain quantities of crude oil and / or refined products well-suited for producing IMO-complaint fuel oil and enhancing overall refining margins.

4.8 Phase I Refined products offtake agreement

On June 13, 2019, as amended on October 1, 2024, the Company entered into a Phase I Refined Products Offtake Agreement (RPOA) with Saudi Aramco as a "Buyer" of certain refined products listed therein produced by the Complex. The amendment aims to restructure the pricing formulas for certain products mentioned therein. The RPOA that was valid for 5 years commencing from May 1, 2019, was extended upto May 1, 2026.

4.9 Sulphur and Refined Products lifting and marketing agreement

On June 13, 2019, the Company entered into a Sulphur and Refined Products Lifting and Marketing Agreement (SRPLMA) with Saudi Aramco as a global "marketer" of certain refined products listed therein produced by the Complex. The SRPLMA that was valid for 5 years commencing from May 1, 2019, was extended upto May 1, 2026.

4.10 Liquefied Petroleum Gas and Light Naphtha lifting and marketing agreements

On March 16, 2015, the Company entered into Liquefied Petroleum Gas and Light Naphtha Lifting & Marketing Agreements with the founding shareholders as global "Marketers" of liquefied petroleum gas and light naphtha from the Complex. The agreements are valid for 10 years commencing from November 30, 2018 and are further extendable for an additional 5 year period. However, on November 22, 2021, the Company entered into a Phase 2 Light Naphtha Offtake Agreement (Note 4.10) with Saudi Aramco pursuant to which, effective from September 1, 2021, Saudi Aramco will purchase and offtake Light Naphtha from the Company in accordance with the terms and conditions mentioned in the Phase 2 Light Naphtha Offtake Agreement and whereas Liquefied Petroleum Gas shall continue to be lifted and marketed in accordance with the Liquefied Petroleum Gas and Light Naphtha Lifting & Marketing Agreements.

4.11 Phase 2 Light Naphtha Offtake Agreement

On November 22, 2021, the Company entered into a Phase 2 Light Naphtha Offtake Agreement with Saudi Aramco as "Buyer" of Light Naphtha produced by the Complex. This Agreement is effective from September 1, 2021 and is valid upto November 30, 2028, and is further extendable for another 5 year period.

4.12 Phase I Petrochemical products marketing agreements

On March 11, 2006 as amended on April 1, 2014, the Company entered into the Petrochemical Products Marketing Agreements (PPMA) with Saudi Aramco and Sumitomo Chemical Asia PTE Limited as global "Marketers" of Phase I petrochemical products produced by the Complex. The PPMAs that were valid for 10 years commencing from April 1, 2014, have been extended upto April 2029. Pursuant to Assignment and Assumption Agreements dated March 28, 2017, Saudi Aramco assigned its rights and obligations under its respective PPMAs to its affiliate, Saudi Aramco Products Trading Company (ATC). Further, pursuant to Assignment and Assumption Agreements dated February 11, 2020, ATC assigned its rights and obligations under: (i) the Propylene Oxide PPMA, to Aramco Trading Singapore PTE. Ltd (ATS) and (ii) remaining respective PPMAs, to Aramco Chemicals Company (ACC). During the year ended December 31, 2021, both ATS and ACC transferred their rights and obligations under their respective PPMAs to Saudi Basic Industries Corporation (SABIC) pursuant to Transfer Agreements effective from October 5, 2021.

4.13 Phase II Petrochemical products marketing agreements

On March 16, 2015, the Company entered into Petrochemical Products Marketing Agreements with Saudi Aramco and Sumitomo Chemical Asia PTE Limited as global "Marketers" of Phase II petrochemical products produced by the Complex. The agreements are valid for 10 years commencing from the accumulated production date and are further extendable for another 5 years. Pursuant to Assignment and Assumption Agreements dated February 11, 2020, Saudi Aramco assigned its rights and obligations under its PPMAs to its affiliates; Aramco Chemicals Company (ACC) and Aramco Trading Singapore PTE Ltd. (ATS). During the year ended December 31, 2021, ACC transferred its rights and obligations under its PPMAs to Saudi Basic Industries Corporation (SABIC), Aramco Trading Company (ATC) and Arlanxeo Netherlands B.V and ATS transferred its rights and obligations under its respective PPMAs to Saudi Basic Industries Corporation (SABIC) pursuant to Transfer Agreements effective from October 5, 2021.

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4 Agreements with founding shareholders (continued)

4.14 Domestic distribution agreement

On October 3, 2018, the Company entered into a Domestic Distribution Agreement (DDA) with ATC as local "Distributor". Pursuant to the terms of the DDA, the Company supplies certain petrochemical products to ATC for onward sale and distribution within the Kingdom. Pursuant to an Assignment and Assumption Agreement dated February 11, 2020 ATC transferred its rights and obligations under the DDA to ACC. During the year ended December 31, 2021, ACC transferred its rights and obligations under the DDA to SABIC pursuant to a Transfer Agreement effective from October 5, 2021. The supply and distribution obligations of each party with respect to a given product will terminate upon the expiration or termination of the global product lifting and marketing agreement corresponding to the same product.

4.15 Technology license agreements

The Company has entered into certain technology licence agreements with Sumitomo Chemical as "Licensor". Pursuant to these agreements, the Company licenses the relevant technologies to be used in the process units for particular products. The agreements will remain valid for a period of 15 years commencing on the license grant effective date (as so notified to the Company by Sumitomo Chemical).

4.16 Revolving corporate facilities agreements

The Company has entered into revolving corporate facilities agreements with Saudi Aramco and Sumika Finance Company Limited, a wholly owned subsidiary of Sumitomo Chemical on September 30, 2020. Pursuant to the terms of these facilities agreements, each lender has made a corporate facility of Saudi Riyals 2,812.5 million (collectively Saudi Riyals 5,625 million) available to the Company. On August 28, 2024, the Company and founding shareholders signed Amendment and Restatement Agreements ('Amended RSL Agreements') whereby Sumika Finance Company novated its rights under its RSL to Sumitomo Chemical and the founding shareholders irrevocably and unconditionally waived the Company's obligation to repay Saudi Riyals 3,750 million (USD 1,000 million) of the aggregate amount of RSLs outstanding (Saudi Riyals 1,875 million (USD 500 million) under each respective RSL) together with any related commission thereon including commission on the remaining outstanding balance of the RSLs.

4.17 Corporate facility agreement

The Company has entered into a corporate facility agreement with Saudi Aramco on September 30, 2020. Pursuant to the terms of this agreement, Saudi Aramco has made available a facility of Saudi Riyals 1,875 million to the Company. On December 27, 2024, the agreement was amended and extended up to December 31, 2025.

4.18 Land lease agreement

On November 1, 2005 as amended and restated on March 16, 2015, the Company entered into a Land Lease Agreement with Saudi Aramco. Pursuant to the terms of the Land Lease Agreement, Saudi Aramco leases approximately 20 million square meters of land to the Company at a rate of Saudi Riyal 1 per square meter per annum, for a period of 99 years, subject to extension for additional consecutive periods as may be agreed between the parties.

