

Empowering Industry Through Every Grade



لهبريف
luberef

Annual Report
'25

In The Name of Allah,
The Most Gracious,
The Most Merciful



Custodian of the Two Holy Mosques
King Salman bin Abdulaziz Al-Saud



His Royal Highness
Prince Mohammed bin Salman bin Abdulaziz Al-Saud
Crown Prince, Prime Minister of Saudi Arabia

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Chairman's Statement

Focused leadership, sustainable growth, and lasting vision.



« Luberef's strategic direction is straightforward. We aim to consolidate our position as a leading base oil producer in the region, grow into a higher-value product portfolio, and support the development of a competitive lubricant ecosystem in the Kingdom and internationally. »

Revenue

ﷲ 8,103

Million

Net Income

ﷲ 855

Million

Dear Shareholders,

2025 has been a year that once again confirmed the strength of Luberef's strategy, people, and governance. Despite a complex operating environment marked by geopolitical tensions and changing global energy dynamics, Luberef delivered steady results and continued to build for the future.

The Board remains focused on maintaining the highest standards of safety, reliability, and asset integrity while supporting the company's growth and value creation. Through active engagement and strategic oversight, we ensure Luberef is dedicated, financially strong, and consistent with Saudi Arabia's industrial vision.

Luberef's strategic direction is straightforward. We aim to consolidate our position as a leading base oil producer in the region, grow into a higher-value product portfolio, and support the development of a competitive lubricant ecosystem in the Kingdom and internationally. These priorities are designed to create long-term value for our shareholders and to contribute meaningfully to Saudi Vision 2030.

Performance in a Dynamic Market

In 2025, the global base oil market presented both challenges and opportunities, influenced by different macroeconomic and geopolitical developments across the broader oil and gas landscape. Through a measured and agile approach, Luberef navigated these conditions effectively, maintaining stable performance and demonstrating the resilience of its business model. Luberef maintains a clear competitive advantage, allowing it to capture value and deliver consistent results across changing market conditions.

Strong Oversight and Effective Engagement

The Board's oversight in 2025 centered on the disciplined execution of the Company's strategic initiatives, most notably the Growth II expansion project, which is entering a high intensity construction phase. This milestone will establish Luberef as the region's only producer capable of supplying the full spectrum of base oil groups, reinforcing its status as a leading force in the high-performance lubricant market.

Our commitment to clear communication and effective investor engagement was also recognized externally through the Tadawul Award for Best Investor Relations Program (Mid-Cap), reflecting Luberef's ongoing efforts to maintain strong governance standards and transparent dialogue with the market.

Sustaining Returns and Strategic Growth

In line with our dividend policy, the Company distributed in 2025 ﷲ 4.08 per share while maintaining a robust balance sheet, a gearing ratio of -10%, and a strong cash position.

As we look ahead, the Board remains focused on maintaining a balanced financial approach that supports shareholder value while enabling future growth. We aim to deliver reliable returns to investors while preserving the financial flexibility to pursue strategic projects that strengthen Luberef's long-term competitiveness.

Safety, Sustainability, and Responsible Operations

Safety, reliability, and sustainability remain integral to Luberef's culture and its license to operate. In 2025, the Company continued to uphold world-class standards across all facilities, reflecting a strong safety culture, disciplined asset management, and a deep commitment to responsible operations. These principles guide how we create value, strengthen stakeholder trust, and contribute to the Kingdom's long-term industrial and environmental goals.

Acknowledgements and Outlook

On behalf of the Board, I thank our management team and employees for their dedication, especially in completing the largest turnaround in Luberef's history, which showcased strong teamwork and commitment.

We are deeply appreciative of the continued trust and support of our shareholders, partners, and government stakeholders as we move confidently into the next phase of growth.

Looking forward, Luberef enters 2026 from a position of strength. With a clear strategy, robust governance, and strong financial foundations, we are well placed to complete our next phase of growth and continue contributing to the Kingdom's industrial transformation and long-term economic development.

Mr. Ibrahim Q. Al Buainain
Chairman

CEO's Statement

Executing with discipline, building capacity, and driving shareholder value.



« Through disciplined execution, strong cost and logistics management, and an unwavering commitment to safe and reliable operations, Luberef delivered consistent performance even in a demanding environment. »

Dear Shareholders,

2025 was a pivotal year for Luberef. One focused on preparing for future growth while delivering resilient performance, underscored by an EBITDA of ₪ 1,148 million. This reflects the strength and stability of our core operations despite market volatility.

This year included major planned activities, most notably the full turnaround of our Yanbu refinery and a catalyst replacement, both essential to supporting our long-term expansion plans.



Through disciplined execution, strong cost and logistics management, and an unwavering commitment to safe and reliable operations, Luberef delivered consistent performance even in a demanding environment.

Building the Next Phase of Growth

Several milestones in 2025 underscored our progress in executing our long-term strategy. During the year, we advanced in a collaborative project with Aramco aimed at integrating Luberef Group III products into the prestigious aramcoULTRA® base oil slate. This strategic initiative strengthens our global positioning and enhances product competitiveness.

In parallel, we also made significant progress in advancing our plans to extend operations in Jeddah, supported by the endorsement of the Ministry of Energy. We are now in discussions with designated parties to ensure the long-term continuity and optimization of the facility. The continued operation of the Jeddah site will strengthen the diversity of Luberef's asset base, enhance our geographical reach, and support a more balanced sales footprint.

The Growth II project advanced steadily toward its construction and commissioning stages. Once operational in 2026, it will enable Luberef to further diversify its production of high-value base oils, enhancing our ability to meet a broad spectrum of customer needs across automotive, industrial, and specialty segments. Upon completion, the project will position Luberef as the region's first producer capable of supplying the full range of Group I, II, and III base oils, offering customers a complete and integrated solutions portfolio.

With a focus on next generation lubricants, we have taken steps towards the next wave of growth, GIII+, that support advanced applications and lower emissions. Luberef is also exploring new technologies to strengthen product performance and expand OEM approvals, ensuring our products meet the highest global standards and capture emerging opportunities in a rapidly evolving market.

Downstream Excellence

Our cost optimization program delivered tangible results through multiple contracts of affreightment and improved logistics efficiency, reinforcing our commitment to operational excellence and disciplined cost management.

Downstream integration continues to progress through the LubeHub initiative in Yanbu. This industrial cluster is attracting local and international partners, creating a foundation for lubricant blending, specialty chemicals, and support services. Our partnership with APAR Industries is a key example of this progress. Together, these collaborations are helping to localize value chains, create jobs, and contribute to Saudi Arabia's broader industrial goals.

People and Sustainability

Our people remain the driving force behind Luberef's success. In 2025, we strengthened this foundation by expanding development programs across our operations and projects, reinforcing a culture of learning, collaboration, and accountability. Open communication and recognition continued to engage our teams and inspire them to deliver safe, high-quality performance across all facilities.

Sustainability also remained central to our progress. Luberef maintained a Total Recordable Incident Rate of zero for the sixth consecutive year and mechanical availability of 99.1 percent, reflecting our strong safety culture and disciplined operations. Our continued efforts were recognized externally through the Silver Award for Corporate Social Responsibility from the Ministry of Human Resources and Social Development for the second consecutive year, a testament to our role as a responsible operator and contributor to national development.

Advancing Forward Together

As we move into 2026, our focus remains on completing Growth II safely and further optimizing our asset base to enhance flexibility, efficiency, and scale. We will continue to increase local content by supporting domestic suppliers and downstream partners, strengthening Luberef's role in the Kingdom's industrial development. At the same time, we will pursue new growth opportunities and leverage advanced technologies to enhance our product offering, while directing our portfolio toward high netback markets to sustain strong margins and long-term competitiveness.

I would like to express my sincere appreciation to our employees for their commitment and professionalism, particularly during this important phase of growth. My thanks also go to the Board of Directors for their continued guidance. Together, we are building on Luberef's solid foundations and advancing confidently toward a future defined by reliability, innovation, and sustainable growth.

Samer A. Al Hokail
 President & Chief Executive Officer

Luberef at a Glance

Saudi Aramco Base Oil Company – Luberef JSC (“the Company”) – is one of the world’s largest producers of base oils and the sole producer of virgin base oils in the Kingdom of Saudi Arabia. With a heritage spanning nearly 50 years, Luberef produces Groups I & II of base oil, along with a range of byproducts that serve diverse industrial applications.

Luberef operates two production facilities in Yanbu and Jeddah, with a combined base oil operating capacity of 1,455,000 MT. The Company’s products are supplied to customers domestically across Saudi Arabia and exported internationally to key markets in the Middle East, Africa, Asia, the Americas, and Europe.

Our Vision

To be recognized as a global leader in premium base oils and specialty products, driving progress across key markets.

Our Mission

To deliver excellence in refining and producing high-quality base oils and specialty products that meet the evolving needs of our customers and industries.



Our Core Values

Integrity

Conducting business ethically and respectfully.

Accountability

Taking ownership of our actions and remaining responsible to our stakeholders.

Citizenship

Contributing positively to society and upholding our social responsibility.

Excellence

Delivering on our promises and striving to exceed expectations.

Safety

Protecting our people, assets, and communities through safe, reliable operations.



Empowering Industry Through Every Grade

Luberef’s growth has been driven by decisive investment and a clear understanding of evolving industry needs. Building on earlier expansion phases that enhanced its scale and operational reliability, the Company continues to strengthen its position as a critical supplier to regional and global markets.

The Growth II project accelerates this trajectory. It is a deliberate move to redefine Luberef’s role in the base oil value chain by expanding beyond capacity into full-spectrum capability.

Within this portfolio, the Jeddah facility remains strategically important. As a producer of Group I base oils, it supports a specialized yet resilient segment where demand persists across key industrial and marine applications. Group I continues to offer essential formulation characteristics for certain customers, making its presence in Luberef’s portfolio both commercially and strategically sound. Luberef is therefore advancing the necessary milestones to ensure the continuity of the Jeddah facility beyond 2026, preserving portfolio breadth and sustaining long-standing customer relationships.

