

SHAREHOLDERS' CIRCULAR

بترو رابغ
Petro Rabigh





Rabigh Refining & Petrochemical Company

Capital Reduction by five billion two hundred and sixty-three million six hundred and fifty thousand (SAR 5,263,650,000) Saudi Riyals from twenty-one billion nine hundred and seventy-three million six hundred and forty-nine thousand nine hundred and eighty (SAR 21,973,649,980) Saudi Riyals to sixteen billion seven hundred and nine million nine hundred and ninety-nine thousand nine hundred and eighty (SAR 16,709,999,980) Saudi Riyals by reducing the total nominal value of the Class A Ordinary Shares from sixteen billion seven hundred and ten million (SAR 16,710,000,000) Saudi Riyals to eleven billion four hundred forty-six million three hundred fifty thousand (SAR 11,446,350,000) Saudi Riyals by reducing the nominal value of the Class A Ordinary Shares from ten (SAR 10) Saudi Riyals to six Saudi Riyals and eighty-five Halalas (SAR 6.85)

Circular to shareholders presented to the extraordinary general assembly convened on
[]/[]/1447H (corresponding to []/[]/2026G)

Financial Advisor



Important Notice

This Circular has been prepared by the Company in accordance with Article (61) of the Rules on the Offer of Securities and Continuing Obligations, to provide the necessary information to the Company's shareholders holding Class A shares, enabling them to make an informed decision when voting on the capital reduction proposal at the Extraordinary General Assembly Meeting. The concerned shareholder must read this Circular carefully and in full before making a voting decision.

Some of the financial figures presented in this Circular are shown in absolute values for clarity of disclosure. However, the Company prepares its financial statements in thousands of Saudi Riyals, in accordance with the relevant reporting standards. As a result, slight differences may arise due to rounding when comparing the figures presented in this Circular with those in the Company's financial statements. Certain financial information and figures included in this Circular have also been rounded. Accordingly, when aggregating the figures presented in tables, minor discrepancies may appear between the figures stated in this Circular and those in the financial statements due to rounding, and the sum of the items in a table may not precisely equal the total shown.

This Circular contains forward-looking statements. Such statements can be identified by the use of forward-looking terminology, such as, without limitation, "anticipate", "target", "expect", "estimate", "intend", "plan", "will", "believe", "aim", "may", "would", "could" or "should", or other words of similar import or the negative thereof. Forward-looking statements in this Circular include, without limitation, statements relating to the impact of the capital reduction, expected timelines, and other related matters. These statements are subject to change due to a number of factors that cannot be accurately predicted, such as future market conditions and the behavior of other market participants. Accordingly, recipients of this Circular should read such forward-looking statements in light of this notice and should not place undue reliance on them.

This Circular was prepared in Arabic and English. The Arabic is the governing language. In case of discrepancy, the Arabic copy shall prevail

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Company Directory

بترو رابغ
Petro Rabigh



1. Company Directory

Company

Rabigh Refining and Petrochemical Company

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Financial Advisor

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Legal Advisor

Zeyad Sameer Khoshaim Company (Professional Limited Liability Company)

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The Auditor for the three and six-month periods ended 30 June 2025G, the current Auditor of the Company, and the preparer of the Limited Assurance Report on the proposed capital reduction

PricewaterhouseCoopers Public Accountants

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Note: The Financial Advisor, Legal Advisor, and Auditor listed above have given their written consent to the inclusion of their names, addresses, logos, and statements, reports (as applicable) in the context in which they appear in this Circular, and have not withdrawn such consent as of the date of this Circular.

Definitions



2. Definitions

Term	Definition
Company	Rabigh Refining & Petrochemical Company, a Saudi joint stock company registered in the Commercial Register with the unified number (7001486898) dated 15/08/1426H (corresponding to 19/09/2005G), with a current capital of twenty-one billion nine hundred and seventy-three million six hundred and forty-nine thousand nine hundred and eighty (SAR 21,973,649,980) Saudi Riyals, with its head office is located in Rabigh Governorate in the Kingdom of Saudi Arabia.
Board / Board of Directors	The Board of Directors of the Company.
Saudi Aramco	Saudi Arabian Oil Company, a Saudi public joint stock company incorporated under the laws of the Kingdom of Saudi Arabia and established by Royal Decree No. M/8 dated 04/04/1409H (corresponding to 13/11/1988G), with Commercial Registration No. 2052101150, having a paid-in share capital of ninety billion (SAR 90,000,000,000) Saudi Riyals, with its head office located at P.O. Box 5000, Dhahran 31311, Kingdom of Saudi Arabia.
Shares	All shares of the Company, including Class A and Class B ordinary shares.
Class A Ordinary Shares	The Company's Class A Ordinary Shares, amounting to one billion six hundred and seventy-one million (1,671,000,000) Class A Ordinary Shares, with a nominal value of ten (SAR 10) Saudi Riyals per share, which are listed on the Saudi Exchange and are the subject of the Capital Reduction.
Class B Ordinary Shares	The Company's Class B Ordinary Shares, amounting to five hundred and twenty-six million, three hundred and sixty-four thousand nine hundred and ninety-eight (526,364,998) Class B Ordinary Shares, with a nominal value of ten (SAR 10) Saudi Riyals per share, which are not listed on the Saudi Exchange.
Instructions and Procedures Related to Listed Companies with Accumulated Losses amounting to 20% or More of their Share Capital	Procedures and instructions related to listed companies with accumulated losses reaching 20% or more of their share capital issued by the Board of the Capital Market Authority pursuant to resolution 4-48-2013 dated 15/01/1435H (corresponding to 18/11/2013G), and the amendments thereto.
Saudi Stock Exchange (Tadawul) / Stock Exchange	The Saudi Stock Exchange (Tadawul), which is the market where securities are traded in the KSA, managed and operated by the Saudi Exchange Company and regulated by the Capital Market Authority. Depending on the context, it also refers to the Saudi Exchange Company, a wholly owned subsidiary of the Saudi Tadawul Group, which is responsible for operating the market.
Capital Reduction	Reduction of the Company's capital by five billion two hundred and sixty-three million six hundred and fifty thousand (SAR 5,263,650,000) Saudi Riyals from twenty-one billion nine hundred and seventy-three million six hundred and forty-nine thousand nine hundred and eighty (SAR 21,973,649,980) Saudi Riyals to sixteen billion seven hundred and nine million nine hundred and ninety-nine thousand nine hundred and eighty (SAR 16,709,999,980) Saudi Riyals by reducing the nominal value of the Class A Ordinary share from ten (SAR 10) Saudi Riyals to six Saudi Riyals and eighty-five Halalas (SAR 6.85).
Depository Company	Securities Depository Center Company (Edaa).
Circular	This Circular prepared by the Company and submitted to the Extraordinary General Assembly Meeting regarding the Capital Reduction.
Capital Reduction EGM	The Extraordinary General Assembly Meeting of the Company convened to consider and vote on the Capital Reduction in the manner described in this Circular.

Term	Definition
Auditor's Report	The limited assurance report by the independent practitioner on the Board of Directors' declaration regarding the proposed capital reduction by the Board, as included in Annex (1) of this Circular, which sets out the reasons for the Capital Reduction and its impact on the Company's obligations and total equity, based on the unaudited condensed interim financial statements for the three-month and six-month periods ended June 30, 2025G, taking into account the capital increase through the issuance of Class B ordinary shares.
Capital Increase / Issuance of Class B Ordinary Shares	The Company's capital increase approved by the Extraordinary General Assembly Meeting on 07/04/1447H (corresponding to 29/09/2025G), pursuant to which the Company's capital was increased from sixteen billion seven hundred and ten million (SAR 16,710,000,000) Saudi Riyals, divided into one billion six hundred and seventy-one million (1,671,000,000) ordinary shares with a nominal value of ten (SAR 10) Saudi Riyals per share, to twenty-one billion nine hundred and seventy-three million six hundred and forty-nine thousand nine hundred and eighty (SAR 21,973,649,980) Saudi Riyals, divided into: (1) one billion six hundred and seventy-one million (1,671,000,000) Class A Ordinary Shares and (2) five hundred and twenty-six million three hundred and sixty-four thousand nine hundred and ninety-eight (526,364,998) Class B Ordinary Shares, through the issuance of Class B cash shares and their private offering to the Founding Shareholders without listing them.
Sale Transaction	The Sale Transaction between Saudi Aramco and Sumitomo Company, pursuant to which Saudi Aramco acquired from Sumitomo Company three hundred and seventy-five million, nine hundred and seventy-four thousand, nine hundred and ninety-eight (375,974,998) Class A Ordinary Shares of the Company, representing approximately twenty-two and five-tenths percent (22.5%) of the Company's total Class A Ordinary Shares.
Sumitomo Company	Sumitomo Chemical Co. Ltd., a limited liability company organized and established in accordance with the laws of Japan, with Commercial Registration No. (2010001071327), with its principal place of business at Tokyo Nihombashi Tower, 2-7-1 Nihombashi Street, Chu District, Tokyo 103-6020, Japan.
ROSCOs	The Rules on the Offer of Securities and Continuing Obligations issued pursuant to the Capital Market Authority Board Resolution No. 3-123-2017 dated 09/04/1439H (corresponding to 27/12/2017G), as amended.
Listing Rules	The Listing Rules approved by the Capital Market Authority Board Resolution No. (3-123-2017) dated 09/04/1439H (corresponding to 27/12/2017G), as amended.
Implementing Regulations of the Companies Law	The Implementing Regulations of the Companies Law for Listed Joint Stock Companies issued pursuant to the Capital Market Authority Board Resolution No. 8-127-2016 dated 16/01/1438H (corresponding to 17/10/2016G), as amended.
Shareholder	Any holder of the Company's ordinary shares, whether Class A or Class B.
Class A Shareholders	Holders of the Company's ordinary shares of Class A.
Class B Shareholders	Holders of the Company's ordinary shares of Class B.
Senior Executives	Any natural person who is assigned - alone or jointly with others - by the administrative body of the entity or by a member of the administrative body to perform supervisory and management tasks, and whose reporting line is to any of the following: the administrative body directly, a member of the administrative body, or the Chief Executive Officer.
H	Hijri Date.
G	Gregorian date.
Auditor	PricewaterhouseCoopers Public Accountants.

Term	Definition
Legal Advisor	Zeyad Sameer Hassan Khoshaim Company (Professional Limited Liability Company), in its capacity as the Legal Advisor for the Company in relation to the Capital Reduction.
Financial Advisor	Riyad Capital, in its capacity as the financial advisor to the Company regarding the Capital Reduction.
Eligible Shareholders	The Company's shareholders holding Class A Ordinary Shares as at the end of trading on the day of the Capital Reduction EGM and registered in the Company's shareholders' register maintained by Edaa at the end of the second trading day following the date of such Extraordinary General Assembly meeting on []H (corresponding to []G).
Founding Shareholders	Saudi Aramco and Sumitomo Company.
Companies Law	The Companies Law issued by Royal Decree No. (M/132) dated 01/12/1443H (corresponding to 30/06/2022G), as amended.
Electronic voting	A free electronic service for companies listed on the Saudi Exchange, enabling shareholders holding listed shares to exercise their voting rights on the agenda items of general assemblies without attending in person, through the Tadawulaty platform operated by Edaa.
Ministry of Commerce	The Ministry of Commerce of the Kingdom of Saudi Arabia.
CMA	The Capital Market Authority of the Kingdom of Saudi Arabia.