4.19 Rabigh Plustech Park Land Lease Agreement

On November 21, 2021, the Company entered into Rabigh Plustech Park Land Lease Agreement with Saudi Aramco. Pursuant to the Agreement, Saudi Aramco leases approximately 2.4 million square meters of land at Plustech Park Site to the Company at a rate of Saudi Riyal 1 per square meter per annum, for a period of 35 years effective from October 1, 2021 and subject to extension for additional consecutive periods as may be agreed between the parties.

4.20 Terminal lease agreement

On March 2, 2006, the Company entered into a Terminal Lease Agreement with Saudi Aramco in respect of the existing Rabigh Marine Terminal. Pursuant to the terms of this agreement, Saudi Aramco grants to the Company an exclusive right to use and operate the Rabigh Terminal Facilities and the Rabigh Terminal Site for a period of 30 years.

4.21 Rabigh community agreement

The Company has entered into a Rabigh community agreement with Saudi Aramco, effective October 1, 2014 for a term of 25 years, in respect of leases of land and infrastructure facilities at an annual rate of Saudi Riyals 16.5 million and Saudi Riyals 18.2 million, respectively.

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4 Agreements with founding shareholders (continued)

4.22 Secondment agreements

On June 12, 2006 and July 1, 2006, the Company entered into Secondment Agreements with Saudi Aramco and Sumitomo Chemical respectively pursuant to which, the founding shareholders may, from time to time, second certain personnel to the Company to assist in the conduct of its business and operations. Each agreement will remain valid until such time as the relevant founding shareholder ceases to be a shareholder of the Company.

4.23 Services agreements

The Company has entered into certain services agreements with the founding shareholders and their affiliates in respect of various operational and logistical support services. These agreements cover the provision of support services to and by the Company such as human resources, training and recruitment, legal, utilities, information technology, general management, technical and pre-marketing support. These agreements also cover the ongoing technical support needed for continuous operations, being provided by Saudi Aramco, the ongoing enhancements (such as refining and petrochemical process know-how) being provided by Sumitomo Chemical and the marketing technical services, engineering and safety best practices and training being provided by both founding shareholders. The Company pays for these services at the mutually agreed prices specified in each agreement.

5 Segment information

5.1 Operating segment

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

The Company's operating segments comprise of refined products and petrochemicals. Information as of and for the year ended December 31, is summarized below:

2024	**Refined products**	**Petrochemicals**	**Unallocated**	**Total**
Sales – external customers	**27,844,378**	**11,504,690**	**-**	**39,349,068**
Depreciation and amortization	**670,414**	**2,522,033**	**-**	**3,192,447**
Operating loss	**(1,782,180)**	**(789,010)**	**-**	**(2,571,190)**
Total assets	**17,873,278**	**40,499,117**	**1,864,172**	**60,236,567**
Total liabilities	**17,688,485**	**32,630,511**	**114,271**	**50,433,267**
Capital expenditure	**351,833**	**537,196**	**-**	**889,029**

2023	**Refined products**	**Petrochemicals**	**Unallocated**	**Total**
Sales – external customers	32,253,586	12,350,407	-	44,603,993
Depreciation and amortization	611,918	2,608,705	-	3,220,623
Operating loss	(1,806,517)	(796,436)	-	(2,602,953)
Total assets	19,241,954	42,357,918	1,603,007	63,202,879
Total liabilities	16,892,843	32,496,855	3,262,500	52,652,198
Capital expenditure	271,404	779,724	-	1,051,128

The Company's revenue from external customers amounts to Saudi Riyals 39,087 million (2023: Saudi Riyals 44,121 million) generated from 5 customers in the year ended December 31, 2024 (December 31, 2023: 5 customers).

Geographical information for the year ended December 31, is as follows:

2024	**Middle East**	**Asia Pacific**	**Others**	**Total**
Sales				
Refined products	**23,669,862**	**3,039,158**	**1,135,358**	**27,844,378**
Petrochemicals	**3,337,679**	**7,818,910**	**348,101**	**11,504,690**
Total	**27,007,541**	**10,858,068**	**1,483,459**	**39,349,068**
2023				
Sales				
Refined products	27,583,853	4,669,733	-	32,253,586
Petrochemicals	3,285,797	8,862,694	201,916	12,350,407
Total	30,869,650	13,532,427	201,916	44,603,993

Middle East market primarily includes Kingdom of Saudi Arabia, Asia Pacific primarily includes Singapore and China and Others primarily includes Europe and Africa.

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5 Segment information (continued)

5.2 Adjustments

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

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

5.3 Reconciliation of net loss

	Notes	2024	2023
Operating loss		**(2,571,190)**	(2,602,953)
Financial charges	10	**(2,195,368)**	(2,217,061)
Financial income		**20,522**	27,036
Loss before Zakat and tax		**(4,746,036)**	(4,792,978)
Zakat	23	**(1,773)**	(5,341)
Tax	23	**203,282**	105,586
Loss after Zakat and tax		**(4,544,527)**	(4,692,733)

6 Cost of sales

	Notes	2024	2023
Raw materials, crude oil and spare parts consumed		**35,385,126**	40,283,535
Depreciation	12,13	**2,949,882**	2,954,931
Utilities consumed		**332,638**	458,840
Personnel costs		**929,743**	885,940
Repair and maintenance		**168,778**	152,890
Contracted services		**257,024**	248,312
Amortization	14	**43,913**	45,027
Insurance		**82,361**	77,240
Provision for slow moving spare parts and consumables	17	**37,153**	13,260
Other overheads		**30,447**	19,429
		40,217,065	45,139,404
Changes in inventories of finished goods, raw materials and spare parts and consumables used		**117,025**	43,088
		40,334,090	45,182,492

7 Other income, net

	2024	2023
Port services	**16,900**	19,436
Gain on sale of scrap sales	**75,124**	69,348
Miscellaneous income	**14,668**	14,106
Loss on disposal of property, plant and equipment	**(4,909)**	(10,092)
Gain (loss) on derecognition of right-of-use assets and lease liabilities	**566**	(285)
Other	**(730)**	-
	101,619	92,513

8 Selling and marketing expenses

	2024	2023
Freight charges	**156,780**	78,876
Deductibles (see below)	**686,933**	1,011,506
Others	**11,968**	2,933
	855,681	1,093,315

Deductibles mainly comprise of handling charges, insurance, customs and storage charges for inventories.