Together, Growth II and the continued operation of Jeddah position Luberef as a true one-stop shop for base oils—delivering breadth of grades, consistent quality, and supply security under one integrated platform. These initiatives reflect Luberef’s ambition to lead the market, shape customer outcomes, and enable industries to move forward with confidence today and into the future.



Group I Base Oils Proven Reliability for Industrial Performance

Group I base oils remain essential for applications that require durability and strong solvency, including marine lubricants, greases, metalworking fluids, and process oils.

Luberef’s Jeddah facility, operational since 1977, produces approximately 275,000 metric tons per year of Group I base oils. Combined with Yanbu’s capacity at 270,000 metric tons, these products continue to serve as a dependable foundation for industrial sectors across the Kingdom, the wider MENA region, and global export markets.

Group I Base Oils Capacity (MT)

545,000

Before Growth II

545,000

After Growth II



Group II Base Oils Powering Efficiency and Cleaner Operations

Group II base oils are the standard for high-performance lubricants, offering improved oxidation stability, fuel efficiency, and lower emissions. They are essential for automotive engines, heavy transport, and power generation systems.

Following the Yanbu Growth I Expansion, Luberef added 710,000 metric tons of Group II base oil capacity, which later increased to 910,000 metric tons through subsequent optimization of Group II capacity, positioning the company as a key regional supplier for advanced lubricants that meet tightening global environmental and efficiency standards.

Group II Base Oils Capacity (MT)

910,000

Before Growth II

815,000

After Growth II



Group III Base Oils Advancing Next-Generation Mobility

Group III base oils are high-purity products used in synthetic lubricants for hybrid vehicles, aviation, and advanced industrial systems. The Yanbu Growth II Expansion, expected to be operational in H2 2026, will add about 175,000 metric tons of Group III capacity and increase flexibility with Group II production. This development is set to advance Luberef’s move into premium, low-emission lubricants that support Saudi Vision 2030 and global mobility goals.

Group III Base Oils Capacity from Growth II (MT)

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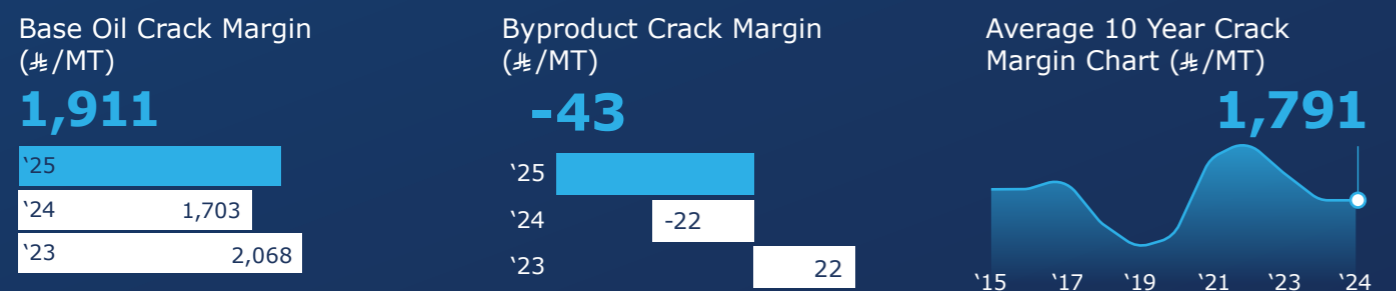
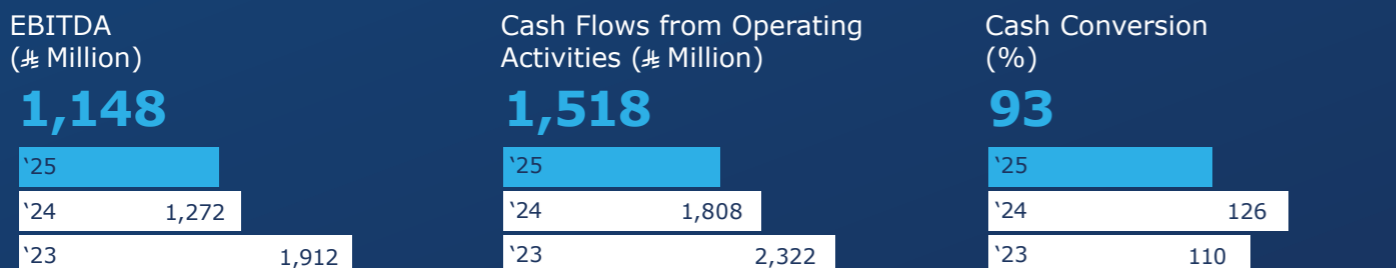
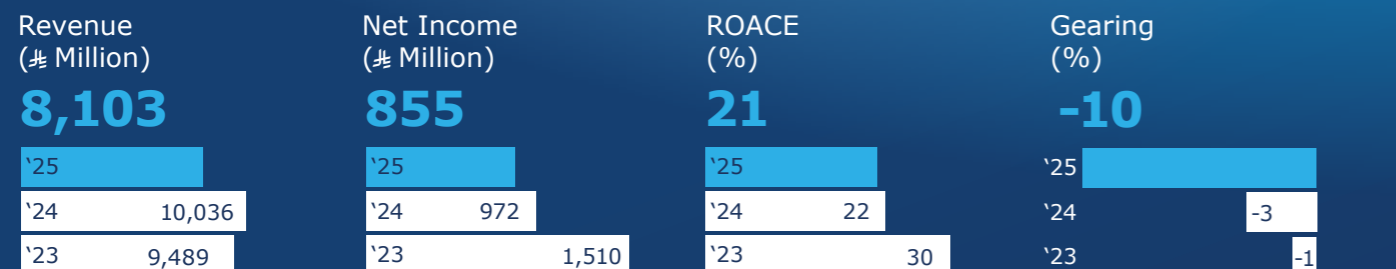
Before Growth II

175,000

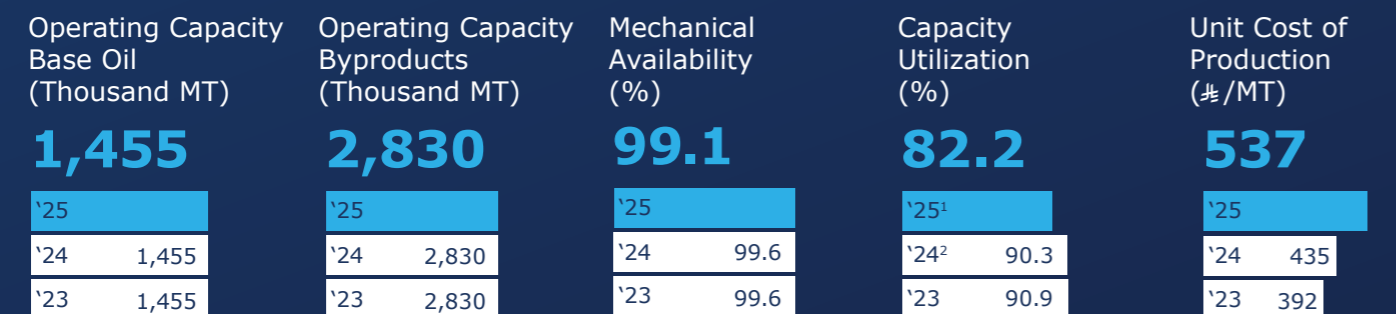
After Growth II

Performance Highlights

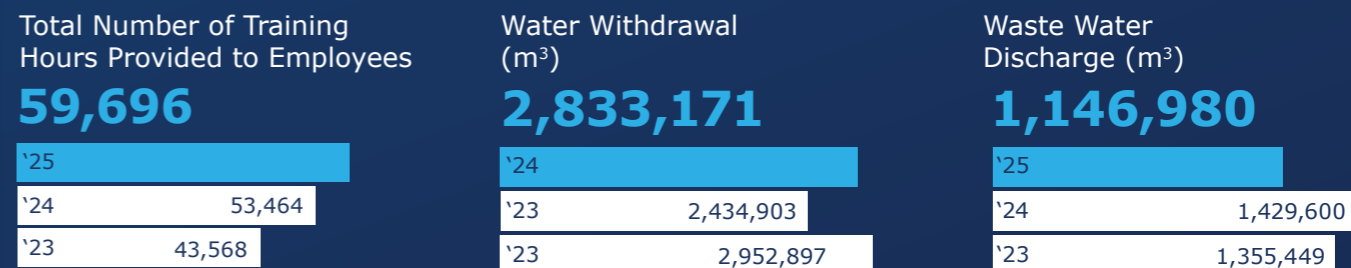
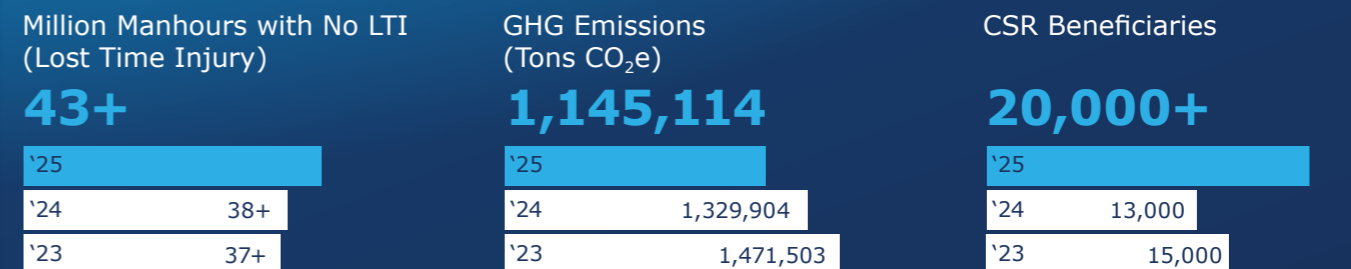
Financial