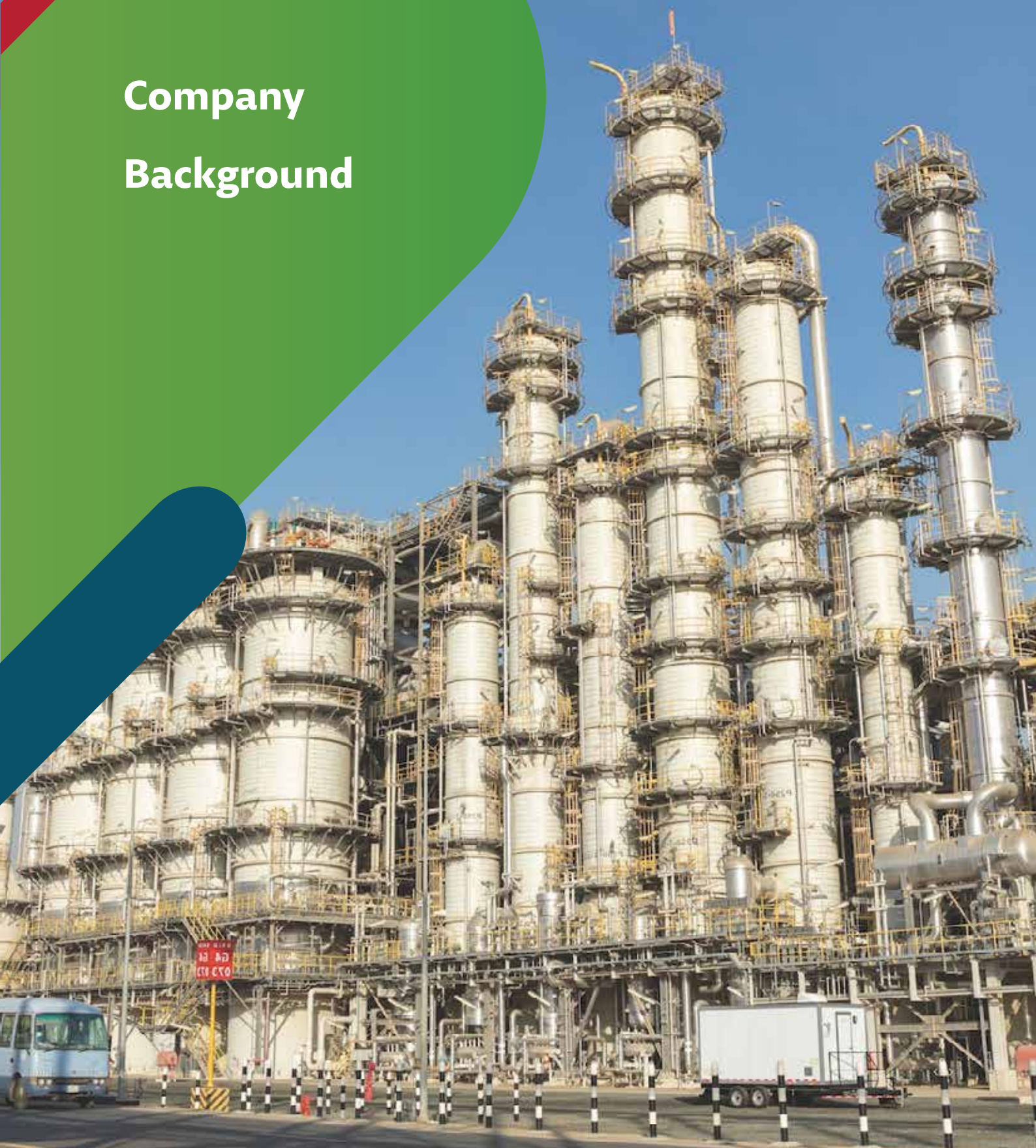


Purpose of this Circular

3. Purpose of this Circular

This Circular has been prepared by the Company in accordance with Article (61) of ROSCOs, to provide the necessary information to the Company's Class A Shareholders, in order to enable them to vote on the proposed Capital Reduction at the Extraordinary General Assembly on an informed basis. The relevant shareholder must read this Circular carefully and in full before making a decision on how to vote.

Company Background



4. Company Background

Rabigh Refining & Petrochemical Company is a listed Saudi joint stock company registered in the commercial register with the unified number (7001486898) dated 15/08/1426H (corresponding to 19/09/2005G), and its current capital is twenty-one billion nine hundred and seventy-three million six hundred and forty-nine thousand nine hundred and eighty (SAR 21,973,649,980) Saudi Riyals, divided into ordinary shares of two classes ,namely: (i) one billion six hundred and seventy-one million (1,671,000,000) Class A Ordinary Shares with a current nominal value of ten (SAR 10) Saudi Riyals per share ,and (ii) five hundred and twenty-six million three hundred and sixty-four thousand nine hundred and ninety-eight (526,364,998) Class B Ordinary Shares with a nominal value of ten (SAR 10) Saudi Riyals per share.

The registered address of the company is P.O .Box ,101 Rabigh ,21911 Kingdom of Saudi Arabia.

The Company owns and operates a world-class integrated oil and petrochemical refining complex located in Rabigh Governorate on the west coast of Saudi Arabia ,producing refined products and petrochemical products.

The activities of the Company ,as set out in the Company's Bylaws are the following:

- 1- Development, construction and operation of an integrated petroleum refining and petrochemical complex, including the manufacturing of refined petroleum products, petrochemical products and other hydrocarbon products, which include the following: Liquefied Petroleum Gas, Naphtha, Gasoline, Vacuumed Gas Oil, Treated Vacuumed Gas oil, Diesel, Kerosene (jet fuel), Fuel Oil, Hydrogen, Nitrogen, Petroleum Slop, Sulfur and Sludge. Ethylene, Propylene, Mono Ethylene Glycol, Propylene Oxide, Benzene, Para Xylene, Cumene, Phenol, Acetone, Isobutylene, Methyl tert-butyl ether, Methyl Methacrylate, n-Butene, Heavy Aromatics, Toluene, Mixed Xylene, Heavy Ethylene Glycols, Raffinates, Low Density Polyethylene, Ethylene Vinyl Acetate, Linear Low Density Polyethylene, High Density Polyethylene, Polypropylene Homo Polymer, Polypropylene Block Copolymer, High Density polyethylene Wax, Poly (methyl methacrylate), Ethylene Propylene Diene Monomer Rubber, Thermo Plastic Olefins, Nylon 6 (Polyamide 6) and Polyether Polyols; and
- 2- Owning, developing and operating industrial complexes for conversion industries.

The activities of the Company ,as set out in the Company's commercial register are the following:

- 1- Production of kinds of liquid fuel oil refinery products);
- 2- Production of kinds of gas fuel ,includes (Ethane ,Butane ,Propane ,etc.);
- 3- Manufacture of basic organic chemicals, includes Astelin except azotic fertilizers and compounds (nitrogen);
- 4- Production of primary gases, includes (oxygen and hydrogen ,etc.);
- 5- Manufacture of inorganic acids;
- 6- Manufacture of chemical materials;
- 7- Manufacture of plastics in primary forms;
- 8- Manufacture of synthetic rubber taken from oils in their primary forms;
- 9- Manufacture of synthetic rubber and natural rubber mixtures;
- 10- Manufacture of propylene;
- 11- Manufacture of polyethylene;
- 12- Manufacture of basic oils;
- 13- Chemical modification of oils and fats ;and
- 14- Manufacture of semi-finished plastic products ,includes (ts ,slices ,sheets ,tapes ,pipes ,hoses and supplies ,etc.).

4.1 Contact Information

Rabigh Refining and Petrochemical Company

P.O. Box 101

Rabigh 21911

Saudi Arabia

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Email: Investor.Relations@petrorabigh.com

4.2 Key Developments in the Company's Capital

The Company was established on 15/08/1426H (corresponding to 19/09/2005G) by Saudi Aramco and Sumitomo Company with a capital of seven hundred and fifty million (SAR 750,000,000) Saudi Riyals. After incorporation, the Company made several changes in its capital structure as shown in the summary below:

Date	Size of the increase	The Company's Capital Before restructuring (in Riyals)	The Company's Capital After restructuring (in Riyals)	Restructuring
30/01/2006G	Capital increase of (SAR 1,875,000,000).	750,000,000	2,625,000,000	Issuance of new cash shares to the Founding Shareholders
06/02/2007G	Capital increase of (SAR 2,625,000,000).	2,625,000,000	5,250,000,000	Issuance of new cash shares to the Founding Shareholders
16/04/2007G	Capital increase of (SAR 1,320,000,000).	5,250,000,000	6,570,000,000	Issuance of new cash shares to the Founding Shareholders
27/01/2008G	Capital increase of (SAR 2,190,000,000).	6,570,000,000	8,760,000,000	Issuance of new cash shares to the public through the Company's initial public offering
08/06/2022G	Capital increase of (SAR 7,950,000,000).	8,760,000,000	16,710,000,000	Issuance of new cash shares through a rights issue
29/09/2025G	Capital increase of (SAR 5,263,649,980).	16,710,000,000	21,973,649,980	Issuance of new cash shares to the Founding Shareholders through the issuance of non-listed Class B ordinary shares.

Source: Company

The Capital Reduction EGM will be held on the date of [●]H (corresponding to [●]G) to vote on the capital reduction of five billion two hundred and sixty-three million six hundred and fifty thousand (SAR 5,263,650,000) Saudi Riyals from twenty-one billion nine hundred and seventy-three million six hundred and forty-nine thousand nine hundred and eighty (SAR 21,973,649,980) Saudi Riyals to sixteen billion seven hundred and nine million nine hundred and ninety-nine thousand nine hundred and eighty (SAR 16,709,999,980) Saudi Riyals by way of a reduction of the nominal value of the Class A Ordinary Share from ten (SAR 10) Saudi Riyals to six Saudi Riyals and eighty-five Halalas (SAR 6.85).

4.3 Board of Directors

The Board of Directors consists of nine (9) members for a Board term commencing from 01/05/1446H (corresponding to 03/11/2024G) and ending on 01/06/1449H (corresponding to 02/11/2027G), and the following table shows the ownership of each of them in the Company's shares as at the end of trading on 05/05/1447H (corresponding to 27/10/2025G), taking into consideration that the information below is regarding Class A shares where no member owns shares of Class B.

Name	Position	Status	Number of Owned Shares of Class A		Number of Owned Shares of Total capital		Percentage of owned shares of Class A		Percentage of owned shares of Total capital		Appointment Date
			Direct	Indirect ⁽¹⁾	Direct	Indirect ⁽¹⁾	Direct	Indirect ⁽¹⁾	Direct	Indirect ⁽¹⁾	
Ibrahim Qassim Al-Buainain	Chairman	Non-Executive	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	03/11/2024G
Abdullah Saleh Al-Suwailem	Member	Non-Executive	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	09/10/2025G ⁽²⁾
Mohammed Abdullatif Al-Omair	Member	Independent	12	N/A	12	N/A	0.0000007%	N/A	0.0000005%	N/A	03/11/2024G
Motassim Abdulaziz Al-Maashouq	Member	Independent	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	03/11/2024G
Hamad Yahya Al-Daghreer	Member	Non-Executive	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	09/10/2025G ⁽²⁾
Hussain Ali Al-Qahtani	Member	Non-Executive	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	03/11/2024G
Seiji Takeuchi	Member	Non-Executive	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	03/11/2024G
Khalid bin Saleh Al-Sultan	Member	Independent	100	N/A	100	N/A	0.000006%	N/A	0.000046%	N/A	03/11/2024G
Othman Ali Al-Ghamdi	Member	Executive	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	03/11/2024G

Source: Company

(1) Indirect ownership means the ownership of the relatives of a member of the board of directors or companies controlled by a member of the board of directors.

(2) The two members were appointed on 16/04/1447H (corresponding to 08/10/2025G) by the Board in the two vacant seats following the resignation of the members Noriyaki Takeshita and Tetsuo Takahashi.