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9 General and administrative expenses

	Notes	2024	2023
Personnel costs		**422,549**	398,001
Depreciation	12,13	**161,731**	179,526
Repairs and maintenance		**18,380**	32,334
Impairment loss on receivables		**-**	96
IT, networking and data communication		**68,065**	76,090
Amortization	14	**36,921**	41,139
Travelling		**1,986**	5,165
Rent		**1,213**	1,863
Professional fees		**18,399**	20,171
Insurance		**2,734**	1,669
Stationery, telex and telephone		**4,500**	6,865
Others		**95,628**	260,733
		832,106	1,023,652

10 Financial charges

	2024	2023
Interest on loans and borrowings	**1,834,407**	1,819,411
Interest on leases	**340,314**	361,138
Others	**20,647**	36,512
	2,195,368	2,217,061

11 Loss per share

Basic loss per share is calculated by dividing the net loss for the year by the weighted average number of ordinary shares outstanding during the year which are reduced by the number of shares outstanding during the year due to ESOP.

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

	2024	2023
Loss for the year for basic and diluted earnings per share	**(4,544,527)**	(4,692,733)
Weighted average number of shares outstanding during the year (number of shares in thousands)	**1,671,000**	1,671,000
Adjustment for the effect of dilution in weighted average number of shares outstanding during the year due to ESOP (number of shares in thousands)	**334**	335
Basic and diluted loss per share (Saudi Riyals)	**(2.72)**	(2.81)

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12 Property, plant and equipment

	Notes	Buildings and infrastructure	Plant, machinery and operating equipment	Vehicles and related equipment	Furniture and IT equipment	Capital projects in progress	Total
Cost							
January 1, 2023		11,193,297	58,934,898	46,602	609,850	822,243	71,606,890
Additions		-	212,135	-	-	824,375	1,036,510
Transfers							
- Within property, plant and equipment		27,672	872,717	-	4,360	(904,749)	-
- Intangible assets	14	-	-	-	-	(14,618)	(14,618)
Disposals		(28,905)	(55,787)	(156)	(1,708)	-	(86,556)
December 31, 2023		**11,192,064**	**59,963,963**	**46,446**	**612,502**	**727,251**	**72,542,226**
Additions		-	211,541	-	-	677,488	889,029
Transfers		10,682	199,634	-	842	(211,158)	-
Disposals		(10,978)	(4,806)	(52)	(29,722)	-	(45,558)
December 31, 2024		**11,191,768**	**60,370,332**	**46,394**	**583,622**	**1,193,581**	**73,385,697**
Accumulated depreciation							
January 1, 2023		3,336,430	25,234,099	38,420	360,343	-	28,969,292
Charge for the year		245,023	2,136,281	1,481	41,350	-	2,424,135
Released on disposals		(28,892)	(45,751)	(156)	(1,665)	-	(76,464)
December 31, 2023		**3,552,561**	**27,324,629**	**39,745**	**400,028**	**-**	**31,316,963**
Charge for the year		245,588	2,125,784	1,482	29,669	-	2,402,523
Released on disposals		(6,069)	(4,806)	(52)	(29,722)	-	(40,649)
December 31, 2024		**3,792,080**	**29,445,607**	**41,175**	**399,975**	**-**	**33,678,837**
Carrying Value:							
At December 31, 2024		**7,399,688**	**30,924,725**	**5,219**	**183,647**	**1,193,581**	**39,706,860**
At December 31, 2023		7,639,503	32,639,334	6,701	212,474	727,251	41,225,263

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12 Property, plant and equipment (continued)

Depreciation for the year has been allocated as follows:

	Notes	2024	2023
Cost of sales	6	**2,291,502**	2,296,551
General and administrative expenses	9	**111,021**	127,584
		2,402,523	2,424,135

12.1 During the year ended December 31, 2024, the Company has performed an impairment assessment for its property, plant and equipment mainly due to changed market conditions. The management assessed the value in use amount of the cash generating unit (CGU). The cash flow projections are based on detailed budgets and discounted forecast calculations. As a result of such assessment, management concluded that as at December 31, 2024, the recoverable amount of the CGU was higher than the carrying amount of property, plant and equipment.

13 Leases

13.1 Right-of-use assets

	Land, buildings and infrastructure	Plant and machinery	Vehicles	Total
Cost				
January 1, 2023	1,260,813	11,660,838	158,804	13,080,455
Additions	-	-	9,876	9,876
Derecognition	-	-	(878)	(878)
December 31, 2023	1,260,813	11,660,838	167,802	13,089,453
Derecognition	-	-	(21,758)	(21,758)
December 31, 2024	**1,260,813**	**11,660,838**	**146,044**	**13,067,695**
Accumulated depreciation				
January 1, 2023	301,524	2,675,848	92,935	3,070,307
Charge for the year	35,537	652,980	21,805	710,322
Released on derecognition	-	-	(482)	(482)
December 31, 2023	337,061	3,328,828	114,258	3,780,147
Charge for the year	35,537	652,978	20,575	709,090
Released on derecognition	-	-	(16,337)	(16,337)
December 31, 2024	**372,598**	**3,981,806**	**118,496**	**4,472,900**
Carrying value				
At December 31, 2024	**888,215**	**7,679,032**	**27,548**	**8,594,795**
At December 31, 2023	923,752	8,332,010	53,544	9,309,306

Depreciation for the year has been allocated as follows:

	Notes	2024	2023
Cost of sales	6	**658,380**	658,380
General and administrative expenses	9	**50,710**	51,942
		709,090	710,322

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13 Leases (continued)

13.2 Lease liabilities

Lease liabilities as at December 31, are as follows:

	2024			2023		
	Minimum lease payments	**Interest**	**Present value of minimum lease payments**	**Minimum lease payments**	**Interest**	**Present value of minimum lease payments**
Land, buildings and infrastructure	**2,466,940**	**1,427,306**	**1,039,634**	2,545,167	1,479,650	1,065,517
Plant and machinery	**10,419,711**	**2,019,599**	**8,400,112**	11,287,679	2,306,797	8,980,882
Vehicles	**30,402**	**1,383**	**29,019**	59,099	3,422	55,677
	12,917,053	**3,448,288**	**9,468,765**	13,891,945	3,789,869	10,102,076

Lease liabilities as at December 31, are presented in the statement of financial position as follows:

	2024	**2023**
Current portion	**637,391**	630,368
Non-current portion	**8,831,374**	9,471,708
	9,468,765	10,102,076

The minimum lease payments together with the present value of minimum lease payments as at December 31 are as follows:

	2024		2023	
	Minimum lease payments	**Present value of minimum lease payments**	Minimum lease payments	Present value of minimum lease payments
Within twelve months	**954,575**	**637,391**	969,110	630,368
One to five years	**3,751,530**	**2,684,778**	3,777,773	2,623,085
More than five years	**8,210,948**	**6,146,596**	9,145,062	6,848,623
Total minimum lease payments	**12,917,053**	**9,468,765**	13,891,945	10,102,076
Less: finance charges	**(3,448,288)**	**-**	(3,789,869)	-
Present value of minimum lease payments	**9,468,765**	**9,468,765**	10,102,076	10,102,076

Details of major classes of leases is as follows:

(a) Land, building and infrastructure

(i) **Community:** The land and facilities lease for community is with Saudi Aramco for a period of 25 years (see Note 4.21).