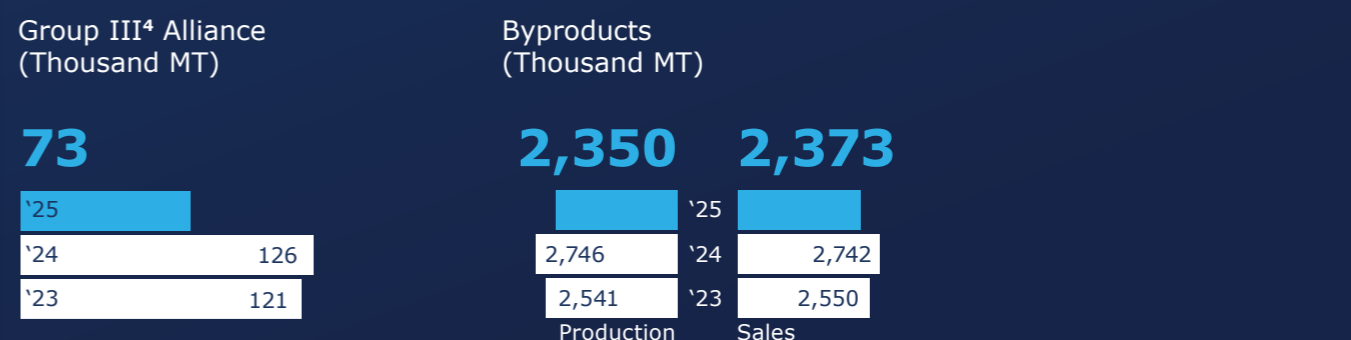
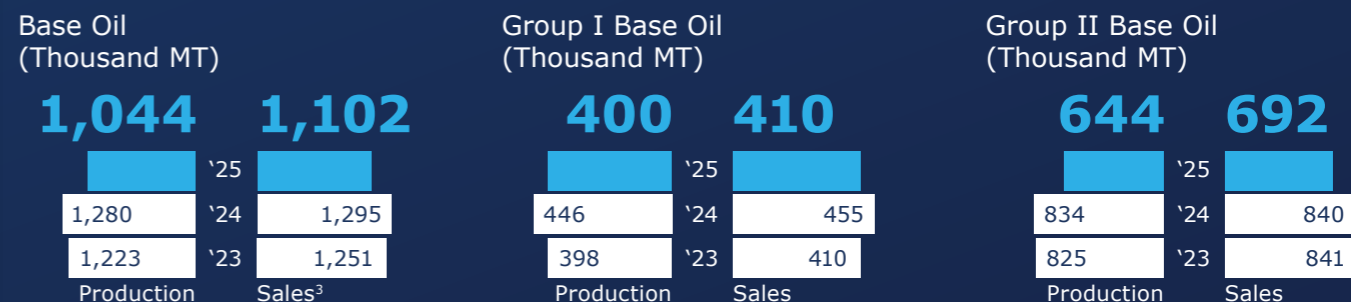
Operational



Sustainability



Production & Sales



¹ Adjusted for the turnaround and catalyst replacement.
² Adjusted for 15 days shutdown for catalyst replacement.

³ Base Oil: Luberef own products only.
⁴ Alliance: Refers to sales conducted by Aramco Base Oil Alliance members (S-Oil and Motiva) within the Company's designated zone, as well as base oil imported and sold in the local market by the Company. This also includes a small portion of sales from other base oil groups within the Alliance.

Where We Operate

With strategically located facilities and a strong footprint in key markets, Luberef empowers industries across the region and beyond, supplying high-quality base oils that drive performance, reliability, and growth.

A Global Leader in Base Oils

The Company's products are sold both domestically and internationally, with a strong presence across the Middle East, Africa, Asia, the Americas, and Europe. Its customer base comprises leading regional and international companies across the lubricants and petroleum products sector, spanning manufacturers, distributors, and various end-users.

Our Facilities

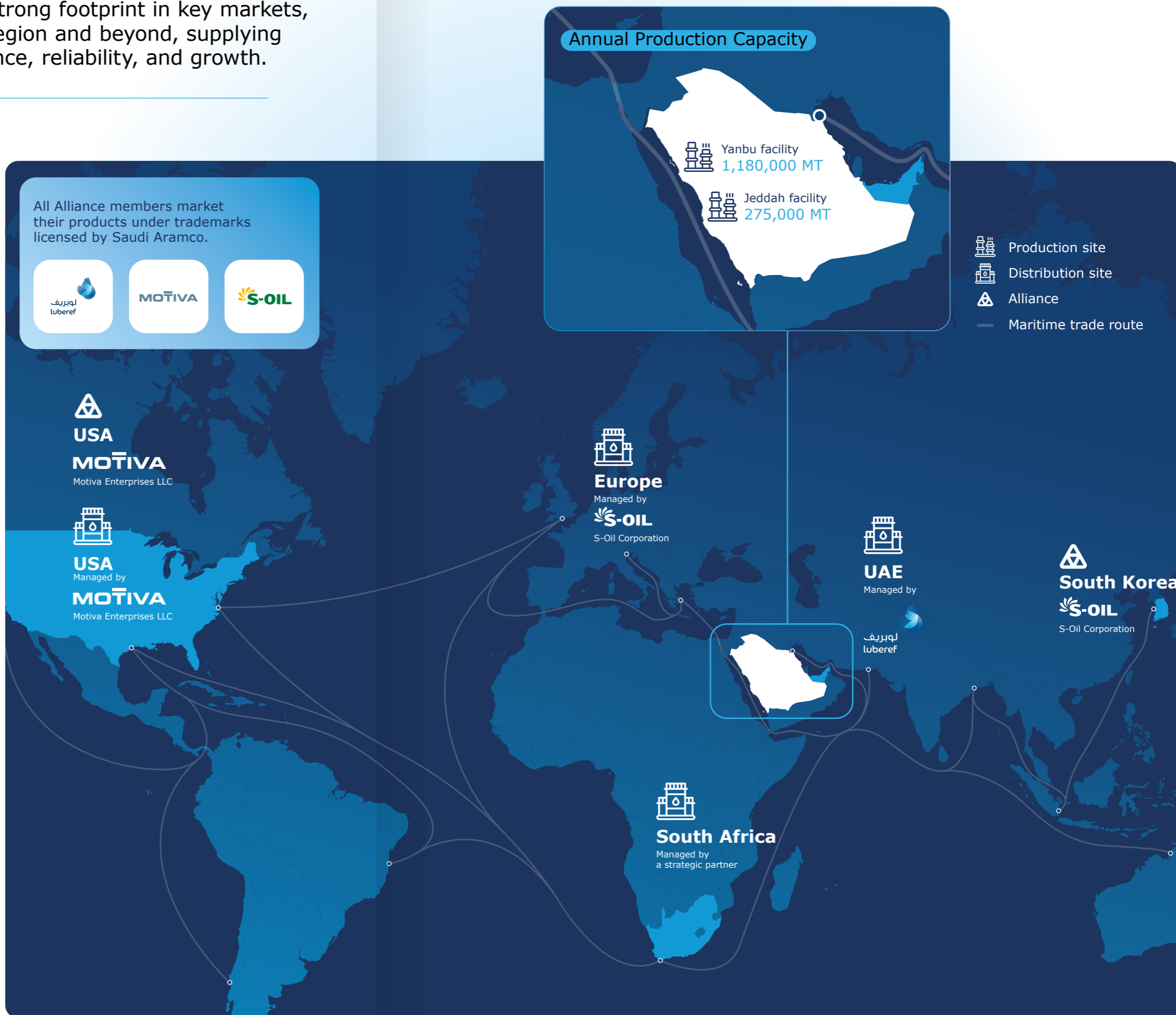
Luberef operates two production facilities in Jeddah and Yanbu with a combined annual capacity of 1,455,000 metric tons. The Jeddah facility, commissioned in 1977, produces 275,000 metric tons of Group I base oils.

The Yanbu facility, operational since 1997, has expanded through the Growth I project in 2017 to a capacity of 1,070,000 MT. This number was further increased to 1,180,000 MT, producing both Group I and Group II base oils.

Aramco Base Oil Alliance

Luberef operates as part of the Aramco Base Oil Alliance, which spans key global markets through three regional partners. Within this structure, Luberef serves as the exclusive marketer across the Middle East, including Pakistan and Africa.

Its Alliance partners extend this reach globally, with Motiva covering North, Central, and South America, and S-Oil managing Europe and Asia (excluding the Middle East and Pakistan but including India). Together, the Alliance ensures a coordinated presence across all major base oil markets worldwide.



Our Journey

For nearly five decades, Luberef has been at the heart of Saudi Arabia's industrial development, evolving from a local refining venture into a leading producer of high-quality base oils. Its history is defined by continuous innovation, operational excellence, sustainable growth, and enduring partnerships that have strengthened the Kingdom's position in the global energy value chain.

1970s

Founding and Early Operations

1976

Established as the Petromin Lubricating Oil Refining Company, a joint venture between Petromin (70%) and Mobil (30%).

1977

The Jeddah refinery commenced operations with an initial capacity of around 180 thousand MT of Group I base oils.

1990s

Capacity Growth and Ownership Transition

1983–1991

The Jeddah facility underwent a series of expansions, boosting production capacity to approximately 240,000 MT.

1996

Petromin's ownership stake was transferred to Saudi Aramco, marking a new chapter in the Company's governance and oversight structure.

1997

The Yanbu refinery was commissioned with a capacity of 300,000 MT, creating synergies that increased the Jeddah facility's capacity to 260,000 MT and bringing Luberef's total production to approximately 560,000 MT of Group I base oils.

2010s

Expansion and Organizational Progress

2013

Enhanced integration between the Yanbu and Jeddah facilities increased total production capacity to approximately 575,000 MT of Group I base oils.

2017

Completion of the Yanbu Growth I Expansion added 710,000 MT of capacity, introducing Group II base oil production and significantly boosting total output.

2019

Formation of the Aramco Base Oil Alliance and adoption of Saudi Aramco trademarks strengthened alignment with the Group.

2000s

Strengthening Foundations and Local Ownership

2007

Jadwa Investment acquired Mobil's 30% shareholding, further strengthening local ownership and governance.

2020s

Recognition, Listing, and Continued Growth

2022

Successfully listed on the Saudi Stock Exchange (Tadawul), with the IPO ranked among the largest of the year and oversubscribed 29.5 times.

2023

Amended the Supplemental Feedstock Supply Agreement with Saudi Aramco, increasing RCO supply to Yanbu by 5 thousand barrels per day, boosted annual base oil output by 90 thousand MT.

