



CEO's Message

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Total Recordable Incident

Zero Incidents

Base Oil Production

439 SAR/MT

Unit Cost

Dear Shareholders,

It is with great honour that I take this opportunity to reflect on the many achievements Luberef recorded in 2022. These include our successful listing on the Saudi Stock Exchange and our progress in transformation initiatives execution. 2022 was a great year for Luberef, as it highlighted our uniqueness as an investment opportunity and showcased our ability to generate value for our shareholders.

We achieved record base oil volume sales, revenues, net income and free cash flow. As a result, our Board of Directors have declared a recommendation to pay a dividend of around SAR 840 Mn, or 5.0 SAR per share.

We sustained our excellent operational track record by maintaining a top quartile mechanical availability of nearly 100%, and above industry average base oil capacity utilisation of 88.7% with zero total recordable incident rate.

Remarkable progress has been made in our transformation initiatives as we upgraded our Yanbu Facility successfully to accommodate 50 MBD of feedstock. Currently, we are in discussion with Saudi Aramco to increase our crude oil allocation to achieve more growth in base oil production volumes.

As base oil demand shifts from GI to GII & GIII Base Oils, we are leveraging our Saudi Aramco Base Oil Alliance partners to meet current GIII demand in our primary market, while continuing the execution of

Growth II Expansion Project to accommodate the production of high margin GIII base oils.

Five MOUs have been signed to support the development of the LubHub which aims to build specialized industries within the Kingdom. This will increase our domestic sales volumes as well as further align Luberef with Vision 2030 of the Kingdom.

Luberef is fully committed to the Kingdom's sustainability agenda. Our commitment to lower our environmental footprint can be observed by the achieved 70% flaring reduction in 2022 compared to 2021.

While creating value for shareholders, Luberef cares for the wellbeing of society and takes pride in its corporate social responsibility programs that focus on supporting local

communities. A number of programs for local communities have been ongoing for many years, such as our support for people with disabilities marathon and families with needs during Ramadan. New community initiatives are focused on promoting entrepreneurship, supporting community education and health.

Luberef is a well-established and profitable company with a strong market position, a track record of financial resilience, and a commitment to sustainable business practices. As we look ahead to the future, we will continue to build on our strengths and remain focused on an optimal product

mix, higher margin base oils, cash conversion and return on investment. The future is bright for Luberef, and by working together we can realize the great opportunities ahead of us.

Tareq Alnuaim

President & Chief Executive Officer