4.4 Senior Executives

The Company is managed by a highly experienced team with the necessary knowledge and experience to manage the Company's business. The following table shows the Company's senior executives, their positions, the date of their appointment to these positions, and their respective ownership of the Company's Class A shares as of the end of trading on 05/05/1447H (corresponding to 27/10/2025G). It should be noted that none of the senior executives holds any Class B shares, whether directly or indirectly (through relatives or controlled entities):

Name	Position	Number of Owned Shares of Class A		Percentage of Owned Shares of Class A		Date of Appointment ⁽²⁾
		Direct	Indirect ⁽¹⁾	Direct	Indirect ⁽¹⁾	
Othman Ali Al-Ghamdi	President & Chief Executive Officer	N/A	N/A	N/A	N/A	01/01/2021G
Faisal Bahaidara	Senior Vice President of Manufacturing	5,913	N/A	0.00035%	N/A	01/04/2024G
Fahad Hisham Al-Muhaisen	Chief Financial Officer	N/A	N/A	N/A	N/A	01/09/2025G
Adel Al-Mujahid	Vice President of Industrial Relations	120	N/A	0.000007%	N/A	01/04/2023G
Fahad Al-Dhrawi	Vice President of Engineering & Support	N/A	N/A	N/A	N/A	15/01/2024G
Yasser Dhaif Al-Ghamdi	Vice President of Market Development	N/A	N/A	N/A	N/A	07/12/2021G
Assem Saleh	Vice President of Industrial Security	175	N/A	0.00001%	N/A	01/10/2025G

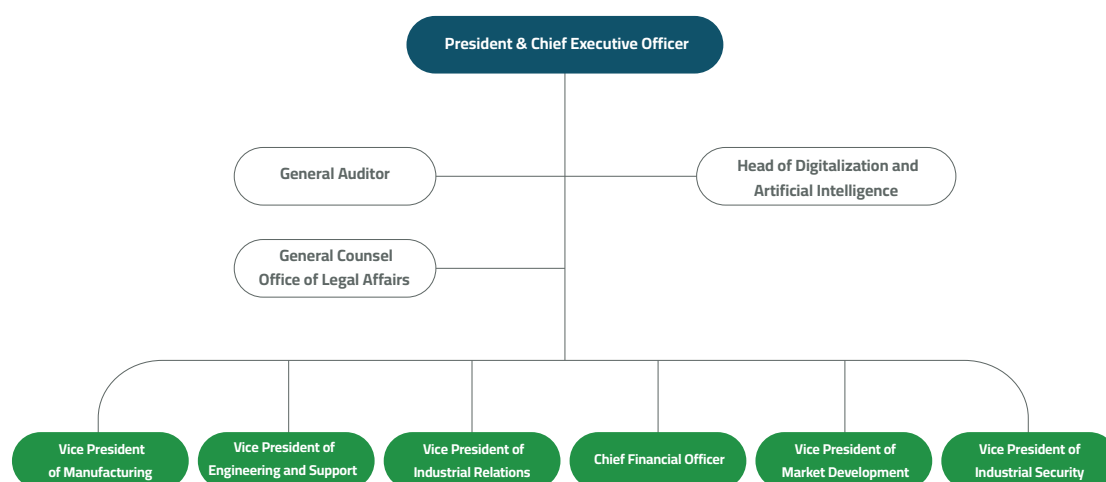
Source: Company

(1) Indirect ownership means the ownership of the relatives of or companies controlled by such executive.

(2) Means the date of commencement of appointment/assignment in the office indicated.

4.5 Organizational Structure

The following figure shows the organizational structure of the company:



Source: Company

4.6 Names and Ownership Percentages of Shareholders in the Company

The following table shows the details of the ownership of the substantial shareholders of the company before and after the Capital Reduction:

Shareholder	Before Capital Reduction			After Capital Reduction		
	Number of shares	Nominal Value of Shares	Ownership Percentage (%) of the Class	Number of shares	Nominal Value of Shares	Ownership Percentage (%) of the Class
Class A Ordinary Shares						
Saudi Aramco	1,002,599,996	10,025,999,960	60%	1,002,599,996	6,867,809,973	60%
Sumitomo Company	250,650,000	2,506,500,000	15%	250,650,000	1,716,952,500	15%
Other Shareholders Excluding Substantial Shareholders	417,750,004	4,177,500,040	25%	417,750,004	2,861,587,527	25%
Total Class A Ordinary Shares	1,671,000,000	16,710,000,000	100%	1,671,000,000	11,446,350,000	100%
Class B Ordinary Shares						
Saudi Aramco	263,182,499	2,631,824,990	50%	263,182,499	2,631,824,990	50%
Sumitomo Company	263,182,499	2,631,824,990	50%	263,182,499	2,631,824,990	50%
Total Class B Ordinary Shares	526,364,998	5,263,649,980	100%	526,364,998	5,263,649,980	100%
Total shares (Both Classes)	2,197,364,998	21,973,649,980	-	2,197,364,998	16,709,999,980	-

Source: Company

As indicated, there will be no change to the number of Class A Ordinary Shares or ownership percentages of each shareholder in each class of the Company's issued shares as a result of the Capital Reduction, as the Capital Reduction will be implemented by decreasing the nominal value of each Class A ordinary share from ten Saudi Riyals (SAR 10) to six Saudi Riyals and eighty-five halalas (SAR 6.85). In addition, there will be no change to the Class B Ordinary Shares, as their nominal value will not be reduced.

The Capital Reduction amount is five billion, two hundred and sixty-three million, six hundred and fifty thousand Saudi Riyals (SAR 5,263,650,000), for the purpose of reducing accumulated losses.

The share capital represented by the Class A shares constitutes approximately (76%) of the total share capital prior to the Capital Reduction, while the share capital represented by the Class B shares constitutes approximately (24%). Following the Capital Reduction, the share capital represented by the Class A shares will constitute (68.5%) of the total share capital after the capital reduction, whereas the share capital represented by the Class B shares will constitute (31.5%) of the total share capital after the Capital Reduction.

4.7 The evolution of the Company's accumulated losses and their causes

The following table summarizes the historical development of the accumulated losses in chronological order, from the end of the year 2021G through the end of the financial period ending on 30 September 2025G:

Financial period	Net profit or (loss) (Thousands of Riyals)	Retained profits (or accumulated losses) (Thousands of Riyals)	Share capital (Thousands of Riyals)	Percentage of accumulated losses from capital	Reason for the increase/decrease in accumulated losses
Fiscal year ended 31 December 2021G	2,076,549	(701,713)	8,760,000	8.01%	The Company recorded accumulated losses as of 31 December 2021G, carried forward from prior years, primarily as a result of the global economic downturn caused by the impact of the (COVID-19) pandemic. In addition, during the year 2020G, the Company experienced a complete shutdown of its industrial complex for a period of sixty (60) days to conduct comprehensive and previously scheduled periodic maintenance, coinciding with a decline in demand and profit margins for petrochemical products due to the continued effects of the pandemic.
Six months ended 30 June 2022G	2,109,489	1,515,408	8,760,000	N/A	As of 30 June 2022G, the Company recorded Retained Earnings of SAR 1.5 billion, compared to accumulated losses of SAR 702 million at the end of 2021G. The profitability during the period was primarily attributable to favorable market conditions for refined products resulting from the increase in crude oil prices, which led to higher profit margins for refined products. In addition, the Company realized non-recurring income during the period amounting to SAR 236.3 million related to the early settlement of a long-term loan, which was classified as finance income in the statement of profit or loss.
Fiscal year ended 31 December 2022G	(972,055)	(1,701,934)	16,710,000	10.19%	The Company's accumulated losses of SAR 1.7 billion were primarily due to unfavorable market conditions that negatively impacted production volumes and profit margins for petrochemical products. Additionally, there was a sharp decline in margins for certain refined products, particularly high-sulfur fuel oil and naphtha, during the second half of 2022G. Furthermore, the Company's industrial complex was partially shut down to conduct scheduled periodic maintenance of Phase II units from 1 December 2022G to 23 January 2023G. The significant increase in interest rates also resulted in higher financing costs for 2022G compared to 2021G.

Financial period	Net profit or (loss) (Thousands of Riyals)	Retained profits (or accumulated losses) (Thousands of Riyals)	Share capital (Thousands of Riyals)	Percentage of accumulated losses from capital	Reason for the increase/decrease in accumulated losses
Six months ending June 30 2023G	(2,160,160)	(3,862,155)	16,710,000	23.11%	The primary reasons for the increase in accumulated losses are the decline in margins for refined products due to deteriorating market conditions. In addition, the unscheduled shutdown of the ethane cracking unit from 1 March 2023G to 20 March 2023G was carried out to perform essential maintenance and enhance plant reliability. Furthermore, financing costs increased as a result of rising interest rates.
Fiscal year ended 31 December 2023G	(4,704,152)	(6,406,148)	16,710,000	38.34%	The main reasons for the increase in accumulated losses recorded at the end of 2023G are primarily due to challenging market conditions that adversely affected profit margins for both refined and petrochemical products, the significant rise in financing costs resulting from higher interest rates, as well as the unscheduled shutdown of the High Olefin Fluid Catalytic Cracking (HOFCC) unit during December 2023G to carry out essential repairs and maintenance. In addition, a one-time provision was recognized to cover a claim filed by a third party against the Company in the amount of SAR 365.7 million.
Six months ending June 30 2024G	(2,464,810)	(8,870,958)	16,710,000	53.09%	The main factors contributing to the increase in accumulated losses include unfavorable market conditions resulting in low or negative profit margins for refined and petrochemical products, the sharp rise in interest rates leading to higher financing costs, and the unscheduled shutdown of the high-olefin catalytic cracking unit and the ethane cracking unit to carry out essential repairs and maintenance. Furthermore, there was an increase in the cost of raw materials, including ethane, fuel oil, and sales gas, effective January 2024, as well as higher shipping costs due to disruptions in Red Sea shipping routes.
Fiscal year ended 31 December 2024G	(4,543,567)	(7,153,546)	16,710,000	42.81%	The primary reason for the reduction in accumulated losses by the end of 2024 is the adjustment of accumulated losses through the waiver of shareholder revolving loans amounting to SAR 3,750 million during the third quarter of 2024G.

Financial period	Net profit or (loss) (Thousands of Riyals)	Retained profits (or accumulated losses) (Thousands of Riyals)	Share capital (Thousands of Riyals)	Percentage of accumulated losses from capital	Reason for the increase/decrease in accumulated losses
Six months ending June 30 2025G	(2,056,766)	(7,335,312)	16,710,000	43.90%	The primary reasons for the increase in accumulated losses as of 30 June 2025G are the decline in sales volumes of refined and petrochemical products due to the complete shutdown of the Company's complex for a period of sixty (60) days starting from 15 April 2025G to conduct comprehensive and scheduled maintenance of all operational facilities and production units.
Nine-month period ended 30 September 2025G	(3,292,321)	(8,571,017)	16,710,000	51.29%	The primary reasons leading to the losses as of 30 September 2025G are primarily due to unfavorable market conditions that negatively affected profit margins for refined and petrochemical products, and the significant increase in financing costs due to sustained high interest rates for a prolonged period. In addition, the Company's complex was completely shut down for sixty (60) days during the current period to conduct comprehensive and scheduled periodic maintenance for all operational facilities and production units, as well as unplanned shutdowns of the High Olefin Fluid Catalytic Cracking (HOFCC) unit and the ethane cracking unit to perform necessary repairs and maintenance. Furthermore, the cost of raw materials, including ethane, fuel oil, and sales gas, increased during 2024 and 2025, alongside higher shipping costs due to navigation disruptions in the Red Sea.

An aerial photograph of a large industrial refinery. The facility is characterized by a dense network of metal structures, including distillation columns, heat exchangers, and a complex system of pipes and walkways. Several tall, white smokestacks with red horizontal bands are visible against a clear blue sky. In the foreground, there are large, yellow industrial buildings and a paved road. The overall scene depicts a major industrial operation.

The Company's Plan and Steps Taken to Avoid Losses

5. The Company's Plan and Steps Taken to Avoid Losses

Due to the financial and operational position of the Company, the Company, with the support of the Founding Shareholders, has developed a transformational strategic plan to improve the Company's operational position, strengthen its financial position, reduce the size of debt and improve the Company's ability to expand and grow, aiming to serve the interests of all its shareholders.

On 03/02/1446H (corresponding to 07/08/2024G), Saudi Aramco and Sumitomo Company entered into a Sale and Purchase Agreement under which Saudi Aramco acquired three hundred and seventy-five million, nine hundred and seventy-four thousand nine hundred and ninety-eight (375,974,998) Class A Ordinary Shares from Sumitomo Company, representing approximately (22.5%) of the Class A Ordinary Shares, for an amount of two billion, six hundred thirty-one million, eight hundred twenty-four thousand, nine hundred eighty-six (SAR 2,631,824,986) Saudi Riyals, equivalent to seven (SAR 7) Saudi Riyals per share.

As part of the Sale Transaction, the two Founding Shareholders agreed to take specific steps aimed at improving the Company's financial position and assisting in its transformational strategy, including:

- 1- The waiver of shareholder loans granted by the Founding Shareholders and their affiliates to the Company in a total amount of five billion six hundred and twenty-five million (SAR 5,625,000,000) Saudi Riyals. Between August 2024G and January 2025G, the two Founding Shareholders completed two phases of waiving their debts, resulting in a total waiver of five billion six hundred and twenty-five million (SAR 5,625,000,000) Saudi Riyals of their loans to the Company, which reduced the Company's accumulated losses to forty-three point ninety percent (43.90%) of the share capital as of 30 June 2025G.
- 2- An additional amount of five billion two hundred and sixty-three million, six hundred forty-nine thousand, nine hundred and eighty (SAR 5,263,649,980) Saudi Riyals was injected equally by the Founding Shareholders through a mechanism to be agreed upon with the Company. This was implemented by the Company by issuing Ordinary Shares of a new class, which were not listed, with no voting rights generally, and had a limited and regulated right to dividends if distributed. Accordingly, on 06/03/1447H (corresponding to 29/08/2025G), the Company's Board of Directors recommended increasing the share capital and issuing Class B Ordinary Shares without listing them. Subsequently, on 07/03/1447H (corresponding to 30/08/2025G), the Company entered into a binding subscription agreement with the Founding Shareholders. On 07/04/1447H (corresponding to 29/09/2025G), the Extraordinary General Assembly approved this issuance, and the Company completed the issuance of Class B Ordinary Shares, which were deposited on 29/04/1447H (corresponding to 21/10/2025G).