2024

Received two MEIRA awards, including Most Improved Investor Relations Program in the GCC and Second Place for Leading Corporate Investor Relations Company in Saudi Arabia.

2024

Honored again with the Aramco President's Excellence Award for Best Safety Performance (third consecutive year) and Best Reliability and Maintenance Performance (second time).

2025

Successfully completed the largest turnaround in Luberef's history, enhancing reliability, efficiency, and long-term asset performance.



Year in Review



Strengthening Safety Leadership

Luberef achieved ISO 45001 certification for its Health and Safety Management Systems, reaffirming its commitment to world-class safety practices. This certification reflects a proactive approach to risk management and a continued focus on creating safe, efficient, and reliable operations.



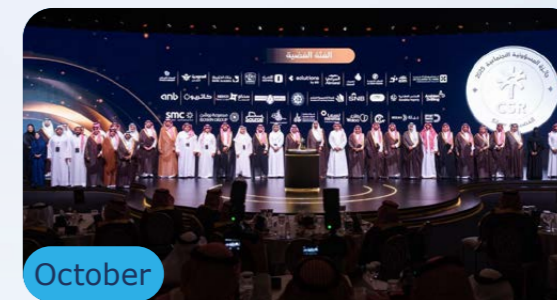
Advancing Inclusion and Equal Opportunity

A cooperation agreement with Qadroom marked an important step toward integrating individuals with disabilities into the workforce. The initiative supports Saudi Vision 2030 and reflects Luberef's belief that diversity and inclusion are essential to long-term organizational strength.



Enhancing Efficiency and Cost Stability

Through a Contract of Affreightment with Bahri, Luberef optimized its shipping operations, improving cost predictability and supply reliability.



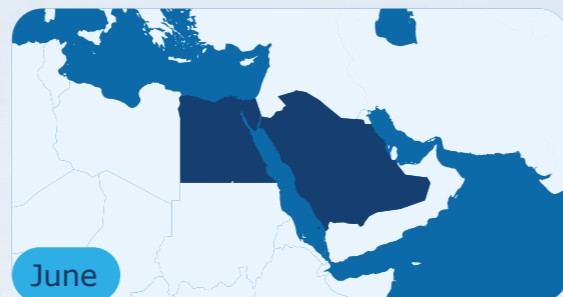
Social Efforts Recognition

Luberef also received a Silver Award for Corporate Social Responsibility (CSR) from the Saudi Ministry of Human Resources and Social Development, marking the second consecutive year the company has been recognized for its community-focused initiatives.



Recognition for Investor Transparency

Luberef earned First Place in the Sultan Aldugaither Mid-Cap Investor Relations Program Award, in addition to being recognized as the Best Investor Relations Programme of the Year (Mid Cap) at the Saudi Capital Market Awards 2024. These recognitions demonstrate Luberef's consistent communication and transparency with the investment community.



Expanding Regional Reach

Luberef signed a long-term supply agreement with a leading international oil company in Egypt, opening new growth opportunities across the African market. The partnership strengthens Luberef's export base and supports its strategy to extend market presence beyond the GCC.



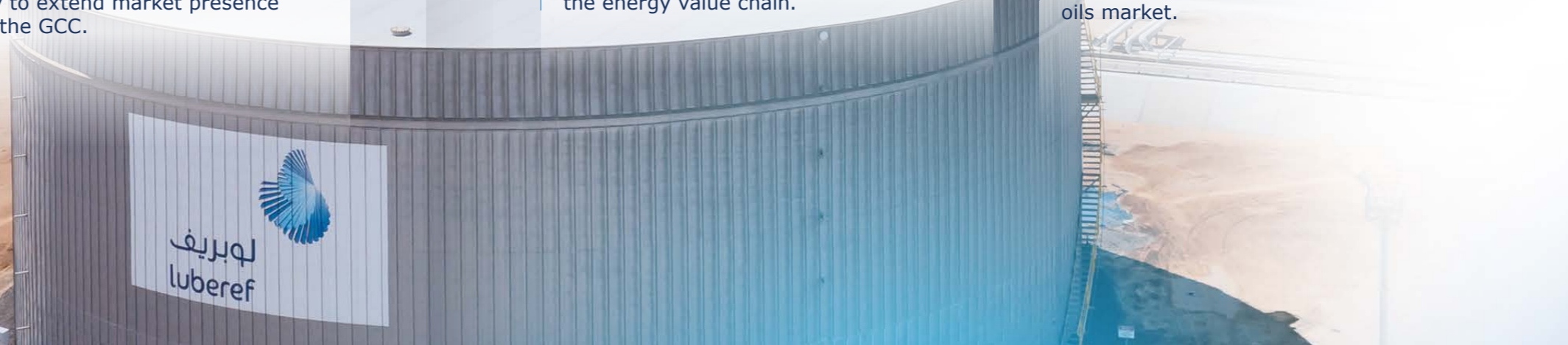
Strengthening Downstream Integration

A new ultra-low-sulfur diesel (ULSD) sales agreement with Saudi Aramco expanded Luberef's customer base under improved commercial terms. This milestone enhances by-product margins and supports greater integration across the energy value chain.



Jeddah Supply Extension

Luberef has received notices from the Ministry of Energy regarding the continuation of the Jeddah feedstock allocation beyond 2026. This development supports the Company's ongoing efforts to extend operations at the Jeddah facility and maintain its leadership position in the Group I base oils market.



Investment Case



Highly Specialized Base Oil Producer with a Unique Regional Position



Advantaged Value Chain, Operational Efficiency, and Strong Customer Relationships



Proven Growth Record and Expanding Market Opportunities



Disciplined Financial Management, High Margins, and Attractive Returns



Commitment to Environmental, Social, and Governance (ESG) Excellence

Business Model



Highly Specialized Base Oil Producer with a Unique Regional Position

As a pure-play base oil producer, Luberef holds a distinctive place in the regional and global industrial and lubricant landscape. Purpose-built facilities, deep technical expertise, and integration within Saudi Aramco's network enable the company to operate at scale while maintaining a sharp focus on product quality, efficiency, and market responsiveness.

— Pure-play focus

Dedicated facilities optimized exclusively for base oil production, unlike integrated refiners where base oils are a secondary output. This allows Luberef to operate at higher utilization rates throughout the year.

— Distinct market position

With a production capacity of 1.455 million MT per annum, Luberef is the only virgin base oil producer in Saudi Arabia, and among the largest in the Middle East.

— Flexible production capacity

The Yanbu Growth II Expansion is set to enhance capacity and flexibility across Group I, II, and III base oils.

— Global reach through the Aramco Base Oil Alliance

Strategic collaboration with Saudi Aramco, S-Oil, and Motiva provides access to key markets worldwide.

Production capacity

1.455

Million MT per annum



🔗 Business Overview



Advantaged Value Chain, Operational Efficiency, and Strong Customer Relationships

Luberef’s value proposition is built on efficiency, reliability, and enduring partnerships. Its integrated supply chain and operational excellence ensure cost-effective production, while long-standing customer relationships and a prime geographic position support consistent global demand.

- Long-term feedstock security
Reliable supply of high-quality, highly paraffinic feedstock from Saudi Aramco supports consistent production, cost competitiveness, and optimal base oil yields.
- Operational excellence
High mechanical availability and optimized utilization drive industry-leading efficiency. This excellence results in production costs which are lower than global peers, excluding feedstock.
- Logistical advantage
Red Sea facilities offer fast, cost-effective access to major export markets. Meanwhile, the alliance with Saudi Aramco, Motiva, and S-OIL are another key value driver in this area.
- Aramco ecosystem
Operating within Saudi Aramco’s ecosystem provides Luberef with access to world-class expertise, global best practices, and strong commercial networks, enhancing its competitiveness and long-term business stability.
- Trusted partnerships
Luberef has cultivated over 160 years of combined relationships with its top five business partners, reflecting the Company’s long-standing commitment to trusted, strategic partnerships. The 20-year ULSD supply agreement with Aramco, covering up to 6,500 barrels per day from the Yanbu facility, further demonstrates this strength. Strategic collaboration with Saudi Aramco, S-Oil, and Motiva provides access to key markets worldwide.

🔗 Strategic Approach



Proven Growth Record and Expanding Market Opportunities

Decades of disciplined expansion have positioned Luberef for the next phase of growth. The Company continues to align its investments with market dynamics, focusing on higher-value base oils and emerging industrial applications that reflect global shifts toward advanced lubricants and cleaner technologies.

- Track record of expansion
Major growth initiatives have increased production capacity and operational flexibility, including the Yanbu Growth I Expansion, which introduced Group II base oils and raised production capacity to 710,000 MT, later increasing further to 910,000 MT.
- Positioned for future demand
Growing global demand for Group II and III base oils supports Luberef’s ongoing expansion. The recent 20-year land lease extension for the Yanbu facility secures the site for long-term capacity growth, while the LubeHub initiative enhances downstream integration and supports the development of a regional ecosystem for lubricant manufacturing.
- Innovation-driven development
Continuous investment in process improvement and technology enhances Luberef’s competitiveness, demonstrated by major turnaround programs that upgrade assets and prepare operations for Group III base oil production.

Raised Production Capacity (MT)

Before 2023 **710,000**

After 2023 **910,000**

CFO Review



Disciplined Financial Management, High Margins, and Attractive Returns

Through prudent financial management and disciplined capital allocation, Luberef continues to deliver sustainable returns while maintaining operational resilience and efficiency.

— Prudent capital structure

A conservative balance sheet with a gearing ratio of -10%, well below the target range of 25-35%, ensures financial stability, liquidity, and capacity for long-term value creation.

— High cash conversion and return on capital

Strong cash conversion of 93% and a Return on Average Capital Employed (ROACE) of 21% demonstrate effective capital utilization and consistent value creation.

— Efficient asset base

Preventive maintenance and disciplined asset management help keep maintenance Capex low, reflected in a sustaining Capex ratio of 3% of PPE. At the same time, a Return on PPE of 17.2% and a mechanical availability rate of 99.1% demonstrate efficient capital utilization and the reliability of Luberef's asset base.

— Strong cost discipline

Operational efficiency and capital prudence continue to support profitability and long-term shareholder returns.