(ii) **Marine Terminal:** The land and facilities lease for marine terminal is with Saudi Aramco for a period of 30 years (see Note 4.20).

(iii) **Complex Land:** The Complex land lease is with Saudi Aramco for a period of 99 years (see Note 4.18).

(iv) **Rabigh Plus Tech Park Land:** The Rabigh Plus Tech Park land lease is with Saudi Aramco for a period of 35 years (see Note 4.19).

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13 Leases (continued)

13.2 Lease liabilities (continued)

(b) Plant and machinery

(i) **Power, steam and water:** The lease is with Rabigh Arabian Water and Electricity Company (RAWEC) for a period of 25 years.

(ii) **Desalination plant:** The Company has taken over the interest and obligations of Saudi Aramco in respect of the Desalination plant for the Refinery Complex, with a remaining term of 17 years.

(c) Vehicles

The Company has leases with Eradat Transport LLC. and Al Jomaih Automotive Company for leases of buses and vehicles for a period of 5 years.

13.3 During the year ended December 31, 2024, the Company's expenses relating to low value assets are Saudi Riyals 2,410 thousands (December 31, 2023: Saudi Riyals 1,120 thousands).

14 Intangible assets

	Notes	**Software**	**Licenses**	**Other**	**Total**
Cost					
January 1, 2023		461,198	430,326	5,154	896,678
Additions	12	14,618	-	-	14,618
December 31, 2023		475,816	430,326	5,154	911,296
Additions	12	-	-	-	-
December 31, 2024		**475,816**	**430,326**	**5,154**	**911,296**
Amortization					
January 1, 2023		367,399	235,664	2,332	605,395
Amortization for the year		47,672	37,759	735	86,166
December 31, 2023		415,071	273,423	3,067	691,561
Amortization for the year		42,336	37,761	737	80,834
December 31, 2024		**457,407**	**311,184**	**3,804**	**772,395**
Carrying value:					
December 31, 2024		**18,409**	**119,142**	**1,350**	**138,901**
December 31, 2023		60,745	156,903	2,087	219,735

Amortization for the year has been allocated as follows:

	Notes	**2024**	**2023**
Cost of sales	6	**43,913**	45,027
General and administrative expenses	9	**36,921**	41,139
		80,834	86,166

15 Financial assets and financial liabilities

15.1 Financial assets measured at amortized cost

Long-term loans:	Notes	2024	2023
Loans to employees	15.1.1	**289,078**	270,461
Less: current portion of long-term loans		**(6,488)**	(1,715)
Non-current portion of long-term loans		**282,590**	268,746
Trade receivables	15.1.2	**3,482,958**	5,190,684

15.1.1 The Company's eligible employees are provided with loans under an employees' home ownership program upon completion of four years of service with the Company. The cost of the land is advanced to employees free of interest cost while the construction cost of the house is amortized and repayable free of interest to the Company to the extent of 90% over a period of seventeen years provided the employee completes ten years of service from the date of first disbursement of the loan. The remaining 10% is amortized over the term of the loan (seventeen years). These loans are secured by mortgages on the related housing units. The mortgage is released upon full payment of the loan by the employee.

15.1.2 Trade receivables of the Company are as follows:

	Note	2024	2023
Trade receivables – related parties	25	**3,459,841**	5,185,181
Trade receivables – others		**23,117**	5,503
		3,482,958	5,190,684

Following is the ageing matrix used by the Company for analysis of trade receivables:

	Total	Neither past due nor impaired	Past due but not impaired: Less than 6 months	6 to 12 months	12 to 18 months	18 to 24 months	More than 24 months	More than 24 months impaired
2024	**3,482,958**	**3,471,696**	**9,494**	**615**	**-**	**-**	**1,153**	**-**
2023	5,190,684	5,174,556	14,986	-	-	-	1,142	-

Financial assets also include cash and cash equivalents amounting to Saudi Riyals 1,429 million (December 31, 2023: Saudi Riyals 1,372 million) and other receivables amounting to Saudi Riyals 44 million (December 31, 2023: Saudi Riyals 31 million) that are measured at amortized cost.

15.2 Financial assets measured at fair value through profit and loss

	2024	2023
Investment in RAWEC	**10,000**	10,000

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

15.3 Financial liabilities measured at amortized cost

Loans, borrowings and other liability	Notes	2024	2023
Loans and facilities from banks, financial institutions, founding shareholders and their affiliates	15.3.1	**19,558,304**	22,417,798
Loan from Saudi Industrial Development Fund (SIDF)	15.3.2	**2,823,318**	3,006,741
Other facilities	15.3.3	**-**	3,269,182
		22,381,622	28,693,721
Less: current portion		**(3,378,977)**	(9,082,981)
Non-current portion		**19,002,645**	19,610,740
Trade and other payables	15.3.4	**15,605,111**	11,856,665

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15 Financial assets and financial liabilities (continued)

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

15.3.1 (a) During the year 2015, the Company entered into Consortium Loan Agreements with commercial banks and financial institutions for Phase II Expansion Project. The facilities available under these loan agreements amounted to Saudi Riyals 30,630 million which have been utilized in full by the Company. The loan amounting to Saudi Riyals 19,380 million is repayable in semi-annual instalments from June 2019 to June 2031. During the year ended December 2020, a portion of loans amounting to Saudi Riyals 3,312 million were repaid from the proceeds of loan from SIDF (Note 15.3.2). These loans are secured by property, plant and equipment (Note 12) and cash and cash equivalents (Note 16) of the Company with a carrying value of Saudi Riyals 39,707 million and Saudi Riyals 1,429 million, respectively.

During the year ended December 31, 2022, the equity bridge loans (EBLs) guaranteed by founding shareholders amounting to Saudi Riyals 11,250 million were partially repaid to an extent of Saudi Riyals 1,940 million out of the proceeds of the rights issue carried out by the Company in the year 2022. Initially maturing on July 1, 2019, the EBLs were restructured during the year 2023, and are now due to mature on December 20, 2027 upon which, all amounts outstanding will become due and payable. An Extension fee amounting to Saudi Riyals 135 million was paid in two instalments and is amortised over the term of the restructured EBLs. The restructured EBLs are financed by commercial banks and a related party (Aramco Overseas Company, a wholly owned subsidiary of Saudi Aramco, a founding shareholder), to an extent of Saudi Riyals 6,310 million and Saudi Riyals 3,000 million respectively. The restructured EBL agreements allow for interim voluntary partial repayments to be made. During the year, the Company has not made any such voluntary partial repayments of the EBLs.

The aforementioned loans are denominated in US Dollars and bear financial charges based on prevailing market rates and certain covenants requirements.