The Company's transformative strategic plan includes repaying a substantial portion of its debt using proceeds from the subscription to Class B Ordinary Shares, thereby reducing the size and cost of the Company's debt. This initiative aims to support the Company's strategic objectives, which include strengthening the capital base, reducing debt and financing costs, and enhancing the Company's overall financial position. The Company has commenced repayment installments and announced on 25/05/1447H (corresponding to 16/11/2025G) the completion of an early repayment of a portion of Phase II loans from the proceeds of the subscription to Class B ordinary shares in the amount of SAR 3.7 billion (USD 982.5 million), as the first installment of the proceeds utilization.

On 08/03/1447H (corresponding to 31/08/2025G), the Company announced its Board of Directors' recommendation regarding the Capital Reduction subject of this Circular, to reduce the share capital from twenty-one billion nine hundred seventy-three million six hundred forty-nine thousand nine hundred eighty (SAR 21,973,649,980) Saudi Riyals to sixteen billion seven hundred nine million nine hundred ninety-nine thousand nine hundred eighty (SAR 16,709,999,980) Saudi Riyals, by reducing the nominal value of each Class A Ordinary Share from ten (SAR 10) Saudi Riyals to six Riyals and eighty-five halalas (SAR 6.85), in order to reduce the Company's accumulated losses.

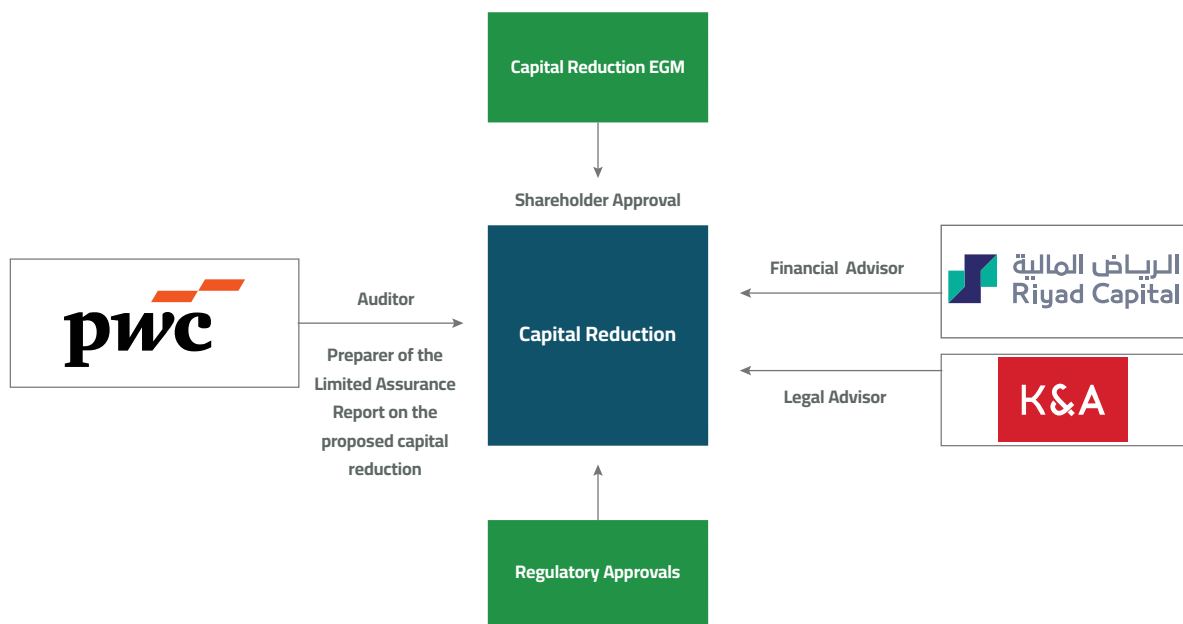
Structure of the Company's Capital Reduction Process



6. Structure of the Company's Capital Reduction Process

6.1 Graph

The following chart shows the parties involved in the capital reduction process:





General Structure of Capital Reduction

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7. General Structure of Capital Reduction

- The current capital is twenty-one billion nine hundred and seventy-three million six hundred and forty-nine thousand nine hundred and eighty (SAR 21,973,649,980) Saudi Riyals, divided into: (1) one billion six hundred and seventy-one million (1,671,000,000) Ordinary Shares of Class A listed, and (2) five hundred and twenty-six million three hundred and sixty-four thousand nine hundred and ninety-eight (526,364,998) Ordinary Shares of Class B not listed.
- On 06/03/1447H (corresponding to 29/08/2025G), the Board of Directors of the Company announced its recommendation to reduce the Company's capital by five billion two hundred and sixty-three million six hundred and fifty thousand (SAR 5,263,650,000) Saudi Riyals from twenty-one billion nine hundred and seventy-three million six hundred and forty-nine thousand nine hundred and eighty (SAR 21,973,649,980) Saudi Riyals to sixteen billion seven hundred and nine million nine hundred and ninety-nine thousand nine hundred and eighty (SAR 16,709,999,980) Saudi Riyals by reducing the nominal value of Class A Ordinary Shares from ten (SAR 10) Saudi Riyals to six Saudi Riyals and eighty-five halalas (SAR 6.85).
- The share capital represented by Class A shares constitutes approximately (76%) of the total share capital prior to the capital reduction, while the share capital represented by Class B shares constitutes approximately (24%) of the total share capital prior to the Capital Reduction. Following the capital reduction, the share capital represented by Class A shares will constitute (68.5%) of the total share capital after the capital reduction, whereas the share capital represented by Class B shares will constitute (31.5%) of the total share capital after the Capital Reduction. Accordingly, the Capital Reduction represents a decrease of (23.95%) of the total current share capital, while the reduction percentage applicable solely to the share capital represented by Class A Ordinary Shares amounts to (31.50%).
- After the Capital Reduction, the capital will amount to sixteen billion seven hundred and nine million nine hundred and ninety-nine thousand nine hundred and eighty (16,709,999,980) Saudi riyals divided into:
 - One Billion Six Hundred and Seventy-One Million (1,671,000,000) listed Class A Ordinary Shares, with a nominal value of Six Saudi Riyals and Eighty-Five Halala (SAR 6.85), with a total nominal value of eleven billion four hundred and forty-six million three hundred and fifty thousand (SAR 11,446,350,000) Saudi Riyals.
 - Five hundred and twenty-six million three hundred and sixty-four thousand nine hundred and ninety-eight (526,364,998) Ordinary Shares of Class B are not listed, with a nominal value of ten (SAR 10) Saudi Riyals per share, and a total nominal value of five billion two hundred and sixty-three million six hundred and forty-nine thousand nine hundred and eighty (SAR 5,263,649,980) Saudi Riyals.
- The Company has appointed Riyadh Capital as financial advisor and Zeyad Sameer Khoshaim Company (Professional Limited Liability Company) as Legal Advisor in connection with the Capital Reduction process.
- The capital will be reduced by reducing the nominal value only without cancelling any of the issued shares of the Company, and therefore there will be no change in the number of shares of Class A Shareholders or their ownership percentage in Class A shares.
- The date of the financial statements from which the values required for the purposes of the Capital Reduction were derived: the unaudited condensed interim financial statements for the three-month and six-month periods ended on 30 June 2025G.
- The Capital Reduction will not result in any cash compensation to the shareholders, as there will be no cancellation of shares nor sale of fractional shares. Furthermore, there will be no impact on the Company's obligations or operational activities.



Steps Taken to Implement the Capital Reduction

8. Steps Taken to Implement the Capital Reduction

The Company has taken a number of steps to complete the Capital Reduction, as follows:

- a- On 06/03/1447H (corresponding to 29/08/2025G), the Board issued its recommendation to reduce the share capital by an amount of five billion two hundred sixty-three million six hundred fifty thousand (SAR 5,263,650,000) Saudi Riyals, from twenty-one billion nine hundred seventy-three million six hundred forty-nine thousand nine hundred eighty (SAR 21,973,649,980) Saudi Riyals to sixteen billion seven hundred nine million nine hundred ninety-nine thousand nine hundred eighty (SAR 16,709,999,980) Saudi Riyals, by reducing the nominal value of each Class A Ordinary share from ten (SAR 10) Saudi Riyals to six Saudi Riyals and eighty-five halalas (SAR 6.85) Saudi Riyals, in order to reduce the Company's accumulated losses by an amount of five billion two hundred sixty-three million six hundred fifty thousand (SAR 5,263,650,000) Saudi Riyals. It should be noted that the Company's accumulated losses amounted to seven billion three hundred and thirty five million three hundred and twelve thousands and six hundred and thirty two (SAR 7,335,312,632) Saudi Riyals as of 30 June 2025G (representing 43.9% of the share capital), and eight billion five hundred and seventy one million seventeen thousand and four hundred and twenty two (SAR 8,571,017,422) Saudi Riyals as of 30 September 2025 (representing 51.29% of the share capital). It is also expected that the accumulated losses as a percentage of the share capital will amount (12.4%) as of 30 June 2025G, and (19.79%) as of 30 September 2025G, following the Capital Reduction.
- b- The Company has appointed **Riyad Capital** as the financial advisor for the capital reduction.
- c- The firm appointed **Zeyad Sameer Khoshaim Company (Professional Limited Liability Company)** as Legal Advisor for the capital reduction, and **PricewaterhouseCoopers Public Accountants** as the auditor to issue the independent practitioner's limited assurance report on the board of directors' declaration prepared regarding of the Capital Reduction.
- d- On 06/05/1447H (corresponding to 28/10/2025G), the Company submitted a request for approval of the Capital Reduction to the CMA in accordance with Article (61) of ROSCOs.
- e- On 24/08/1447H (corresponding to 12/02/2026G), the company obtained the approval of the CMA for the reduction of the capital, and this approval was announced on the CMA's website on 24/08/1447H (corresponding to 12/02/2026G).
- f- On 29/08/1447H (corresponding to 17/02/2026G), the Company has submitted notice to the Saudi Exchange regarding the Capital Reduction in accordance with Annex (5) of the Listing Rules.
- g- On []H (corresponding to []G), the Company announced the invitation to the Class A Shareholders to attend the Extraordinary General Assembly Meeting to vote on the Capital Reduction on the Saudi Exchange website, and included a copy of this Circular in the announcement.
- h- If the Class A Shareholders approve the Capital Reduction at the Extraordinary General Assembly Meeting, the resolution will become effective from the date of issuance of such approval. In the event that approval for the Capital Reduction is not obtained, the Capital Reduction procedures will not proceed.
- i- Trading of the Company's shares will not be suspended upon the Capital Reduction becoming effective. Furthermore, there will be no adjustment to the share trading price, as there is no change in the market value or the number of Class (A) Shares. Instead, only the nominal value of the Class A Ordinary Share will be changed from Ten Saudi Riyals (SAR 10) to Six Saudi Riyals and Eighty-Five Halalas (SAR 6.85).
- j- There will be no fractional shares, and no sale or deposit of proceeds from fractional shares, as no shares will be cancelled.
- k- The Company shall take all necessary measures to update the commercial register and submit the amended Bylaws with the Ministry of Commerce, and update the registration with the Ministry of Investment as applicable.



Reasons for Capital Reduction



9. Reasons for Capital Reduction

On 06/03/1447H (corresponding to 29/08/2025G), the Board issued its recommendation to reduce the capital by five billion two hundred and sixty-three million six hundred and fifty thousand (SAR 5,263,650,000) Saudi Riyals from twenty-one billion nine hundred and seventy-three million six hundred and forty-nine thousand nine hundred and eighty (SAR 21,973,649,980) Saudi Riyals to sixteen billion seven hundred and nine million nine hundred and ninety-nine thousand nine hundred and eighty (SAR 16,709,999,980) Saudi Riyals by reducing the nominal value of the Class A Ordinary Shares from ten (SAR 10) Saudi Riyals to six Saudi Riyals and eighty-five halalas (SAR 6.85), in order to reduce the accumulated losses of the company.