Capex ratio

3%

Return on PPE

17.2%

ESG Review



Commitment to Environmental, Social, and Governance (ESG) Excellence

Sustainability and responsible governance are embedded in Luberef's operations, guiding its approach to safety, environmental stewardship, and community engagement.

— Environmental stewardship

Committed to enhancing environmental performance through efforts to reduce emissions, improve resource efficiency, and limit flaring.

— Robust governance framework

Transparent, independent governance aligned with international best practices.

— Experienced leadership

A skilled management team ensures accountability and continuous improvement.

— Social responsibility

Commitment to safety, inclusion, and positive community impact.



Shareholder Information

Sell Side

8
Sell Side Coverage

35
Issued Reports

Listing Details

Listing Date	December 22
Exchange	Tadawul
Ticker Code	2223
ISIN Code	SA15M1HH2NH5
Number of Shares	168,750,000
Foreign Ownership of Total Float ¹	5.17%

Shareholder Record

Request Reason:	Share Book Date
Analysis	03 February 2025
Dividends	03 March 2025
	06 April 2025
	20 April 2025
	08 May 2025
	02 June 2025
	02 July 2025
	04 August 2025
	02 September 2025
	05 October 2025
	02 November, 2025
	02 December, 2025

Percentage of Investor Type²

Individual Investors

53%

Corporate Investors

47%

Foreign Investors

22%

Local Investors

78%

Stock Prices³



¹ Annual average.
² % of free float.
³ As of 31 December 2025.

Investor Engagement

Earnings Calls
4

Education Sessions
2

Conferences Attended
9

New Investors Met
42

Investors Engaged
252

Pre-Announcement Calls
48

Educational Session

Location	Date	Attendance
London	June 15, 2025	62
Riyadh	November 6, 2025	70

Financial Calendar

Date	Name
17 February	FY 2024 Annual Financial Results and Dividend Announcement
17 April	Results of the EGM
30 April	H2 2024 Dividends Distribution
4 May	Q1 2025 Financial Results Publication
3 August	Q2 2025 Financial Results Publication
15 October	H1 2025 Dividends Distribution
2 November	Q3 2025 Financial Results Publication

Conferences Attended



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Risk Management	66



Business Model

Inputs

Financial Capital (# Million)

CAPEX	Total Cash	Property, Plant & Equipment
444	1,373	4,918

Manufactured Capital Production Capacity (Thousand MT)

Jeddah Refinery	Yanbu Refinery
275	1,180

Feedstock (Thousand MT)

RCO & Other
3,487

Human Capital

Total Employees	Workforce Covered by Certified HSE Systems
632	100%

Feedstock Refining Base Oils Distribution



Creating Value for Our Stakeholders

- Shareholders**
 Driving long-term value through sustainable financial performance, disciplined growth, strong governance, and transparent disclosures.
- Employees**
 Providing a safe and inclusive workplace, fair pay and benefits, and opportunities for training and career development.
- Communities**
 Supporting social and economic development through community initiatives, education programmes, and local partnerships.
- Government and Regulators**
 Ensuring full regulatory compliance while contributing to national development and environmental priorities.
- Customers**
 Supplying high-quality premium base oils, reliable availability, and responsive technical and logistics support.
- Suppliers**
 Building ethical, transparent partnerships that promote performance, innovation, and responsible sourcing.

- ### Business Activities
- Base oil production
 - Base oil marketing
 - Localization and attracting foreign investment to Kingdom
 - Supply chain logistics
 - By-product sales
 - R&D through collaboration

- ### Supply Chain Enablement
- Feedstock sourcing
 - Reduced Crude Oil (RCO)
 - Heavy Vacuum Gas Oil (HVGO)
 - Integrated logistics infrastructure
 - Vessels, pipelines, storage tanks, and road transport

- ### Value Creation Across the Chain
- Conversion of low value feedstock into high value premium base oils
 - Efficient production supported by integrated assets and logistics
 - Global market access through the Aramco Alliance distribution network

Outputs

Operations (Thousand MT) Types of Products:

Base Oil Production	By-product Production
1,044	2,350

Financial (# Million)

Net Income	Free Cash Flow	Dividends Paid	ROACE
855	1,073	686	21%

Human

TRIR	Saudization	Female	Million Manhours without LTI
Zero	84%	7%	43.3

Environmental Sustainability

GHG (Tons CO ₂ e)	Water Withdrawal (m ³)	Waste Water Discharge (m ³)
1,145,114	2,833,171	1,146,980

Social Impact

Initiatives	Beneficiaries
20+	20,000+
Volunteering Hours	CSR Engagements
400+	20+

Strategic Approach

Implementing the Transition to Higher-Value Base Oils

As global demand shifts from traditional Group I base oils toward higher-quality Group II and Group III products, Luberef is executing a focused strategy to enhance operational efficiency and upgrade its product portfolio.

This balanced approach positions Luberef at the forefront of the industry’s structural transformation, reinforcing its role in advancing the global lubricants and base oil market. This direction aligns with Luberef’s mission to achieve excellence in producing base oils and specialty products for key end-markets while realizing its vision to become a leading global supplier of premium, high-performance solutions.

In parallel, the Company maintains a strategic commitment to supplying Group I base oils for as long as demand persists, leveraging its unique strengths in Group I production.

Base Oil Focus

Luberef operates as a pure-play base oil producer, optimizing output and efficiency regardless of fuel market dynamics. The Company consistently targets utilization rates above 90%, well above the global base oil industry average of around 50-60%, while maintaining a production cost approximately 60% lower than international peers.

Strategic growth is driven by expanding production of high-value Group III and Group III+ base oils while preserving operational flexibility and presence in Group I markets. Access to nearby advantaged Arab Light feedstock and integration within the Aramco ecosystem enhances yield, feedstock security, and cost competitiveness.

Unique Market Positioning

As the sole producer of virgin base oils in Saudi Arabia, and the only regional supplier positioned to produce all three base oil groups upon completion of the Yanbu Growth II Expansion, Luberef holds a distinctive and strengthening position in the global market. In addition, securing and expanding OEM approvals remains a key strategic focus, enabling entry into higher-value lubricant applications and markets.

The Company continues to strengthen its presence in high-netback export markets, particularly in Africa and the Indian subcontinent, supported by its strategic Red Sea location. Furthermore, localization initiatives, including the LubeHUB industrial cluster, reinforces Luberef’s role as a cornerstone of Saudi Arabia’s downstream development.

Other Strategic Initiatives

Complementing its core base oil strategy, Luberef pursues targeted initiatives in technology, localization, and sustainability. Through collaboration with industry and research partners such as KAUST (King Abdullah University of Science & Technology), the Company is advancing innovation and product diversification.

In 2025, Luberef integrated GHG Scope 1 and 2 emissions reporting into corporate KPIs, enhancing environmental performance

oversight. The Company is also evaluating re-refining and recycling opportunities as local waste management frameworks evolve, alongside continued investment in AI to improve operational efficiency and decision-making.

With the Jeddah facility approaching the next phase of its lifecycle, Luberef’s management is assessing opportunities to leverage the site for environmentally and technologically driven projects. These initiatives aim to unlock low-cost, high-return opportunities that align with the Company’s sustainability objectives and long-term value creation strategy.



Growth Platforms for the Future

The Yanbu Growth II project is a cornerstone of Luberef’s strategy, increasing the facility’s total base oil capacity to 1.26 million metric tons and enabling flexible switching between Group II and Group III production based on market demand. This flexibility, combined with LubeHUB, expanded OEM approvals, and diversification into white oils and transformer oils, positions Luberef to capture long-term value as the market evolves.

Strategy in Action

Luberef continues to advance its strategy through disciplined growth, innovation, and sustainability. Major projects such as the Yanbu Growth II Expansion and the planned Group III+ study in Jazan are aimed at expanding capacity, increasing flexibility, and positioning the Company to capture value in premium global markets.

At the same time, initiatives in localization, digitalization, and portfolio diversification, supported by LubeHUB and partnerships with leading research institutions, are enhancing efficiency and competitiveness. Together, these initiatives strengthen Luberef's ability to adapt, sustain growth, and lead in a rapidly evolving industry.

Yanbu Growth II Project and Transformation

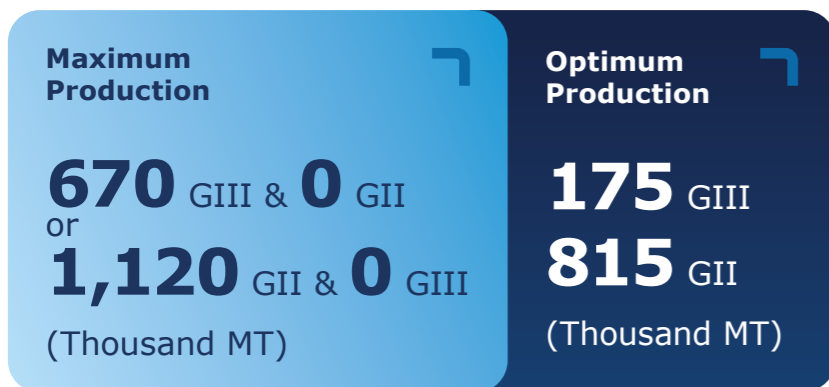
The Yanbu Growth II Expansion is a cornerstone of Luberef's strategy to enhance operational flexibility. Once operational in 2026, the project will raise the Yanbu facility's total capacity to 1.26 million metric tons per year, enabling production of up to 670,000 metric tons of Group III base oils or up to 1,120,000 metric tons of Group II base oils, depending on market demand.

In 2025, Luberef successfully embarked on the GIII slating program under AramcoULTRA brand name, marking a critical quality milestone. Following Growth II completion, domestic Group III production will replace resale volumes currently sourced from Alliance partners. The Company is also advancing a Group III/III+ project, targeting premium export markets in Europe and the United States and reinforcing Luberef's long-term growth trajectory.

Group III+ Project

Luberef signed an MOU with Aramco to evaluate establishing a facility for GIII+ production in Jazan. The efforts of sourcing UCO resulted in this ambition. By adopting a less capital-intensive configuration that relies on UCO as a feedstock, the project minimizes by-product generation while prioritizing base oil output. The project is designed to produce premium Group III+ base oils, targeting customers in developed countries and emerging markets.