15.3.1 (b) During the year 2020, the Company had entered into Revolving corporate facilities ('RSL') with Saudi Aramco and Sumika Finance Company Limited, a wholly owned subsidiary of Sumitomo Chemical. The facilities available under each of these agreements amounted to Saudi Riyals 2,812.5 million (collectively Saudi Riyals 5,625 million) which were fully utilized by the Company. On August 28, 2024, the Company and founding shareholders signed Amendment and Restatement Agreements ('Amended RSL Agreements') whereby Sumika Finance Company novated its rights under its RSL to Sumitomo Chemical and the founding shareholders irrevocably and unconditionally waived the Company's obligation to repay Saudi Riyals 3,750 million (USD 1,000 million) of the aggregate amount of RSLs outstanding (Saudi Riyals 1,875 million (USD 500 million) under each respective RSL) together with any related commission thereon including commission on the remaining outstanding balance of the RSLs. The proportionate waived facilities amounting to Saudi Riyals 3,750 million (USD 1,000 million) in aggregate have been adjusted against accumulated losses under the statement of changes in equity (also see Note 2). Subsequent to the year ended December 31, 2024, on January 28, 2025, the Company and its founding shareholders signed the Amended and Restated RSL Write-off and Termination agreements whereby the founding shareholders irrevocably and unconditionally waived the Company's obligation to repay the remaining balance of RSLs amounting Saudi Riyals 1,875 million (USD 500 million) (representing Saudi Riyals 937.5 million each (USD 250 million) for each founding shareholder under its respective agreement). This waived amount of Saudi Riyals 1,875 million (USD 500 million) will be subsequently adjusted against accumulated losses under the statement of changes in equity.

The Company had entered into a corporate facility agreement with Saudi Aramco during 2020. The facility available under this agreement amounts to Saudi Riyals 1,875 million and is utilized to an extent of Saudi Riyals 112.5 million as at December 31, 2024.

This corporate facility bears financial charges based on prevailing market rates and is secured by promissory notes issued by the Company in favour of the lenders to the extent of drawdowns made.

15.3.2 Loan from SIDF

During the year ended December 31, 2019, the Company entered into a loan agreement with SIDF to replace a portion of the loans for Phase II Expansion Project (see Note 15.3.1). The facility available under this loan agreement amounts to Saudi Riyals 3,600 million and is fully utilized as at December 31, 2024. The loan is repayable in unequal semi-annual instalments commencing from Rabi Aakhir 1443H (corresponding to November 2021) to Shawwal 1453H (corresponding to January 2032). Upfront fee amounting to Saudi Riyals 288 million was deducted at the time of receipt of the loan and is amortised over the loan term. The loan also bears a follow up fee to be paid on semi-annual basis. The loan has certain covenants, which among other things requires certain financial ratios to be maintained. The Company is required to make an assessment at every reporting period for the compliance of the loan covenants. The loan facility is secured by a mortgage on the property, plant and equipment of the Company amounting to Saudi Riyals 7,200 million.

15 Financial assets and financial liabilities (continued)

15.3.3 Other facilities

(a) The Company has working capital facilities of Saudi Riyals 3,375 million with local commercial banks on prevailing market rates. During the year ended December 31, 2024, drawdowns and repayments amounting to Saudi Riyals 15,920 million and Saudi Riyals 19,182 million, respectively have been made by the Company with a closing balance of Saudi Riyals Nil as at December 31, 2024 (December 31, 2023: Saudi Riyals 3,262 million).

(b) The Company has a credit facility of Saudi Riyals 375 million with a local commercial bank on prevailing market rates. As at December 31, 2024, the facility has been unutilized (December 31, 2023: Saudi Riyals Nil).

15.3.4 Trade and other payables

	2024	2023
Trade payables:		
- Related parties	**14,187,880**	10,777,474
- Others	**1,359,605**	1,000,340
	15,547,485	11,777,814
Other payables – related parties (see below)	**57,626**	78,851
	15,605,111	11,856,665

Other payables principally relate to payments made by founding shareholders on behalf of the Company in respect of seconded employees and other charges. Other payables as at December 31, 2023 included remaining accumulated interest on founding shareholders loans amounting to Saudi Riyals 45.1 million and withholding tax on the remaining unpaid accumulated interest on loan from Sumitomo Chemical amounting to Saudi Riyals 1.2 million which was waived by the founding shareholders pursuant to the Shareholder Loan Write-off Agreement dated August 28, 2024. The waived-off accumulated interest amounting to Saudi Riyals 45.1 million has been adjusted against accumulated losses under the statement of changes in equity.

15.4 Financial instruments risk management objectives and policies

Financial risk is inherent in the Company's activities but is managed through a process of ongoing identification, measurement and monitoring, subject to risk limits and other controls. This process of risk management is critical to the Company's continuing operations and each individual within the Company is accountable for the risk exposures relating to respective responsibilities. The Company's policy is to monitor business risks through strategic planning process.

Risk management structure

Board of Directors
The Board of Directors is responsible for the overall risk management approach and for approving the risk management strategies and principles.

Board audit committee
The audit committee assists the Board in carrying out its responsibilities with respect to assessing the quality and integrity of financial reporting and risk management, the internal audit thereof and the soundness of the internal controls of the Company.

Internal audit
All key operational, financial and risk management processes are audited by internal audit. Internal audit examines the adequacy of the relevant policies and procedures and the Company's compliance with internal policies and regulatory guidelines. Internal audit discusses the results of all assessment with management and reports its findings and recommendations to audit committee.

The risks faced by the Company and the way these risks are mitigated are summarized below:

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15 Financial assets and financial liabilities (continued)

Credit risk

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss.

Credit risk principally arises from cash and cash equivalents, trade receivables, long-term loans and other receivables. The Company's gross maximum exposure to credit risk at the reporting date is as follows:

	2024	2023
Cash and cash equivalents	**1,428,964**	1,372,066
Trade receivables	**3,482,958**	5,190,684
Long-term loans	**289,078**	270,461
Other receivables	**44,214**	31,053
	5,245,214	6,864,264

Cash and cash equivalents are placed with banks with credit ratings ranging between A1 – AA3 (Moody's). The majority of trade receivables representing 99.3% (December 31, 2023: 99.8%) is from founding shareholders and their affiliates with historically strong credit ratings and is stated at respective fair values. In the event of disagreement on any invoice, the marketer is required to pay the full value of the invoice prior to resolution of the disagreement. The Company does not obtain collaterals over receivables. As at December 31, 2024, there were overdue debts equivalent to 0.3% (December 31, 2023: 0.3%) of trade receivables beyond the Company's allowed credit periods. The loans receivable from employees are secured by mortgages on the related housing units. The Company is not exposed to significant credit risk on other receivables.

Commodity price risk

The Company is exposed to the risk of fluctuations in the prevailing market prices on the refined and petrochemical products it produces. The Company's policy is to manage these risks through the use of prices based on agreements entered by the Company with major customers (Note 4). The Company does not enter into commodity price hedging arrangements.