Article (134) of the Companies Law stipulates that the Extraordinary General Assembly may decide to reduce the capital if it exceeds the company's needs or if the company suffers losses. In the latter case, only the capital may be reduced below the limit set out in Article (59) of the Companies Law. The Capital Reduction resolution shall not be issued unless a declaration prepared by the Board of Directors is read at the General Assembly, setting out the reasons necessitating the reduction, the Company's obligations, and the impact of the reduction on fulfilling such obligations. This declaration shall be accompanied by a report from the Company's auditor.

The Company's accumulated losses amounted to seven billion three hundred and thirty five million three hundred and twelve thousands and six hundred and thirty two (SAR 7,335,312,632) Saudi Riyals as of 30 June 2025G (representing 43.9% of the share capital), and eight billion five hundred and seventy one million seventeen thousand and four hundred and twenty two (SAR 8,571,017,422) Saudi Riyals as of 30 September 2025 (representing 51.29% of the share capital). As of 31 October 2025G, the accumulated losses were eight billion seven hundred and seventy-seven million three hundred and sixty thousand and eighty nine (SAR 8,777,360,089) Saudi Riyals on that date, decreased to 39.94% due to the capital increase through the issuance of Class B Shares.

The Capital Reduction is part of the company's strategic plan to improve the company's operating position and strengthen its financial position, with the aim of improving the company's ability to grow and create value for its Shareholders.



The Impact of the Company's Capital Reduction on the Company's Liabilities

10. The Impact of the Company's Capital Reduction on the Company's Liabilities

The Company has appointed PricewaterhouseCoopers Public Accountants to issue the independent practitioner's limited assurance report on the Board of Directors' declaration prepared regarding the Capital Reduction. This declaration sets out the reasons for the reduction and its anticipated impact on the Company's obligations and total Shareholders' equity. Based on this declaration, attached as Annex (1) to this circular, the Capital Reduction will have no impact on the Company's obligations or total Shareholders' equity.

A photograph of a large industrial refinery or chemical plant. The image features several tall, silver-colored distillation columns and a complex network of metal scaffolding, pipes, and walkways. The sky is blue with some light clouds. In the foreground, there are safety barriers and a few workers. A red sign with white text is visible on a pole. The overall scene depicts a large-scale industrial operation.

The Impact of the Capital Reduction on the Company's Shareholders' Equity.

11. The Impact of the Capital Reduction on the Company's Shareholders' Equity.

Accumulated losses amounted to SAR 7,335,312,632, representing 43.90% of the capital, for the six-month period ended 30 June 2025G. A reduction in the company's capital by five billion two hundred and sixty-three million six hundred and fifty thousand (SAR 5,263,650,000) Saudi Riyals will reduce the accumulated losses.

The Company will reduce its capital from twenty-one billion nine hundred and seventy-three million six hundred and forty-nine thousand nine hundred and eighty (SAR 21,973,649,980) Saudi Riyals to sixteen billion seven hundred and nine million nine hundred and ninety-nine thousand nine hundred and eighty (SAR 16,709,999,980) Saudi Riyals by reducing the nominal value of the Class A Ordinary Shares from ten (SAR 10) Saudi Riyals to six Saudi Riyals and eighty-five Halalas (SAR 6.85), in order to reduce the accumulated losses of the Company.

There is no impact from the Capital Reduction on the Company's obligations or total Shareholders' equity, as the reduction constitutes a non-cash transaction aimed at offsetting accumulated losses by transferring five billion, two hundred sixty-three million, six hundred fifty thousand (SAR 5,263,650,000) Saudi Riyals from the capital account to the accumulated losses account. The Independent Auditor's limited assurance report indicates that nothing has come to their attention that would cause them to believe that the declaration has not been prepared, in all material respects, in accordance with the relevant standards.

The table below shows the theoretical impact of the Capital Reduction taking into account the capital increase approved by the Company's Extraordinary General Assembly on 29 September 2025G. The accumulated losses, current assets and liabilities taken into account in this hypothetical table relate to 30 June 2025G and therefore do not reflect the Company's financial performance and actual financial position after this date:

Amounts in Saudi Riyals					
	Balance as of 30 June 2025 (Unaudited) A	Impact of the capital increase approved on 29 September 2025* B	Balance after the capital increase approved on 29 September 2025* C = A + B	Impact of the proposed Capital Reduction D	Balance after capital increase and proposed Capital Reduction C + D
Shareholders' equity					
Share Capital	16,710,000,000	5,263,649,980	21,973,649,980	(5,263,650,000)	16,709,999,980
Accumulated Losses	(7,335,312,632)	-	(7,335,312,632)	5,263,650,000	(2,071,662,632)
Statutory Reserve	252,134,196	-	252,134,196	-	252,134,196
Employees' Share Ownership Program	(5,288,414)	-	(5,288,414)	-	(5,288,414)
Total Equity	9,621,533,150	5,263,649,980	14,885,183,130	-	14,885,183,130
Current Assets					
Cash and Cash Equivalents	463,158,306	5,263,649,980	5,726,808,286	-	5,726,808,286

*The capital increase was approved at the Extraordinary General Assembly meeting held on September 29, 2025G

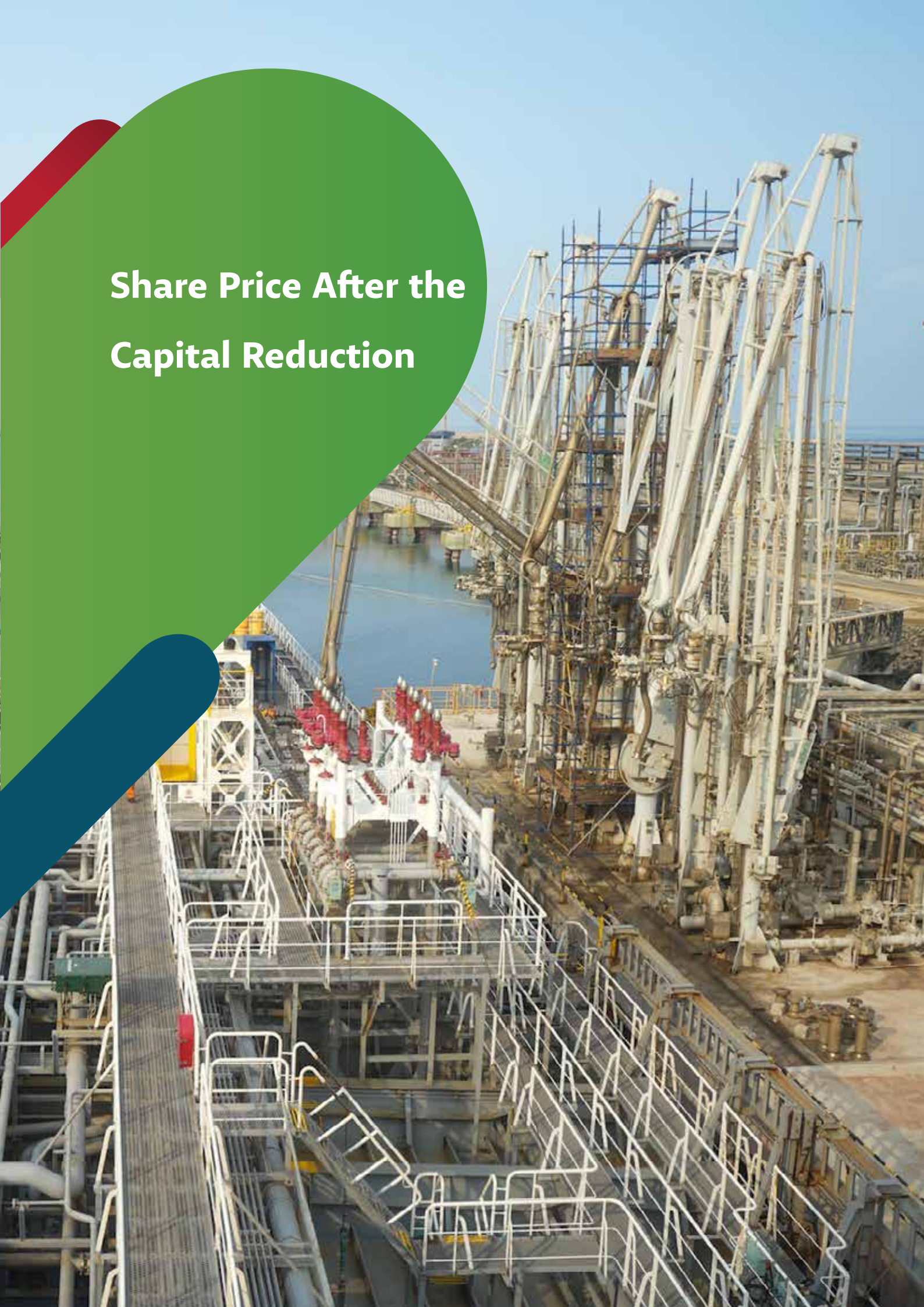
Source: The Company's Financial Statements

The reduction of the Company's share capital will not affect the market value of Class A shareholders' portfolios, as illustrated in the hypothetical example below, based on a shareholder holding (1,000) Class A shares in their portfolio.

Furthermore, there will be no fractional shares resulting from the capital reduction, as the reduction will be implemented by decreasing the nominal value of each share while keeping the total number of issued shares unchanged.

Item	Before the Capital Reduction	After the Capital Reduction
Owned Shares (shares)	1,000	1,000
Nominal Value of Shares (in Saudi Riyals)	10,000	6,850
Percentage of impairment in nominal value	-	31.5%
Share Price	SAR 7.32 (based on the market closing price on 7 December 2025G)	SAR 7.32 (Estimated)*
Market Value of Shares (or Portfolio Value) (in Saudi Riyals)	SAR 7,320	SAR 7,320 (Estimated)*
Percentage of the Reduction	-	0%

*As the share price will not be adjusted, the same share price was included prior to the reduction, noting that the price is subject to fluctuations due to supply and demand.

The background image is a high-angle photograph of an offshore oil rig. The rig's complex network of white steel pipes, ladders, and platforms is visible against a clear blue sky. In the foreground, a long metal walkway with white safety railings leads towards the center of the rig. To the left, a series of red valves or components are visible. The rig is situated in a body of water, with other structures visible in the distance. Overlaid on the left side of the image are two large, semi-transparent geometric shapes: a green circle and a blue circle, both with a red diagonal stripe running through them.

Share Price After the Capital Reduction

12. Share Price After the Capital Reduction

The price of Class A Ordinary Shares will not be adjusted after the Capital Reduction, as the number of shares will not change and therefore their market value will not change.

Risk Factors



13. Risk Factors

There is no impact of the Capital Reduction on the liabilities of the Company and its total Shareholders' equity, as the Capital Reduction is merely a non-cash transaction to reduce accumulated losses by transferring five billion two hundred and sixty-three million six hundred and fifty thousand (SAR 5,263,650,000) Saudi Riyals from the capital line account to the accumulated loss account. However, the Capital Reduction involves inherent risks, including but not limited to the risks mentioned in this section.

It should be noted that the occurrence of any of these risks may adversely and materially affect the Company's business, financial position, results of operations and future prospects, and may lead to a decrease in the share price, and weaken the Company's ability to distribute dividends to Shareholders, which may result in investors losing all or part of their investment in the Company's shares. The risks mentioned in this section include material risks related to Capital Reduction, and do not include any commercial or legal risks related to the Company's business or risks related to the market and sector in which the Company operates, or other economic, political, and regulatory risks. Accordingly, all Shareholders should carefully assess the risks associated with the Capital Reduction and not rely on them as general risks to the Company. The risks described below are not ranked on the basis of their importance or expected impact.