These premium products will be supported by all major OEM approvals and formulations, designed to meet stringent quality requirements in high-margin markets. This supports attractive returns on investment and reinforces Luberef's strategy of growth, portfolio enhancement, and capital efficiency.



Expanding Market Access and Geographic Reach

Luberef continues to strengthen its local and global presence through a dual focus on certification excellence and geographic expansion, reinforcing its position as a reliable and competitive supplier across key regional and international markets.

Strengthening Presence Across the GCC Region

As part of its regional growth strategy, Luberef is expanding its footprint across the Gulf Cooperation Council (GCC) region by deepening relationships in established markets while actively engaging with new customers in previously untapped GCC countries. This approach reflects the Company's agility in responding to evolving regional demand and its commitment to serving a broader customer base with tailored solutions.

By leveraging its proximity to key GCC markets, strong supply reliability, and flexible product slate, Luberef is well positioned to support lubricant manufacturers, industrial customers, and energy-related sectors across the region. Ongoing commercial outreach, coupled with technical engagement and customized offerings, continues to strengthen Luberef's market access and reinforce its role as a preferred regional supplier.

Strengthening Global Credibility through OEM Approvals

Securing Original Equipment Manufacturer (OEM) approvals remains a key strategic priority, reinforcing Luberef's reputation as a trusted supplier of high-performance base oils. Certified formulations have increased from fewer than 100 to over 1,000, with a target of more than 2,000 by 2027. These approvals validate compatibility with advanced automotive, industrial, and specialty applications, positioning Luberef as a preferred supplier for global manufacturers. They also strengthen long-term partnerships and enable access to high-value and emerging markets where product quality and reliability are paramount.

Expanding into African Growth Markets

Luberef's expansion strategy in Africa aligns with Saudi Arabia's Empowering Africa initiative, which promotes industrial and infrastructure development across the continent. Rapid economic growth and increasing demand from transportation, mining, and manufacturing sectors are driving the need for high-quality lubricants and base oils. Leveraging its strategic Red Sea location, Luberef offers reliable and cost-effective supply to African markets, addressing a growing supply gap caused by declining European base oil exports.

The Company aims to make Africa the third largest market for its products by selling approximately 200,000 MT per annum in that market by 2030. To enhance distribution efficiency and ensure reliable delivery, Luberef is leasing logistics facilities in key gateway countries. These hubs improve access to major trade routes while reducing delivery times and transportation costs. By marketing products in U.S. dollars to global distributors and international oil company-affiliated blenders, Luberef secures stable revenues and establishes a scalable platform for long-term growth across the continent.

LubeHUB, located adjacent to the Yanbu facility, is a key enabler of downstream localization. Through piped access to base oils and specialty feedstocks, the hub supports efficient production of finished lubricants, transformer oils, white oils, rubber process oil, additive manufacturing, and specialized bitumen. Aligned with Vision 2030, LubeHUB aims to localize specialty product manufacturing, reduce imports, and increase job creation.

In parallel, Luberef is evaluating white oil opportunities to diversify into high-purity applications such as pharmaceuticals, cosmetics, food processing, and industrial uses, further strengthening its specialty portfolio.

Innovation, Sustainability, and Growth Platforms

Luberef embeds innovation and sustainability at the center of its growth strategy, driving technological advancement and long-term competitiveness. Through partnerships with leading academic and industry institutions such as KAUST and the FLEET Consortium, the Company continues to develop and implement next-generation refining technologies.

Key initiatives, including Ultrasonically Assisted Oxidative Desulfurization (uODS) and advanced fuel formulations, delivered strong KPI achievements in 2025 during the research phase in 2025. The uODS technology received international recognition at two global events, most recently winning a Gold Medal at the International Inventions Conference in Geneva in April 2025, underscoring Luberef's commitment to developing cleaner, higher-performance products that support global efficiency and emissions-reduction objectives.

Supporting Vision 2030

Luberef’s alignment with Saudi Vision 2030 is central to its corporate strategy, with a clear focus on economic diversification, industrial localization, and environmental stewardship. The Company is positioned as an enabler of the Kingdom’s energy and industrial transformation by moving beyond the export of raw materials and supporting the development of a more advanced downstream ecosystem.

Industrial Diversification Through LubeHub

A core element of Luberef’s Vision 2030 alignment is the LubeHub initiative in Yanbu, a purpose-built “Value Cluster Park” designed to create a localized industrial and job-creation cluster adjacent to Luberef’s production assets.

Localization of Finished Products

LubeHub provides third-party manufacturers (investors) with direct access to base oils through a piped feed, enabling domestic production of downstream products such as finished lubricants, transformer oils, white oils, rubber process oil, additive manufacturing, and bitumen.

Attracting Investment

The hub has secured conditional agreements and memorandums of understanding with international partners, including APAR Industries for localized transformer oil production and Valvoline for the establishment of a localized finished lubricants plant.

Economic Impact

By supporting local manufacturing, LubeHub is intended to reduce reliance on imports, stimulate domestic demand, encourage exports of high-value finished products, and create employment opportunities in line with national industrial objectives.

Economic Resilience and Portfolio Upgrading

Luberef contributes to Saudi Arabia’s diversification and industrial development under Vision 2030, supporting growth in the downstream and manufacturing sectors. The Company is expanding its base oil portfolio through the inclusion of Group III production under the Yanbu Growth II project, while continuing Group I and GII operations. This balanced approach underscores the Company’s flexibility and agility in addressing evolving market needs, with a strategic focus on higher-value segments and enhanced competitiveness in premium global markets, alongside sustained production to serve a diverse customer base.

Luberef is also expanding into high-growth regions such as Middle East, Africa, and emerging markets, leveraging the Kingdom’s strategic logistics advantage. These efforts reinforce Saudi Arabia’s role as a leading global base oil supplier and strengthen its position in the evolving energy and industrial landscape.



Human Capital and Saudization

In line with Vision 2030’s emphasis on national talent development, Luberef has advanced workforce localization and capability building. The Company has achieved an 84% Saudization rate, earning

Platinum status under Saudi labor laws. Additionally, through the Luberef Leadership Center, we identify and develop local talent to support a sustainable succession of future Saudi leaders.

Sustainability and the Saudi Green Initiative

Luberef’s sustainability agenda aligns with the Saudi Green Initiative and Vision 2030 environmental targets.



Decarbonization:

In 2025, the Company added GHG Scope 1 and Scope 2 reporting to its corporate KPIs, reinforcing emissions tracking and energy efficiency focus.



Innovation:

Collaboration with KAUST, including exploration of Ultrasonically Assisted Oxidative Desulfurization (uODS), supports the development of low-sulfur products and strengthens technical competitiveness.



Circular economy:

Luberef is evaluating re-refining and recycling opportunities as national waste management legislation matures.

Market Review

The global base oil and lubricants market in 2025 demonstrated resilience amid heightened geopolitical volatility, evolving trade dynamics, and structural shifts across the energy sector. While external uncertainty influenced short-term market conditions, it also reinforced the relative stability of base oils compared with traditional fuel refining, supporting a constructive outlook as the industry moves into 2026.

Global Macroeconomic and Energy Landscape

Global GDP growth reached approximately 3.0% in 2025 and is expected to moderate slightly to around 2.9% in 2026. Growth continues to be supported by recovering industrial production, infrastructure investment, and robust momentum across emerging markets, particularly in Asia and the Indian subcontinent. Advanced economies are expected to expand more slowly, resulting in a mixed but broadly supportive global outlook.

Energy markets in 2025 were shaped by geopolitical tensions and trade policy shifts, contributing to volatility in fuel and petrochemical prices during

the first half of the year. Following OPEC+ decisions to increase crude oil production, feedstock prices softened, improving crack margins for base oil producers in the latter part of the year — a trend expected to continue into 2026.

Over the medium term, global GDP is forecast to grow at a CAGR of 2.7–2.9%, supported by technological advancement, supply chain realignment, and a gradual transition toward lower-carbon economies. These forces are expected to continue driving demand for higher-quality, more efficient, and increasingly sustainable lubricant solutions.

Structural Shifts in the Base Oil Sector

The global base oil market is undergoing a structural transformation, marked by a clear shift from Group I toward higher-quality Group II and Group III base oils. Group I base oils continue to decline, with projected negative CAGR of approximately 2–3% over the next five years, as regulatory standards tighten and customers shift toward higher-performance alternatives.

Over the next five years, demand for Group I is expected to decline at a CAGR of –2 to –3%, while Group II and Group III base oils are projected to grow at 3–5% CAGR. Group II grades are increasingly used in heavy-duty engine oils and industrial equipment, while Group III products are becoming the preferred choice for modern automotive and high-performance applications, thanks to their superior oxidation resistance, lower volatility, and thermal stability.