Fair value and cash flow interest rate risks

Fair value and cash flow interest rate risks are the exposures associated with the effect of fluctuations in the prevailing interest rates on the Company's financial positions and cash flows. The Company's interest rate risks arise mainly from its short-term deposits, loans from banks and financial institutions and loans from founding shareholders and their affiliates, which are at floating rate of interest and are subject to re-pricing on a regular basis.

Fair value of financial assets and liabilities carried at amortized cost approximate their carrying amounts.

Interest rate sensitivity

As at December 31, 2024, it is estimated that a general increase / decrease of 50 basis points in floating interest rates on loans and borrowings (Note 15.3.1 (a) and 15.3.3), with all other variables held constant, would increase / decrease the Company's profit (loss) for the year by approximately Saudi Riyals 97.7 million (December 31, 2023: Saudi Riyals 128.2 million).

Currency risk

Currency risk is the risk that the value of a financial instrument will fluctuate due to changes in foreign exchange rates. The Company's transactions are principally in Saudi Riyals and US Dollars. The Company monitors the fluctuation in currency exchange rates and believes that currency risk is not significant to the Company.

Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its commitments associated with financial liabilities when they fall due.

Liquidity requirements are monitored on regular basis and the Company ensures that sufficient liquid funds are available to meet any commitments as they arise. The Company aims to maintain sufficient level of its cash and cash equivalents to meet expected cash outflows of financial liabilities.

The Company's financial liabilities consist of trade and other payables (Note 15.3.6), loans and borrowings (Note 15.3.1, 15.3.2, 15.3.3, 15.3.4 and 15.3.5), lease liabilities (Note 13.2) and accrued expenses and other liabilities (Note 22). All financial liabilities except for loans and borrowings, lease liabilities, are non-commission bearing and expected to be settled within 12 months from the date of statement of financial position.

15 Financial assets and financial liabilities (continued)

Liquidity risk (continued)

The following analysis provides the Company's financial liabilities into relevant maturity groupings based on the remaining period at the statement of financial position date to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying balances, as the impact of discounting is not significant, except for lease liabilities, which are stated at minimum lease payments.

2024	Less than three months	Three to twelve months	One to five years	Over five years	Total
Loans and borrowings	**1,875,000**	**2,607,092**	**18,410,330**	**3,329,203**	**26,221,625**
Lease liabilities	**231,750**	**722,825**	**3,751,530**	**8,210,948**	**12,917,053**
Trade and other payables	**14,246,678**	**1,358,433**	**-**	**-**	**15,605,111**
Accrued expenses and other liabilities	**393,634**	**-**	**-**	**-**	**393,634**

2023	Less than three months	Three to twelve months	One to five years	Over five years	Total
Loans and borrowings	3,269,182	7,178,470	18,472,058	5,314,569	34,234,279
Lease liabilities	236,551	732,559	3,777,773	9,145,062	13,891,945
Trade and other payables	10,813,358	1,043,307	-	-	11,856,665
Accrued expenses and other liabilities	397,734	-	-	-	397,734

Capital management

The primary objective of the Company's capital management is to ensure that it maintains strong credit worthiness and capital ratios in order to support its business and maximize shareholders' value.

The Company's Board of Directors considers share capital, retained earnings (accumulated losses) and statutory reserve as Company's capital. The Company manages its capital and makes adjustments to it in light of changes in economic conditions and the requirements of the financial covenants. To maintain or adjust the capital structure, the Company may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. The Company is not subject to externally imposed capital requirements.

16 Cash and cash equivalents

	2024	2023
Cash in hand	**75**	75
Cash at banks - current accounts	**1,428,964**	1,372,066
	1,429,039	1,372,141

Cash at banks – current accounts include an amount of Saudi Riyals 249.9 million (December 31, 2023: Saudi Riyals 227.8 million) representing balance of employees' thrift savings program placed with a local bank (Note 21.3).

17 Inventories

	2024	2023
Raw materials	**476,150**	432,841
Work-in-progress	**998,629**	1,201,825
Finished goods	**1,135,084**	1,176,703
Goods-in-transit	**363**	363
Spare parts and consumables	**1,208,013**	1,160,685
	3,818,239	3,972,417

During the year ended December 31, 2024, in order to carry the inventory at net realizable value, the net movement in provision for inventory except for spare parts and consumables has resulted in Saudi Riyals Nil (December 31, 2023: Nil) expense under cost of sales.

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17 Inventories (continued)

Movement in provision for slow moving spare parts and consumables is as follows:

	Note	2024	2023
January 1		**181,627**	168,425
Additions	6	**37,153**	13,260
Utilised		**(33,664)**	(58)
December 31		**185,116**	181,627

18 Prepayments and other receivables

	Note	2024	2023
Prepayments		**101,691**	93,329
Advances to suppliers		**193,133**	67,342
Advance tax and value added tax		**1,991,059**	1,208,889
Other receivables		**30,627**	23,834
		2,316,510	1,393,394
Due from related parties	25	**16,117**	8,612
		2,332,627	1,402,006

19 Share capital

The Company's authorised and issued share capital of Saudi Riyals 16.71 billion at December 31, 2024 and December 31, 2023 consists of 1,671 million fully paid shares of Saudi Riyals 10 each. The founding shareholders of the Company are Saudi Aramco and Sumitomo Chemical and each of them hold 37.5% of the shares. On August 7, 2024, the founding shareholders have signed an SPA, pursuant to which Saudi Aramco will acquire from Sumitomo Chemical; 375,974,998 shares representing approximately 22.5% of the share capital of the Company (also see Note 2).

20 Statutory reserve

In accordance with the Regulation for Companies in the Kingdom of Saudi Arabia, the Company is required to transfer each year at least 10% of its net income, after absorbing accumulated losses, to a statutory reserve until such reserve equal 30% of its share capital. This reserve is not available for distribution to shareholders.

21 Employees' benefits

	Notes	2024	2023
End of service benefits	21.1	**614,561**	585,458
Employees' share ownership plan	21.2	**5,288**	5,305
Employees' savings program	21.3	**249,917**	227,809
Total employees' benefits		**869,766**	818,572
Less: Current portion of employees' benefits under accrued expenses and other liabilities		**(6,600)**	(5,047)
Non-current portion of employees' benefits		**863,166**	813,525

21.1 End of service benefits

	2024	2023
Company's employees	**610,609**	580,837
Founding shareholders' seconded employees	**3,952**	4,621
	614,561	585,458

The Company has a post-employment defined benefit plan for its employees. The benefits are required by Saudi Arabian Labor and Workman Law (labor law). The benefit is based on employees' final salaries and allowances and their cumulative years of service, as stated in the labor law.

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21 Employees' benefits (continued)

21.1 End of service benefits (continued)

The following table summarizes the components of the net benefit expense recognized in the statement of profit or loss, statement of comprehensive income and movement in present value of defined benefit obligation in the statement of financial position.