- Capital Reduction risks:** The Company will reduce its share capital from twenty-one billion nine hundred seventy-three million six hundred forty-nine thousand nine hundred eighty Saudi Riyals (SAR 21,973,649,980) to sixteen billion seven hundred nine million nine hundred ninety-nine thousand nine hundred eighty Saudi Riyals (SAR 16,709,999,980), representing a reduction of 23.95% of the current share capital. A lower share capital means that, in the event the Company incurs accumulated losses in the future, such losses will constitute a larger percentage of the share capital compared to the current position. Consequently, the Company's accumulated losses may reach fifty percent (50%) of the share capital more quickly, which could adversely affect the Company's business, financial position, operating results, and future prospects. Furthermore, the capital reduction limits the Company's ability to reduce its capital in the future and restricts the percentage by which the Company may reduce it. It may also negatively impact the perception of other parties, including financiers, regarding the Company's financial solvency, which could adversely affect the Company's business, financial position, operating results, and future prospects.
- Risks related to the Company's reputation:** A company's reduction of its share capital is generally perceived negatively by the market. In addition, it may give rise to various assumptions and expectations regarding the company's financial and commercial position, which may not be accurate or correct. Such perceptions could affect the share price and trading behavior in the company's shares and may adversely impact the company's business, financial condition, operating results, and future prospects.
- Risks related to share price fluctuations:** The Company's share price may be subject to a significant fluctuations following the implementation of the capital reduction, due to the change in the nominal value of the share and the reassessment of the Company by investors, in addition to other market factors such as sector performance, general economic fluctuations, and regulatory and political conditions. Accordingly, the Capital Reduction may not necessarily result in an increase in the share price or an improvement in market value as might be expected.
- Risks related to different classes of shares:** Since the reduction process is limited to Class A Ordinary Shares and does not include Class B shares, this will result in a difference in the nominal value between the two classes, which may affect the valuation method of both shares or influence Shareholders' perception of relative fairness between the classes. For example, the Capital Reduction represents a 23.95% decrease in the current capital, whereas the reduction applied solely to the capital represented by Class A Ordinary Shares amounts to 31.50% (a higher percentage). If the reduction is perceived as having an adverse impact on Class A shares, the share price may decline negatively, which could negatively affect shareholders' investment therein. Furthermore, having two classes of shares with different nominal values is uncommon in the market and may cause operational difficulties for the Company, particularly when dealing with third parties, including during license renewals or when interacting with certain systems that do not practically allow such a structure. This could negatively impact the Company overall.
- Risk of reduction of economic rights in the capital particularly in the event of liquidation:** Holders of Class A Ordinary Shares should consider that reducing the nominal value of these shares from SAR 10 to SAR 6.85 will result in a relative decrease in their economic rights compared to Class B shares, which retain their nominal value of SAR 10. The share capital represented by Class A shares constitutes approximately (76%) of the total share capital prior to the Capital Reduction, while the share capital represented by Class B shares constitutes approximately (24%) of the total share capital prior to the Capital Reduction. Following the Capital Reduction, the share capital represented by Class A shares will constitute (68.5%) of the total share capital after the Capital Reduction, whereas the share capital represented by Class B shares will constitute (31.5%) of the total share capital after the Capital Reduction. Accordingly, the ownership percentage of the Class A Shareholders in the total share capital will decrease. There is no complete regulatory or judicial clarity, nor established precedent, regarding how share classes with different nominal values would be treated upon liquidation in the Saudi capital market. In the event of the Company's liquidation, the Class

B Shareholders would receive priority in the distribution of liquidation proceeds due to the rights attached to the Class B Shares under the Company's Bylaws. In addition, any surplus assets or proceeds may be distributed based on the paid-up value of the share capital. Since the Capital Reduction is limited to decreasing the nominal value of the Class A Ordinary Shares from SAR 10 to SAR 6.85 per share, while the nominal value of the Class B Shares remains at SAR 10 per share, this will result in a disparity between the two classes in terms of the value they represent within the total share capital. Accordingly, the reduction of the nominal value of the Class A Shares may lead to a decrease in the net financial entitlements that Class A Shareholders may receive from the net liquidation proceeds compared to Class B Shareholders, which could adversely affect the final returns of the Class A Shareholders.

- Risks related to contracting parties:** The Company's relationships with its commercial counterparties are of critical importance to its business. A reduction of share capital may adversely affect these relationships and counterparties' perception of the Company and its ability to meet its obligations, as well as their willingness to engage in business with the Company. Such effects could negatively impact the Company's business, financial condition, operating results, and future prospects. Furthermore, if there are contracts that restrict Capital Reduction which the Company fails to identify, and the counterparty considers the Company to be in breach, the counterparty may have the right to terminate the contract or claim compensation, which could also adversely affect the Company's business, financial condition, operating results, and future prospects.
- Risks related to the Company's continuity:** The Company's accumulated losses amounted to SAR 1,702 million, representing 10.19% of the share capital; SAR 6,406 million, representing 38.34% of the share capital; SAR 7,154 million, representing 42.81% of the share capital; and SAR 7,335 million, representing 43.9% of the share capital for the financial years ended 31 December 2022G, 2023G, and 2024G, and for the six-month period ended 30 June 2025G, respectively. Since the Company's accumulated losses have reached 20% of its share capital, the Company is subject to the procedures and instructions applicable to listed companies whose accumulated losses amount to 20% or more of their share capital, which impose requirements on the Company, including public disclosures. If these accumulated losses reach 50% of the share capital, the Company will be subject to stricter requirements as set out in Article (132) of the Companies Law, which obliges the Board of Directors to disclose such losses and its recommendations regarding them and to convene an Extraordinary General Assembly to decide whether the Company should continue and take any necessary measures to address the accumulated losses or dissolve the Company. The Company's losses are significant and may reach half of the share capital in the future, and there is no assurance that the reduction will succeed in lowering them to a level that prevents them from rising to half, nor that the Company will not continue to incur losses in the future. If the Company is unable to take the necessary measures to address accumulated losses should they exceed half of the share capital, this may affect its going concern status. Furthermore, if the Company incurs any future losses, this may impact its financial position and operations and could also result in breaches of its obligations under the terms set forth in certain agreements.
- Risks related to future expectations and undisclosed future events:** Certain information contained in this Circular may constitute forward-looking statements and projections, which involve known and unknown risks and uncertainties that could affect the Company's financial results. Such statements include, without limitation, the Company's future plans, the impact of the Capital Reduction, the capital restructuring plan, and other related matters. The Company's future results and performance cannot be predicted with certainty and may differ from those set out in this Circular, as actual results depend on the Company's performance and ability to grow. The inaccuracy of these forward-looking statements represents one of the risks assumed by Shareholders when approving the Capital Reduction. If the Company's future expectations differ from actual results, this may negatively impact the share price.
- Risks of Founding Shareholders' Control:** The Founding Shareholders collectively own 75% of the Company's Class A shares and own all Class B shares. As holders of the majority of the Class A Ordinary Shares, the Founding Shareholders have the right to vote on the resolutions relating to the proposed Capital Reduction presented to the General Assembly of Class A Shareholders. In light of their ownership in both classes, the Founding Shareholders may take decisions that do not necessarily take into account the circumstances or investment objectives of the other shareholders, and such influence presents potential risks regarding the suitability of such transactions for the other Shareholders.
- Risks Related to the Novelty of the Reduction Structure, Interpretation of Shareholder Rights, and Regulatory Changes (including liquidation rights):** Since the proposed capital reduction involves decreasing the nominal value of only one class of shares while leaving the other class unchanged, this structure represents one of the first of its kind in the Saudi capital market. Accordingly, risks arise from the absence of clear regulatory or judicial precedents regarding how current regulations may be interpreted in the future. Furthermore, regulatory authorities (such as the CMA or the MOC) may issue new laws, regulations, or directives that could affect this structure or impose additional requirements that were not known at the time of preparing this circular. For example, there is no complete regulatory or judicial clarity or precedent regarding how share classes with different nominal values would be treated upon liquidation in the Saudi capital market. For further details, please refer to the risk factor ("**Risks of a reduction in economic rights in the share capital, particularly in the event of liquidation**") above.

The background image shows an industrial port scene. In the foreground, a white metal truss bridge with yellow railings spans across the water. Below the bridge, several large concrete pillars support it. In the background, a large blue and white ship is docked at a pier. The ship has the name "NO. 1 YOKINE" visible on its side. Various industrial structures, including cranes and scaffolding, are visible on the ship and in the background. The sky is clear and blue. On the left side of the image, there is a large green circular graphic with a red and blue diagonal stripe. The title text is overlaid on the green circle.

Expected Timeline of the Capital Reduction

14. Expected Timeline of the Capital Reduction

Event	Date
Procedures related to obtaining the approval of the CMA for the Capital Reduction	
The Company's announcement of the Board of Directors recommendation to reduce the Company's share capital and the appointment of the Financial Advisor.	08/03/1447H (corresponding to 31/08/2025G)
Submission of the application for approval of the Capital Reduction to the CMA.	06/05/1447H (corresponding to 28/10/2025G)
Obtaining the CMA's approval for the Capital Reduction request. This approval was announced on the CMA's website and the Saudi Exchange's website.	24/08/1447H (corresponding to 12/02/2026G)
Procedures related to the Extraordinary General Assembly Meeting	
Publishing the invitation to attend the EGM regarding the Capital Reduction. A copy of this Circular is included in the invitation.	[.] H (corresponding to [.]G)
Making the documents related to the Capital Reduction available for inspection at the Company's headquarters during working hours (provided that the period is not less than 14 days prior to the EGM date).	[.]H (corresponding to [.]G)
Beginning the electronic voting on the items of the Extraordinary General Assembly Meeting related to the Capital Reduction.	[.]H (corresponding to [.]G)
Convening of the Capital Reduction EGM.*	[.] H (corresponding to [.]G)
The Company announces the results of the Capital Reduction EGM.	[.] H (corresponding to [.]G)
Procedures related to completing the Capital Reduction	
Applying the issuer's procedures by reducing the nominal value of Class A Ordinary Shares and reflecting the same in the portfolios of Eligible Shareholders according to the following: - No adjustment to the share price, as the number of issued shares will remain unchanged. - Continuous trading of the Company's shares without suspension. - Adjustment of the nominal value in shareholders' portfolios to become (SAR 6.85) Saudi Riyals per share.	[.] H (corresponding to [.]G)

* The Extraordinary General Assembly Meeting shall be valid only if it is attended by Shareholders representing at least two-thirds (2/3) of the shares having voting rights, and in the event that the quorum required for the first meeting is not reached, a second meeting shall be held within one hour after the time specified for the first meeting, provided that it is expressly stated at the time of the announcement of the invitation. The second meeting shall be valid if it is attended by a number of shareholders representing at least one-fourth (1/4) of the shares having voting rights. If the quorum is not met at the second meeting, a third meeting shall be convened at least twenty-one (21) days after the date of the second meeting. The third meeting shall be valid regardless of the number of voting shares represented therein.

Board Confirmation



15. Board Confirmation

The Board of Directors confirms that, to the best of their knowledge and belief, the Capital Reduction is in the best interests of the Company and its Shareholders.