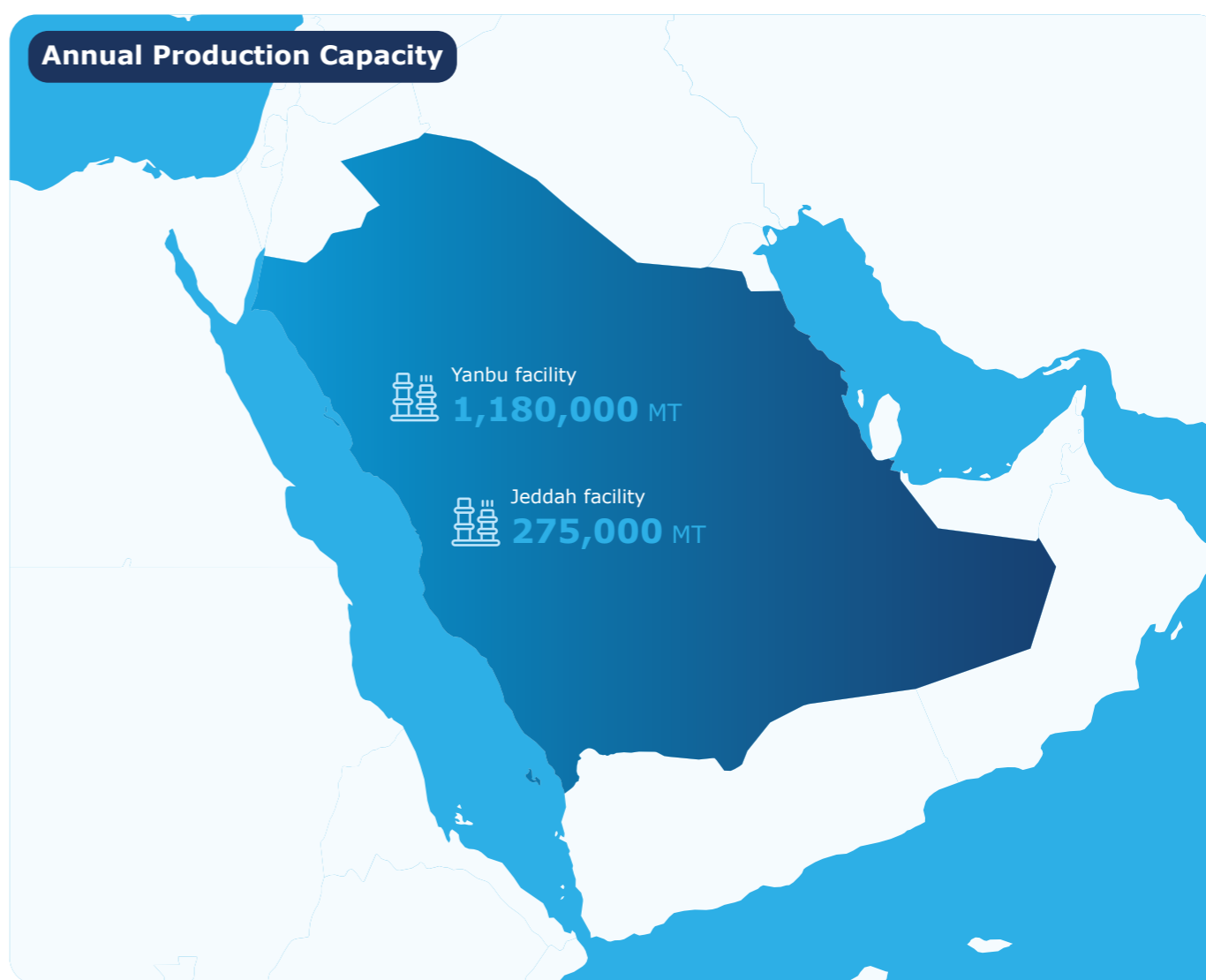
In parallel, bright stock continues to play a vital role in industrial and marine lubricants as well as grease manufacturing. However, limited refinery investment

5 Years Global Demand CAGR 2026–2031

Group I	Group II	Group III
(2 – 3%)	4 – 5%	3 – 4%

and capacity closures have constrained global supply, supporting higher prices and underscoring its continued strategic importance.

At the industry level, producers are optimizing their portfolios toward pure-play base oil models, achieving economies of scale, while pursuing OEM approvals and additive collaborations to ensure compliance with performance and emission standards. Sustainability considerations — including energy efficiency, emissions management, and waste minimization — are now firmly embedded in sectoral strategy.



Regional Market Dynamics

Asia-Pacific remains the largest and most dynamic base oil market globally, supported by industrial growth, expanding vehicle fleets, and rising quality standards. While near-term pricing has been influenced by supply overhangs and muted demand in some markets, seasonal manufacturing cycles and continued upgrading toward higher Groups provide underlying support. The region’s accelerated shift from Group I to Group II and III base oils reinforces its role as a global hub for premium base oil production and consumption.

Initiatives such as the LubeHUB in Yanbu are accelerating the localization of specialty manufacturing by attracting lubricant blenders and specialty product producers. This model supports the development of a broader industrial ecosystem, creating jobs and advancing Saudi Arabia’s position in the global base oil value chain.

Saudi Arabia and Vision 2030



Saudi Arabia’s economy continued to expand in 2025, supported by Vision 2030-driven diversification, robust industrial activity, and sustained infrastructure investment. These trends are driving growing domestic demand for advanced lubricants.

Outlook

Looking ahead to 2026, the base oil market remains structurally attractive. Continued upgrading toward higher Groups, improving feedstock dynamics, and the expansion of downstream ecosystems are expected to sustain industry profitability. With its advantaged feedstock, flexible operations, and expanding presence in growth markets, Luberef is well-positioned to capture long-term value and maintain leadership in the global base oil sector.

CFO Statement

Resilient and sustainable value creation.



« Luberef maintained a solid financial position, supported by disciplined financial management, resilient margins, and continued progress on our strategic growth agenda. »

Dear Shareholders,

It is my pleasure to present Luberef's financial performance for the year ended December 31, 2025. Throughout the year, we operated in a complex market environment shaped by volatility in global trade routes, evolving industry dynamics, and internal operational milestones. Against this backdrop, Luberef maintained a solid financial position, supported by disciplined financial management, resilient margins, and continued progress on our strategic growth agenda.

Financial Performance Overview

In 2025, Luberef generated total revenue of ₪ 8.1 billion, compared to ₪ 10.0 billion in the prior year. Net income for the year amounted to ₪ 855 million, representing a 12 percent year-on-year decrease, primarily driven by lower sales volumes following the planned turnaround, partially offset by improved base oil crack margins and continued cost discipline.

Earnings per Share

5.08

Cash Conversion

93%

EBITDA for the year stood at ₪ 1.1 billion, reflecting a 10 percent decline year on year. This reduction was less pronounced than the decrease in sales volumes, which declined by approximately 15 percent, highlighting the resilience of Luberef's margin structure, effective cost management, and the benefit of stronger crack margins during the year.

Earnings per share amounted to ₪ 5.08, decreasing by 12 percent year on year. While EPS was impacted by lower volumes, it continued to reflect the underlying strength of our core business, supported by margin resilience, disciplined operating cost control, and the continued efficiency of our asset base.

Return On Average Capital Employed (ROACE) stood at 21 percent, compared to 22 percent in the prior year. ROACE remained at a healthy level, underscoring the quality of Luberef's assets and the Company's continued focus on efficient capital deployment in a normalized pricing environment.

Sales, Production, and Margins

During 2025, base oil sales volumes reached 1,102 thousand metric tons, a 15 percent decrease year-on-year, largely attributable to the planned turnaround executed to ensure long-term asset integrity, operational reliability, and adherence to the highest global safety standards. While volumes were temporarily impacted, this intervention was essential to safeguarding sustainable operations over the long term.

Base-oil crack margins averaged ₪ 1,911 per ton, representing a 12 percent year-on-year increase, supported by lower feedstock prices and effective

commercial optimization. This improvement in margins partially offset the impact of reduced sales volumes and reflects Luberef's ability to adapt to changing market conditions.

Cash Flow, Liquidity, and Capital Allocation

Operating cash flow for the year amounted to ₪ 1.5 billion, reflecting a 16 percent decrease year-on-year, primarily due to lower earnings and working capital movements associated with the turnaround and market volatility.

Free cash flow for the year stood at ₪ 1.1 billion, compared to ₪ 1.6 billion in 2024. The year-on-year decrease was primarily due to higher cash outflows related to Growth II capital expenditure and scheduled turnaround expenses.

Cash conversion remained strong at approximately 93 percent, supported by resilient operating cash generation and disciplined working capital management during the year.

Luberef maintained a strong balance sheet, underpinned by conservative liquidity management and a prudent capital structure. The Company ended the year with a gearing ratio of -10 percent, providing continued flexibility to fund strategic growth initiatives while supporting sustainable shareholder returns.

Capital Expenditure and Strategic Investment

Capital expenditure increased in 2025 as activities related to the Growth II project advanced, including procurement and early execution works.

Net cash outflows from investing activities amounted to ₪ 378 million, reflecting the phasing of Growth II project and scheduled turnaround expenses.

Managing Risk and Enhancing Resilience

Throughout the year, we actively managed operational and market risks arising from logistics disruption, freight cost volatility, and global supply chain constraints. A key development in 2025 was the reduction in freight exposure through the execution of affreightment agreements, which improved cost visibility, mitigated volatility, and strengthened supply reliability for our customers.

Shareholder Value and Financial Discipline

At the core of our financial strategy remains a commitment to sustainable shareholder value creation. In 2025, we continued to balance cash returns to shareholders with reinvestment in strategic growth, ensuring that capital allocation decisions support both near-term resilience and long-term value generation.

Outlook

Looking ahead, Luberef enters 2026 with a strengthened operational foundation following the completion of the planned turnaround and continued progress on Growth II. While market conditions are expected to remain dynamic, our strong balance sheet, resilient margins, and disciplined execution position us to navigate volatility and deliver sustainable long-term returns for our shareholders.

Saud Fouad Kamakhi
Chief Financial Officer

Financial Performance

Luberef's financial performance in 2025 reflects the impact of planned operational activity alongside resilient underlying fundamentals. During the year, base oil sales volumes declined in line with lower production resulting from the planned turnaround, while revenue amounted to ₪ 8.1 billion, compared to ₪ 10.0 billion in the prior year.

Profitability was affected by lower sales volumes and reduced by-product contribution. EBITDA amounted to ₪ 1.1 billion, while net income reached ₪ 855 million. These impacts were partially mitigated

by improved base oil crack margins, supported by lower feedstock prices and effective commercial optimization.

Operating cash flow remained robust at ₪ 1.5 billion, reflecting disciplined working capital management. Free cash flow amounted to ₪ 1.1 billion, while the Company maintained a solid financial position, supported by prudent liquidity management and continued investment in strategic growth initiatives.