Net benefit expense recognised in statement of profit or loss:	2024	2023
Current service cost	**49,440**	47,530
Interest cost on benefit obligation	**28,000**	26,193
	77,440	73,723

Net benefit expense recognised in statement of comprehensive income:	2024	2023
Actuarial loss (gain) arising from experience	**13,003**	(1,089)
Actuarial (gain) loss arising from changes in financial assumptions	**(14,041)**	13,434
	(1,038)	12,345

Movement in present value of defined benefit obligation:	2024	2023
January 1	**580,837**	517,044
Current service cost	**49,440**	47,530
Interest cost on benefit obligation	**28,000**	26,193
Actuarial loss (gain) arising from experience	**13,003**	(1,089)
Actuarial (gain) loss arising from changes in financial assumptions	**(14,041)**	13,434
Benefits paid during the year	**(46,630)**	(22,275)
December 31	**610,609**	580,837

Significant assumptions used in determining the post-employment defined benefit obligation include the following:

	2024	2023
Discount rate	**5.25%**	5.00%
Salary escalation rate	**4%**	4%
In service mortality	**SOA RP14 Total Dataset mortality with scale MP-14**	SOA RP14 Total Dataset mortality with scale MP-14
Withdrawal before normal retirement age	**Age-wise**	Age-wise

The weighted average duration of the defined benefit obligation as at December 31, 2024 is 9.1 years (December 31, 2023: 9.5 years).

A quantitative sensitivity analysis for significant assumptions on the defined benefit obligation is shown below:

Discount rate:

	2024	2023
1% increase in discount rate	**559,387**	530,046
1% decrease in discount rate	**670,138**	640,174

Salary escalation rate:

	2024	2023
1% increase in salary escalation rate	**670,351**	640,234
1% decrease in salary escalation rate	**558,306**	529,090

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21 Employees' benefits (continued)

21.1 End of service benefits (continued)

Voluntary exit rate:

	2024	2023
5% increase at each age	**622,006**	585,775
5% decrease at each age	**586,742**	566,088

The sensitivity analysis above has been determined based on a method that extrapolates the impact on the defined benefit obligation as a result of reasonable changes in key assumptions occurring at the end of the reporting period. The sensitivity analysis is based on a change in a significant assumption, keeping all other assumptions constant. The sensitivity analysis may not be representative of an actual change in the defined benefit obligation as it is unlikely that changes in assumptions would occur in isolation of one another.

21.2 Employees' share ownership plan

During the year ended December 31, 2008, the Board of Directors approved the implementation and operation of an Employees' share ownership plan ("ESOP"), which provides 5 years' service awards to certain levels of staff.

The Company arranged with a commercial bank to subscribe for 1.5 million shares during the IPO at the offer price of Saudi Riyals 21 per share. These ESOP shares are held by the bank in trust for the Company's eligible employees that will become eligible for an award under the plan. Any of the ESOP shares that do not become issuable to eligible employees will be dealt with by the bank in accordance with the Company's instructions, and any disposal proceeds will be for the account of the Company. The Company recognized the liability through provision by amortizing the total cost of the ESOP shares on a straight-line basis over a period of 5 years.

Until the ESOP shares become vested and are transferred to the eligible employees, they are accounted for as a deduction from shareholders' equity. During the year ended December 31, 2024, the Company has vested 800 shares to eligible employees due for entitlement (December 31, 2023: 1,600 shares).

The carrying amount of the ESOP as at December 31, 2024 is Saudi Riyals 5.3 million (December 31, 2023: Saudi Riyals 5.3 million).

21.3 Employees' savings program

The Company operates a thrift savings program (the "Program") on behalf of its employees and the Company matches the employee contribution with an equal, or lesser, contribution towards the Program that is commensurate with the employee's participation seniority in the Program.

Balance in employees' savings program is presented in the statement of financial position as follows:

	2024	2023
Current portion (included in accrued expenses and other liabilities)	**2,859**	516
Non-current portion	**247,058**	227,293
	249,917	227,809

22 Accrued expenses and other liabilities

	Note	2024	2023
Accrued bonus		**32,517**	28,702
Customer advances		**6,381**	15,123
Social security payable		**8,426**	8,691
Withholding tax and value added tax (VAT) payable		**1,712,816**	773,353
Accrued expenses		**642**	378
Dividend payable		**1,004**	1,028
Others		**119,468**	38,500
		1,881,254	865,775
Due to related parties	25	**231,576**	320,435
		2,112,830	1,186,210

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23 Zakat and tax

23.1 Charge for the year

Zakat and tax for the year ended December 31, is as follows:

	Note	2024	2023
Zakat for the year		**1,773**	-
Zakat for the preceding years	23.3	**-**	5,341
Deferred tax income for the year (see below)		**(203,204)**	(106,512)
		(201,431)	(101,171)

Income tax and deferred tax for the year ended December 31, has been recognised as follows:

	Note	2024	2023
Statement of profit or loss:			
- Income tax		**-**	-
- Deferred tax income		**(203,282)**	(105,586)
Tax income for the year	23.2	**(203,282)**	(105,586)
Statement of comprehensive income – Deferred tax expense (income)		**78**	(926)

23.2 Zakat base and tax expense reconciliation

Zakat for the year ended December 31, is attributable to the following components:

	2024	2023
Share capital, liabilities, provisions, reserves and accumulated losses	**50,198,611**	37,295,981
Assets	**(50,088,865)**	(42,998,270)
Zakat base	**109,746**	(5,702,288)
Zakat base attributable to Saudi founding shareholder and general public shareholding (2024 and 2023: 62.5%)	**68,591**	(3,563,930)
Zakat for the year	**1,773**	-

Zakat for the year ended December 31, 2024 has been computed based on the new Zakat Regulations (Ministerial Resolution 1007) published during the year 2024.

Reconciliation between loss before Zakat and tax at applicable tax rate and tax expense for the year ended December 31, is as follows:

	2024	2023
Loss before Zakat and tax	**(4,746,036)**	(4,792,978)
Loss subject to tax (2024 and 2023: 37.5%)	**(1,779,764)**	(1,797,367)
Tax at applicable tax rate (20%)	**(355,952)**	(359,473)
Tax effect of non-deductible expenses:		
Interest expense in excess of allowable limit	**139,255**	138,236
Withholding tax	**6,665**	6,397
Effect of previous years' tax assessments on brought forward losses	**-**	100,540
Educational assistance	**171**	199
Others	**6,579**	8,515
Tax income for the year	**(203,282)**	(105,586)

23.3 Status of assessments

The Company has filed its Zakat and income tax returns with the Zakat, Tax and Customs Authority (ZATCA) up to 2023 and obtained the Zakat certificate, valid until April 30, 2025. The Company has finalized its Zakat and income tax assessments with ZATCA up to 2020. ZATCA requested certain information regarding the returns filed for the years 2021 and 2022, which the Company has already provided to ZATCA.