Legally Required Approvals



16. Legally Required Approvals

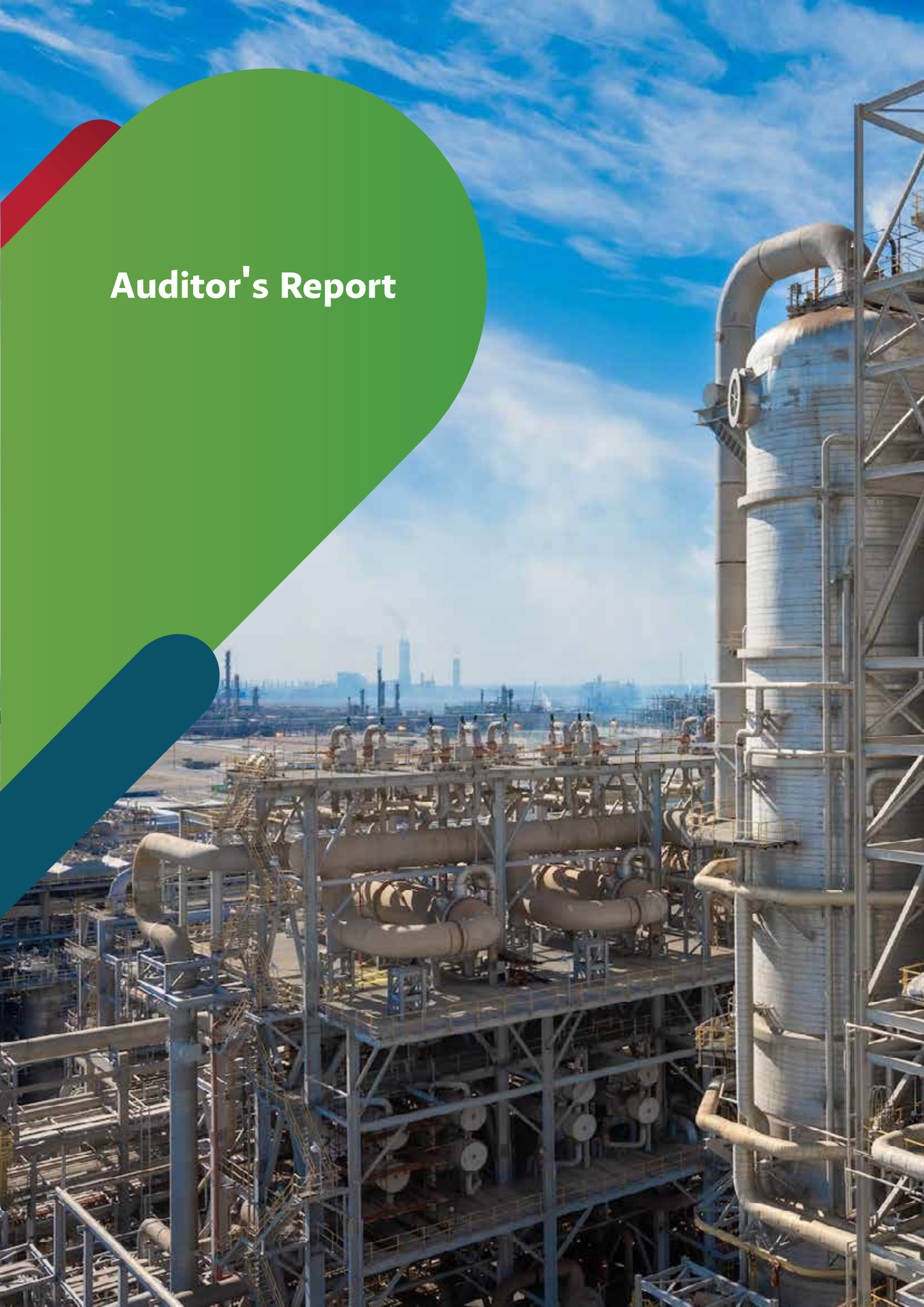
- a- The Company has obtained the approval of the CMA for the Capital Reduction on 24/08/1447H (corresponding to 12/02/2026G), which was announced on the Saudi Exchange's website on 28/08/1447H (Corresponding to 16/02/2026G).
- b- The Company submitted a notification to the Saudi Exchange Company in relation to the Capital Reduction on 29/08/1447H (corresponding to 17/02/2026G).
- c- The approval of the holders of the Class A Ordinary Shares at the Capital Reduction EGM, which is scheduled to be convened on [●] H (corresponding to [●] G). It should be noted that the Capital Reduction is contingent upon obtaining the shareholders' approval at the Capital Reduction EGM. In the event that such approval is not obtained, the Capital Reduction will not be carried out.
- d- In the event that the approval of the holders of the Class A Shareholders is obtained at the Capital Reduction EGM, the Company will approach the Ministry of Commerce to update the commercial register and to deposit the amended bylaws, and will also update its registration with the Ministry of Investment, as needed.
- e- Other than the above, there are no other regulatory approvals that the Company is required to obtain in relation to the completion of the Capital Reduction.

A photograph of a large industrial facility, likely a refinery or chemical plant. Several tall, cylindrical distillation columns are visible, each with multiple levels of platforms and ladders. The structure is made of metal and is surrounded by a complex network of pipes and valves. The sky is blue with some clouds. In the foreground, there are black and white striped safety barriers and a red fire hydrant. A large teal and green graphic overlay is on the left side of the image, containing the text.

Relevant Laws and Regulations

17. Relevant Laws and Regulations

- a- **Companies Law** issued by Royal Decree No. (M/132) dated 01/12/1443H (corresponding to 30/06/2022G).
- b- **The Implementing Regulations of the Companies Law for Listed Joint Stock Companies** issued pursuant to the CMA Board Resolution No. (8-127-2016) dated 16/01/1438H (corresponding to 17/10/2016G), as amended.
- c- **The Capital Market Law** issued by Royal Decree No. (M/30) dated 02/06/1424H (corresponding to 31/07/2003G), as amended.
- d- **Rules on the Offer of Securities and Continuing Obligations** issued pursuant to CMA Board Resolution No. (3-123-2017) dated 09/04/1439H (corresponding to 27/12/2017G), as amended.
- e- **Corporate Governance Regulations** issued pursuant to CMA Board Resolution No. (8-16-2017) dated 16/05/1438H (corresponding to 13/02/2017G), as amended.
- f- **The Listing Rules** issued pursuant to the CMA Board Resolution No. (3-123-2017) dated 09/04/1439H (corresponding to 27/12/2017G), as amended.
- g- **The Procedures and Instructions Related to Listed Companies with Accumulated Losses Reaching 20% Or More Of Their Share Capital**, issued by the Board of the Capital Market Authority pursuant to Resolution No. (4-48-2013) dated 15/01/1435H (corresponding to 18/11/2013G), as amended.
- h- **The Company's Bylaws**, the latest amendments to which were approved by the Extraordinary General Assembly of the Company held on 07/04/1447H (corresponding to 29/09/2025G).

The background of the slide is a photograph of an industrial refinery. In the foreground, there are complex structures of metal scaffolding, pipes, and large cylindrical storage tanks. A prominent vertical tank is on the right side. In the distance, more industrial buildings and smokestacks are visible against a clear blue sky with some light clouds. On the left side of the image, there is a large green semi-circular graphic element with a red diagonal stripe. The text 'Auditor's Report' is written in white on the green area.

Auditor's Report

18. Auditor's Report

The Company has appointed PricewaterhouseCoopers Public Accountants to issue the independent practitioner's limited assurance report on the Board of Directors' declaration prepared regarding the Capital Reduction, which explains the reasons for the Capital Reduction and its expected impact on the Company's obligations and total shareholders' equity.

It should be noted that the approval of the holders of the Class A Shareholders of the Capital Reduction at the Capital Reduction EGM will not take place until this auditor's report has been read, in accordance with Article (134) of the Companies Law.

A copy of the independent practitioner's limited assurance report is attached as Appendix (1) to this Circular and included in the invitation to the Capital Reduction EGM published on the website of the Saudi Exchange (Tadawul).

Important Information



19. Important Information

- 1- Article (133) of the Companies Law stipulates that the capital can be reduced in one of the following ways:
 - i- cancelling shares equal to the amount to be reduced;
 - ii- reducing the nominal value of the share by writing off a part of it equivalent to the loss suffered by the company;
 - iii- reducing the nominal value of the share by returning part of it to the shareholder or releasing the shareholder from any or all of the unpaid amount of the share value; or
 - iv- purchasing back a number of its shares equivalent to the amount required to be reduced and then cancel them.
- 2- Article (134) of the Companies Law states that the Extraordinary General Assembly may resolve to reduce the capital if it exceeds the company's needs or if the company suffers losses. Only in the latter case may the capital be reduced below the limit provided for in Article (59) of the Companies Law. The reduction resolution shall only be issued after reading a statement prepared by the Board on the reasons giving rise to the reduction, the obligations incurred by the company, and the impact of the reduction on these obligations, accompanied by an auditor's report.
- 3- Pursuant to the Company's Bylaws, a meeting of the Extraordinary General Assembly shall not be valid unless attended by shareholders representing at least two-thirds (2/3) of the shares having voting rights. If the quorum required for the first meeting is not met, a second meeting shall be held within one hour after the scheduled time of the first meeting, provided that this is expressly stated in the meeting notice. The second meeting shall be valid if attended by shareholders representing at least one-quarter (1/4) of the shares with voting rights. If the quorum is not met at the second meeting, a third meeting shall be convened at least twenty-one (21) days after the date of the second meeting. The third meeting shall be valid regardless of the number of voting shares represented therein.
- 4- According to paragraph (4) of Article (93) of the Companies Law and the Company's bylaws, resolutions of the extraordinary general assembly to reduce the company's share capital must be approved by Shareholders representing at least three-quarters of the shares represented in the meeting.
- 5- In the event that the Class A Shareholders approve the Capital Reduction, the reduction resolution will be effective on all eligible Shareholders, including Shareholders who did not attend the Capital Reduction EGM, as well as those who attended the meeting and did not vote or voted against the Capital Reduction resolution.
- 6- According to the Procedures And Instructions Related To Listed Companies With Accumulated Losses Reaching 20% Or More Of Their Share Capital:
 - i- The Company must immediately and without delay disclose to the public through a separate announcement when its accumulated losses reach (20%) or more and less than (35%) of its share capital, when they exceed (35%) up to (50%), and also when they exceed (50%). The announcement must include the amount of accumulated losses, their percentage of the share capital, the main reasons that led to such losses, and confirmation that the applicable procedures and instructions apply. If the required disclosure coincides with the announcement of preliminary or annual financial results, the Company is exempt from issuing a separate disclosure provided that the required information is included in the preliminary or annual financial results announcement.
 - ii- Subject to Article (132) of the Companies Law, upon announcing that its accumulated losses have reached 50% or more of its share capital, the Company must announce the following: (1) the last date on which the Board of Directors may call for the convening of the Extraordinary General Assembly Meeting, and the last date on which the Extraordinary General Assembly Meeting may be held to address the accumulated losses; and (2) the Board of Directors' recommendation to the Extraordinary General Assembly regarding the accumulated losses immediately upon its issuance.
 - iii- Upon obtaining a report from the Auditor outlining the Company's financial position, the Company must immediately and without delay disclose to the public through a separate announcement when its losses fall below the aforementioned thresholds. The announcement shall include the measures taken by the Company to rectify its position and shall be accompanied by the Auditor's report referred to herein.

Documents Available for Inspection



20. Documents Available for Inspection

The Company will make the following documents available for shareholders' inspection during official working hours, from 8:00 a.m. to 2:00 p.m., at the Company's headquarters in Rabigh (P.O. Box 101, Rabigh 21911, Kingdom of Saudi Arabia), starting from the first business day following the notice of the Extraordinary General Assembly meeting regarding the Capital Reduction, provided that the period shall not be less than fourteen (14) business days prior to the date of the Extraordinary General Assembly. The documents will remain available for inspection until the date of the Capital Reduction EGM on ١٤/١٢/١٤٤٣ H (corresponding to 14/12/2022 G):

- a- A copy of the Board of Directors' recommendation to reduce the capital.
- b- A copy of the Financial Advisor's appointment letter.
- c- A copy of the Legal Advisor's appointment letter.
- d- A copy of the CMA's approval announcement regarding the capital reduction, as published on the CMA's website and on the Saudi Exchange's website.
- e- A copy of this circular.
- f- A copy of the independent practitioner's limited assurance report on the Board's Declaration prepared regarding Capital Reduction.

Appendixes



21. Appendixes

Appendix (1) – Copy of the Independent practitioner's limited assurance report on the Board of Directors' Declaration prepared regarding Capital Reduction.

Appendix (2) – Proxy Form for the Extraordinary General Assembly Meeting.

Appendix (1)

Independent Practitioner Limited Assurance Report on the Board of Directors' Declaration Prepared Regarding the Capital Reduction.



To the Board of Directors
Rabigh Refining and Petrochemical Company

Independent practitioner's limited assurance report on the reduction in share capital proposed by the Board of Directors of Rabigh Refining and Petrochemical Company

We have undertaken a limited assurance engagement in respect of the accompanying Board of Directors Declaration on the reduction of share capital (the "Declaration"), attached as Annexure A, relating to Rabigh Refining and Petrochemical Company (the "Company"), prepared by the Directors in accordance with the applicable Criteria mentioned below so as to comply with the requirements of Article 133(b), Article 134 and Article 136 of the Regulations for Companies (the "Regulations"), Article 13 of the Company's by-laws and Article 61(a)(3) of the Rules on the Offer of Securities and Continuing Obligations issued by the Capital Market Authority (the "Rules") to conclude whether based on our procedures performed and evidence obtained, anything has come to our attention that causes us to believe that the Declaration is not prepared, in all material respects, in accordance with the Criteria defined below.