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24 Zakat and tax asset and liability

24.1 The movement of Zakat and income tax payable is as follows:

	Notes	2024	2023
January 1		**-**	31,411
Charge for the current year	23.1	**1,773**	-
Adjustment for preceding years	23.3	**-**	5,341
Payments during the year		**-**	(36,752)
December 31		**1,773**	-

24.2 The component wise movement of deferred tax asset is as follows:

	Property, plant and equipment	Tax losses carried forward	Employees' benefits	Trade receivables and inventories	Others	Total
2024						
January 1	**(1,797,481)**	**1,962,502**	**43,909**	**13,622**	**8,314**	**230,866**
Tax (expense) income recognised in statement of profit or loss	**(37,152)**	**235,319**	**2,261**	**262**	**2,592**	**203,282**
Tax expense recognised in statement of comprehensive income	**-**	**-**	**(78)**	**-**	**-**	**(78)**
December 31	**(1,834,633)**	**2,197,821**	**46,092**	**13,884**	**10,906**	**434,070**

	Property, plant and equipment	Tax losses carried forward	Employees' benefits	Trade receivables and inventories	Others	Total
2023						
January 1	(1,715,291)	1,782,522	39,157	12,632	5,334	124,354
Tax (expense) income recognised in statement of profit or loss	(82,190)	179,980	3,826	990	2,980	105,586
Tax income recognised in statement of comprehensive income	-	-	926	-	-	926
December 31	(1,797,481)	1,962,502	43,909	13,622	8,314	230,866

The ultimate realisation of deferred income tax assets is dependent upon the generation of future taxable income during the periods in which those temporary differences become deductible.

25 Related party transactions and balances

Related parties comprise of founding shareholders of the Company being Saudi Aramco (in which the Saudi Arabian Government holds 81.48% shareholding) and Sumitomo Chemical, (having significant influence on the Company) entities controlled, jointly controlled or significantly influenced by such parties (associated companies) and key management personnel.

25.1 Transactions with related parties

Transactions with related parties arise mainly from purchases, sales of refined and petrochemical products, credit facilities, secondments and various lease arrangements and are undertaken at approved contractual terms (See note 4). Significant related party transactions for the year ended December 31, are summarized as follows:

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

25 Related party transactions and balances (continued)

25.1 Transactions with related parties (continued)

	2024	2023
Saudi Aramco and its associated companies		
Purchase of goods	**34,278,830**	39,289,907
Sale of refined products and petrochemical products	**33,569,700**	38,055,923
Financial charges	**363,191**	317,948
Rentals	**25,999**	24,649
Secondees' costs	**13,595**	11,837
Service and other cost charges, net	**60,777**	18,212
Sumitomo Chemical and its associated companies		
Purchase of goods	**73,235**	69,117
Sale of petrochemical products	**4,851,700**	5,074,367
Financial charges	**91,780**	98,494
Secondees' costs	**2,510**	4,564
Service and other cost charges, net	**456**	260

25.2 Balances with related parties

Significant balances as at December 31, arising from transactions with related parties are as follows:

	Notes	2024	2023
Saudi Aramco and its associated companies			
Due to related parties:			
Loans and borrowings	15	**4,026,966**	4,759,179
Trade and other payables	15	**14,245,506**	10,828,385
Employees' benefits		**176**	47
Accrued expenses and other liabilities	22	**207,883**	256,474
Due from related parties:			
Trade and other receivables	15,18	**3,249,512**	4,670,939

The Company has borrowing arrangements with governmental agencies at market terms (Notes 15.3.1 and 15.3.2). Financial charges incurred on these arrangements for the year ended December 31, 2024 amounted to Saudi Riyals 332.3 million (December 31, 2023: Saudi Riyals 356.9 million) and have an ending balance of Saudi Riyals 5,449 million as at December 31, 2024 (December 31, 2023: Saudi Riyals 6,030 million).

	Notes	2024	2023
Sumitomo Chemical and its associated companies			
Due to related parties:			
Loans and borrowings	15	**937,500**	1,766,290
Trade and other payables	15	**-**	27,940
Accrued expenses and other liabilities	22	**23,693**	63,961
Employees' benefits		**34**	43
Due from related parties:			
Trade and other receivables	15,18	**226,446**	522,854

25.3 Transactions with key management personnel

Transactions with key management personnel on account of short-term benefits amounted to Saudi Riyals 15.7 million (December 31, 2023: Saudi Riyals 13.7 million) of which Saudi Riyals 7 million (December 31, 2023: Saudi Riyals 7.7 million) are included in secondees' costs above (see Note 25.1). The remuneration paid to directors amounted to Saudi Riyals 1.05 million (December 31, 2023: Saudi Riyals 1.05 million).

26 Contingencies and commitments

(i) In addition to the amounts disclosed in note 15.3.3, bank guarantees and letters of credit issued on behalf of the Company as at December 31, 2024 amounted to Saudi Riyals 1,774 million (December 31, 2023: Saudi Riyals 1,683 million).

(ii) In addition to the amounts disclosed in note 13.2, capital commitments contracted for but not incurred as at December 31, 2024 amounted to Saudi Riyals 961 million (December 31, 2023: Saudi Riyals 466 million).

27 Subsequent event

During the year ended December 31, 2021, Saudi Electricity Company ("SEC") had raised a claim amounting to Saudi Riyals 365.7 million against the Company alleging that the Company breached the terms of Power Supply Agreement and Grid Utilization Agreement (the "Agreements"). The Dispute Resolution Committee (the "Committee") issued an administrative decision ordering the Company to pay SEC the claim amount of Saudi Riyals 365.7 million. The Company had filed an appeal against the Committee's decision on several grounds with the Jeddah Administrative Court at the Board of Grievances which held the appeal hearing on February 8, 2023 and ruled the decision in favor of the Company. Subsequently, SEC had filed an appeal against the Court's decision with the Administrative Court of Appeal which ruled the decision in favor of SEC. The Company also filed an appeal against this decision of the Administrative Court of Appeal at the Supreme Court of Cessation to revoke the judgement issued by the Administrative Court of Appeal.

During the year ended December 31, 2023, the Company received an enforcement notice on October 24, 2023, to pay the claim amount of Saudi Riyals 365.7 million inclusive of VAT, which the Company duly paid to the Enforcement Court in 2023. The Company filed an appeal with the Enforcement Court against the above notice. On November 30, 2024, the Enforcement Court ruled the appeal in favor of the Company and paid back the amount of Saudi Riyals 365.7 million to the Company. Since the appeal filed against the decision of the Administrative Court of Appeal at the Supreme Court of Cessation is still on-going, the Company has maintained the provision of Saudi Riyals 365.7 million under accrued expenses and other liabilities.

28 Approval and authorization for issue

These financial statements were approved and authorized for issue by the Board of Directors of the Company on Ramadan 16, 1446H (March 16, 2025).

بتـــرو رابـــغ
Petro Rabigh