Subject matter

The subject matter for our limited assurance engagement is the accompanying Declaration to reduce the share capital of the Company, by Saudi Riyals five billion, two hundred and sixty-three million, six hundred and fifty thousand (Saudi Riyals 5,263,650,000) from Saudi Riyals twenty-one billion, nine hundred and seventy-three million, six hundred and forty-nine thousand, nine hundred and eighty (Saudi Riyals 21,973,649,980) to Saudi Riyals sixteen billion, seven hundred and nine million, nine hundred and ninety-nine thousand, nine hundred and eighty (Saudi Riyals 16,709,999,980) by reducing the nominal value of Class A shares from Saudi Riyals sixteen billion, seven hundred and ten million (Saudi Riyals 16,710,000,000) to Saudi Riyals eleven billion, four hundred and forty-six million, three hundred and fifty thousand (Saudi Riyals 11,446,350,000) through the reduction in the nominal value of the Class A share from Saudi Riyals ten (Saudi Riyals 10) to Saudi Riyals six and eighty-five Halalas (Saudi Riyals 6.85), as proposed by the Board of Directors.

Criteria

The applicable criteria are the requirements of Article 133(b), Article 134 and Article 136 of the Regulations and Article 13 of the Company's by-laws, which state that the extraordinary general assembly may decide to decrease the capital if it is in excess of the need of the company or if the company incurs losses (in the latter case only, the capital may be reduced below the limit set forth in Article 59 of the Regulations) and Article 61(a)(3) of the Rules which requires the Company's application to be accompanied by an external auditor's report on the reasons for the capital reduction and the impact of the capital reduction on the issuer's liabilities (the "Criteria").

Directors' responsibility

The Company's Directors are responsible for the preparation of the Declaration in accordance with the Criteria and ensuring its completeness and accuracy. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation of the Declaration that is free from material misstatement, whether due to fraud or error.

The Directors are also responsible for ensuring the Company's compliance with the applicable laws and regulations.

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CR. 4030289002, UN No. 7003482481, capital of 500,000 SAR, (main CR. 1010371622, main UN No. 7000928734), national address: 2091 Prince Mohammed Bin Abdulaziz Street, AlAndalus Dist., postal code 23326, secondary number 8909, Jeddah, Kingdom of Saudi Arabia



Professional ethics and quality management

We have complied with the independence and other ethical requirements of the International Code of Ethics for Professional Accountants (including International Independence Standards), endorsed in the Kingdom of Saudi Arabia (the "Code"), which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour, and the ethical and independence requirements applicable in the Kingdom of Saudi Arabia. We have fulfilled our other ethical responsibilities in accordance with these requirements and the Code.

Our firm applies the International Standard on Quality Management (ISQM) 1, as endorsed in the Kingdom of Saudi Arabia, which requires the firm to design, implement and operate a system of quality management including policies or procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements

Our responsibility

Our responsibility is to express a limited assurance conclusion on the Declaration based on the procedures we have performed and the evidence we have obtained. We conducted our limited assurance engagement in accordance with International Standard on Assurance Engagements 3000 (Revised), 'Assurance Engagements Other Than Audits or Reviews of Historical Financial Information' (ISAE 3000 (Revised)), as endorsed in the Kingdom of Saudi Arabia. This standard requires that we plan and perform this engagement to obtain limited assurance about whether anything has come to our attention that causes us to believe that the Declaration is not prepared, in all material respects, in accordance with the Criteria.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our limited assurance conclusion.

Summary of work performed

We planned and performed the following procedures to obtain limited assurance over the Company's compliance with the requirements of Article 133(b), Article 134 and Article 136 of the Regulations, Article 13 of the Company's by-laws and Article 61 (a)(3) of the Rules in the preparation of the Declaration:

- Obtained the signed Declaration (included in Annexure A) which details the Company's historical financial information, the reasons for share capital reduction and impact of the share capital reduction on the Company's liabilities;
- Compared the amount of increase in share capital, prior to the proposed reduction in share capital, as set out in the Declaration with the amount of increase in share capital approved by the shareholders during the Extraordinary General Meeting held on September 29, 2025;
- Reviewed the Board of Directors' resolution dated August 29, 2025 and compared the amount of the proposed reduction in share capital of the Company as set out in the Declaration with the resolution;
- Compared the historical financial information indicated in the Declaration to the unaudited condensed interim financial statements of the Company for the three-month and six-month periods ended June 30, 2025, on which we have issued a review report dated August 7, 2025; and
- Checked the mathematical accuracy of the amounts included in the Declaration.



Inherent limitations

Our procedures relating to the preparation of the Declaration in accordance with the requirements of Article 133(b), Article 134 and Article 136 of the Regulations, Article 13 of the Company's by-laws and Article 61(a)(3) of the Rules are subject to inherent limitations and, accordingly, errors or irregularities may occur and not be detected.

A limited assurance engagement is substantially less in scope than a reasonable assurance engagement under ISAE 3000 (Revised), as endorsed in the Kingdom of Saudi Arabia. Consequently, the nature, timing and extent of the procedures outlined above for gathering sufficient appropriate evidence were deliberately limited relative to a reasonable assurance engagement, and therefore less assurance is obtained with a limited assurance engagement than for a reasonable assurance engagement.

Our procedures did not constitute either an audit or a review made in accordance with International Standards on Auditing or International Standards on Review Engagements, that are endorsed in the Kingdom of Saudi Arabia, and accordingly we do not express an audit opinion or a review conclusion in relation to the adequacy of systems and controls around the preparation of the Declaration. Furthermore, our procedures did not include testing or assessing any forward-looking statements or other information.

This conclusion relates only to the Declaration and should not be seen as providing assurance to any future dates or periods, as changes to circumstances may alter the validity of our conclusion. Given our report is issued before the actual share capital reduction occurs, certain financial information included in the Declaration, including accumulated losses and liabilities, is subject to change based on the Company's financial performance and financial position at the time of actual capital reduction.

Limited assurance conclusion

Based on the procedures we have performed and evidence we have obtained, nothing has come to our attention that causes us to believe that the Declaration has not been prepared, in all material respects, in accordance with the Criteria.

Restriction of use

This report, including our conclusion, has been prepared solely upon the request of the Board of Directors of the Company, to assist the Company in fulfilling its reporting obligations to the extraordinary general assembly in accordance with Article 133(b), Article 134 and Article 136 of the Regulations, Article 13 of the Company's by-laws and Article 61(a)(3) of the Rules. The report should not be shared with or distributed to any other party except for the Ministry of Commerce and the Capital Market Authority of the Kingdom of Saudi Arabia or used for any other purpose or published except as permitted under the terms of our agreement. To the fullest extent permitted by law, we do not accept or assume responsibility to any third party.

PricewaterhouseCoopers



Ali A. Alotaibi
License Number 379



January 20, 2026

شركة رابغ للتكرير و البتروكيماويات
Rabigh Refining & Petrochemical Co.



Annexure A

Board of Directors' Declaration

A. Grounds and reasons for share capital decrease

Based on the unaudited condensed interim financial statements as of and for the three-month and six-month periods ended June 30, 2025, the Company's accumulated losses account for 43.9% of its share capital as at June 30, 2025 as follows:

In Saudi Riyals

Share capital	16,710,000,000
Accumulated losses	(7,335,312,632)
Percentage of accumulated losses to share capital	43.9%

The Company's board has issued its recommendation on 06/03/1447H (corresponding to 29/08/2025G) to the shareholders to decrease the Company's capital after increasing its share capital through issuance of 526,364,998 ordinary shares of a different class, Class B ordinary shares with a nominal value of Saudi Riyals 10 per share, which was approved by Company's Extraordinary Shareholders meeting on 07/04/1447H (corresponding to 29/09/2025G). In accordance with the Company's board recommendation, the Company's capital will decrease from Saudi Riyals 21,973,649,980 (Class A ordinary shares amounting to Saudi Riyals 16,710,000,000 and Class B ordinary shares amounting to Saudi Riyals 5,263,649,980) to Saudi Riyals 16,709,999,980 (Class A ordinary shares amounting to Saudi Riyals 11,446,350,000 and Class B ordinary shares amounting to Saudi Riyals 5,263,649,980), through reducing the nominal value of each Class A ordinary share from Saudi Riyals 10 to Saudi Riyals 6.85. The Company will be reducing the nominal value of each Class A ordinary share from Saudi Riyals 10 to Saudi Riyals 6.85, through writing off Saudi Riyals 5,263,650,000 from the Company's capital to reduce the Company's accumulated losses. There will be no cancellation of shares nor a reduction in the number of shares.

B. The Company's liabilities

Based on the unaudited condensed interim financial statements of the Company for the three-month and six-month periods ended June 30, 2025, the Company's liabilities as at June 30, 2025 are as follows:

In Saudi Riyals

Current liabilities	21,449,025,330
Non-current liabilities	27,023,539,499
Total liabilities	48,472,564,829

شركة رابغ للتكرير و البتروكيماويات
Rabigh Refining & Petrochemical Co.


 بترو رابغ
Petro Rabigh

C. Illustration of effect of proposed reduction in share capital

The table below illustrates the impact of the proposed capital decrease taking into account the capital increase approved by the Company's shareholders on September 29, 2025. The table does not illustrate the actual position post capital increase and proposed capital reduction, as the accumulated losses and current assets considered as part of this illustration relate to balances as of June 30, 2025 and do not therefore take into account the Company's financial performance and financial position post that date.

Amounts in Saudi Riyals					
	Balance as at June 30, 2025 (Unaudited)	Impact of capital increase approved on September 29, 2025*	Balance post capital increase approved on September 29, 2025*	Impact of proposed capital reduction	Balance post capital increase and proposed capital reduction
	A	B	C = A+B	D	E=C+D
Equity					
Share capital	16,710,000,000	5,263,649,980	21,973,649,980	(5,263,650,000)	16,709,999,980
Accumulated losses	(7,335,312,632)	-	(7,335,312,632)	5,263,650,000	(2,071,662,632)
Statutory reserve	252,134,196	-	252,134,196	-	252,134,196
Employees' share ownership plan	(5,288,414)	-	(5,288,414)	-	(5,288,414)
Total equity	9,621,533,150	5,263,649,980	14,885,183,130	-	14,885,183,130
Current assets					
Cash and cash equivalents	463,158,306	5,263,649,980	5,726,808,286	-	5,726,808,286

*The Company has increased its capital through issuance of 526,364,998 ordinary shares of a different class, Class B ordinary shares with a nominal value of Saudi Riyals 10 per share, which was approved by Company's Extraordinary Shareholders meeting on 07/04/1447H (corresponding to 29/09/2025G).

شركة رابغ للتكرير و البتروكيماويات
Rabigh Refining & Petrochemical Co.

بترو رابغ
Petro Rabigh



D. Impact of the share capital decrease on the Company's liabilities and the Total equity of the Company

As mentioned in Section (A) above, the Company will reduce the nominal value of each Class A ordinary share from SAR 10 to SAR 6.85. This adjustment will be made by writing off SAR 5,263,650,000 from the Company's capital to offset its accumulated losses. The reduction will have no impact on the liabilities or total equity of the Company as it is a non-cash transaction. No Class A and Class B shares will be cancelled, and there will be no reduction in the total number of shares. There will be no adjustment by the Saudi Exchange Company (Tadawul) to the market share price after the approval of the Extraordinary General Assembly to reduce the Company's share capital.



Fahad Al Muhaisin
Chief Financial Officer, January 20, 2026



Appendix (2)

Proxy Form for the Extraordinary General Assembly Meeting

Proxy Form

Date:

Corresponding to:

I [authorising shareholder's full name] [] with national with ID number [] / residence permit (for non-Saudis) or its equivalent, issued by [] in my [personal] capacity or [an authorised signatory / chairman / manger] [name of authorising company] and the owner of [] shares of [name of the joint stock company] with commercial registration number [] and pursuant to article [] of the Company's bylaws hereby authorise [name of the representative] to attend the [type of assembly] assembly meeting held in [place of meeting] in [name of city] in the Kingdom of Saudi Arabia at [] of the [] the day of [] dated [] H] according to Hijri calendar and corresponding to [] G to vote on my behalf on the agenda and to sign on my behalf on all resolutions and documents related to these meetings. This authorisation is valid for this meeting and any subsequent adjourned meeting.

Full name of the person signing the proxy:

Capacity the person signing the proxy:

National ID number of the person signing the proxy or residence permit (for non-Saudis) or its equivalent:

Signature of the authorising shareholder:

The Proxy Form shall not be valid, if the Extraordinary General Assembly is held solely through modern technology means.

بترو رابغ
Petro Rabigh



petrorabigh.com