Business Results, ₪ Million

Description	% Change	2025	2024	2023	2022	2021
Revenue	(19%)	8,103	10,036	9,489	10,614	8,847
Cost of Sales	(20%)	(6,925)	(8,700)	(7,630)	(8,180) ¹	(6,805)
Gross Profit	(12%)	1,179	1,336	1,858	2,434 ¹	2,042
Operating Profit	(11%)	890	1,001	1,590	2,171	1,756
Net Profit for the Year	(12%)	855	972	1,510	1,978	1,503
Total Comprehensive Income	(11%)	871	976	1,460	2,021	1,471

Comparison of Assets and Liabilities, ₪ Million

Description	% Change	2025	2024	2023	2022	2021
Current Assets	(12%)	2,504	2,836	3,885	3,695	3,108
Non-Current Assets	4%	5,103	4,903	4,971	4,950	5,256
Total Assets	(2%)	7,606	7,739	8,856	8,645	8,364
Total Equity	4%	4,582	4,397	4,869	5,083	4,245
Current Liabilities	(8%)	1,842	2,011	1,701	1,216	1,494
Non-Current Liabilities	(11%)	1,182	1,331	2,286	2,346	2,626
Total Liabilities	(10%)	3,024	3,342	3,988	3,562	4,120
Total Equity and Liabilities	(2%)	7,606	7,739	8,856	8,645	8,364

Statement of Cash Flows, ₪ Million

Description	% Change	2025	2024	2023	2022	2021
Profit before Zakat and Income Tax	(12%)	874	988	1,579	2,132	1,691
Cash Generated from Operations	(15%)	1,517	1,793	2,334	2,255	1,845
Net Cash from Operating Activities	(16%)	1,518	1,808	2,322	2,017	1,816
Net Cash from Investing Activities	(139%)	(378)	977	(1,691)	(49)	(222)
Net Cash from Financing Activities	66%	(887)	(2,596)	(1,997)	(1,405)	(916)
Net Increase / (Decrease) in Cash	33%	252	189	(1,366)	563	677
Cash at Reporting Date	34%	987	735	546	1,912	1,350

¹ Restated.

Dividends Declared and Distributed, ₪ Million

Description	% Change	2025	2024	2023	2022	2021
Net Profit before OCI	(12%)	855	972	1,510	1,978	1,503
Dividends Paid	(53%)	686	1,447	1,683	1,264	1,023

Overview of Total Debt Portfolio as of December 31, 2025, ₪ Thousand

₪	Original Loan Amount	Beginning Balance	Additions During the Year	Repayments During the Year	Non-cash Additions During the Year	Ending Balance	Period of the Loans (Years)
Long Term	2,250,000	901,509	-	(169,441)	53,103	785,171	9
Finance Lease	N/A	169,316	16,892	(31,379)	9,063	163,892	N/A
Total	2,250,000	1,070,825	16,892	(200,820)	62,166	949,063	



Total Debt Portfolio as of December 31, 2025 Broken Down by Lender

Lending Party	Amounts in (SAR 000)	%
Banks	785,171	83%
Financial Leases	163,892	17%
Total	949,063	100%

Statutory Levies Paid and Outstanding (FY 2025), SAR Thousand

Item	2025 Paid	2025 Outstanding
Zakat	25,788	24,652
Others	51,555	4,055
Total	77,343	28,707

Note: Others includes, but is not limited to, GOSI, VAT, customs duties, withholding tax, labor office fees, and visa and passport costs.

Employee-related Investments and Reserves, SAR Thousand

Item	2025	2024
End of Service Benefit	145,368	138,550
Post Retirement Medical Benefits	204,231	206,716
Long Term Service Awards	685	941
Early Retirement Program	0	0
Savings Plan	80,330	72,100
Total	430,614	418,307

During this year, KPMG Professional Services Company is appointed as the Company's External Auditor with a fee of (SAR 600,000) for the annual financial statements and (SAR 110,000) per quarter for quarterly reviews.



Current Assets

Current assets declined from SAR 2,836 million to SAR 2,504 million, representing a 12% decrease. The movement primarily reflects working-capital changes associated with the planned turnaround, which temporarily reduced sales activity and, in turn, lowered accounts receivable and inventory levels.



Current Liabilities

Current liabilities decreased by 8% driven by lower trade payables and accruals following reduced feedstock prices and lower operating activity due to planned turnaround.



Free Cash Flow (FCF)

Free cash flow decreased from SAR 1,606 million to SAR 1,073 million, due to a decrease in the cash from operations mainly reflecting higher cash outflows related to Growth II capital expenditure and scheduled turnaround expenses.



Revenue

In 2025, Luberef recorded revenue of SAR 8.1 billion, compared to SAR 10.0 billion in 2024. The decline was primarily driven by lower base oil and by-product sales volumes resulting from planned turnaround activities and shutdowns. This impact was partially offset by a strategic focus on maximizing higher-margin local sales, which helped improve overall netbacks.



ROACE

In 2025, Luberef's ROACE was 21%, compared to 22% in 2024. ROACE remained supported by the quality and efficiency of the asset base.



Non-Current Assets

Non-current assets increased by 4%. The uplift primarily reflects ongoing capital expenditure related to the Growth II project and scheduled turnaround activities, including the replacement of catalyst.



Non-Current Liabilities

Non-current liabilities decreased by 11% primarily due to scheduled repayments of long-term borrowings.



Net Free Cash Flow from Financing Activities

Net free cash flow from financing activities decreased by SAR 1,709 million compared to 2024, from SAR 2,596 Mn to SAR 887 million. This occurred due to voluntary early repayment of the long term loan in 2024 and higher dividends paid.



Operating Profit

In 2025, Luberef recorded an operating profit of SAR 890 million, compared to SAR 1,001 million in 2024. The change was mainly driven by lower sales volumes and softer by-product contribution, partially offset by stronger base oil crack margins and cost optimization and discipline.



Gearing

As of December 31, 2025, Luberef's gearing ratio stood at -10%, compared to -3% in 2024. The improvement reflects continued debt repayments and a strong liquidity position, supported by disciplined cash management.

Business Overview

As the sole producer of virgin base oils in Saudi Arabia, Luberef operates at scale as one of the world’s largest base oil manufacturers.

Established in 1976, the Company operates two production facilities in Yanbu and Jeddah, delivering a combined annual nameplate capacity of approximately 1.455 million metric tons of Group I and Group II base oils.

Petroleum Saudi Arabia Ltd; Al Jomaih and Shell Lubricating Oil Company Limited; ENOC Lubricants and Grease Manufacturing Plant LLC; and companies within Saudi Aramco’s Group.

Luberef’s products support essential automotive, marine, and industrial applications for a broad customer base that includes Petro Lube (formerly Petromin Corporation); the Arabian Petroleum Supply Company (APSCO); Alhamrani Fuchs

Luberef is also a member of the Aramco Base Oil Alliance, alongside S-Oil and Motiva, assisting international trade through exclusive regional marketing rights and strengthening its global market reach.

Product Overview

Base oils differ in their physical and chemical characteristics, with properties such as viscosity and thermal stability defining performance and quality. Each base oil product is identified by two key elements: grade and group. The grade, indicated

by a number in the product name, reflects viscosity, while the group is determined by the oil’s technical specifications in accordance with American Petroleum Institute (API) standards.

Products overview and properties

Group	Trademark	Key properties	Products
Group I Base Oil	aramcoDURA®	Good viscosity index	aramcoDURA 150
			aramcoDURA 500
Group II Base Oil	aramcoPRIMA®	Good viscosity index, low sulfur	aramcoPRIMA 70
			aramcoPRIMA 110
Group III Base Oil ¹	aramcoULTRA®	Excellent viscosity index, low sulfur	aramcoULTRA 2
			aramcoULTRA 4

¹ Not currently produced by Luberef, supplied through the Alliance.



Group I and Group II Base Oils

Luberef produces a range of Group I and Group II base oils to meet diverse automotive, marine, and industrial requirements.

to customers in Saudi Arabia, the UAE, India, Singapore, and Africa. Notably, **aramcoDURA BS™ 150** is specifically suited for high-viscosity applications, such as those required in the marine industry.

The Company manufactures three grades of Group I base oils under the **aramcoDURA™** brand: **aramcoDURA™ 150**, **aramcoDURA™ 500**, and **aramcoDURA BS™ 150**. The Jeddah facility produces **aramcoDURA™ 150** and **aramcoDURA™ 500**, while the Yanbu facility manufactures **aramcoDURA BS™ 150** and partial quantities of **aramcoDURA™ 150**. These Group I products are primarily supplied

Group II base oils are produced at Luberef’s Yanbu facility under the **aramcoPRIMA™** brand, which includes four grades: **aramcoPRIMA™ 70**, **aramcoPRIMA™ 110**, **aramcoPRIMA™ 230**, and **aramcoPRIMA™ 500**. These high-performance base oils are marketed primarily in Saudi Arabia, the UAE, India, and Africa, serving applications that demand enhanced thermal stability, oxidation resistance, and overall consistency.

Base Oil Production

Product	% Change (YoY)	2025 (MT)	2024 (MT)
Group I	-10%	400,185	446,327
Group II	-23%	643,965	833,659

Group III Base Oils and Alliance Trade

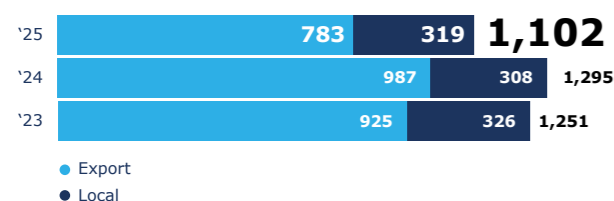
Luberef supplies Group III base oils through the Aramco Base Oil Alliance, sourcing these products from S-Oil and distributing them to regional customers. Luberef’s marketing focus covers the Middle East (including Pakistan) and Africa, supported by distributor networks in South Africa and Tanzania.

Within the Alliance, Motiva serves the Americas, while S-Oil covers Europe and Asia, excluding the Middle East and Pakistan. In addition, Alliance members S-Oil and Motiva sell primarily Group III products into Luberef’s markets through coordinated Alliance trade arrangements, ensuring broad product availability and supply flexibility.

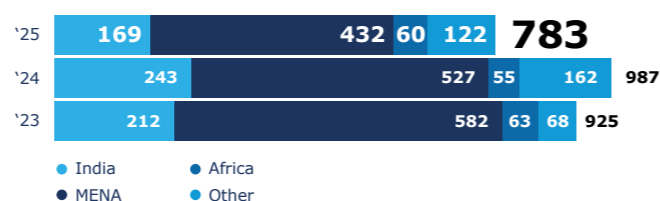
	% Change (YoY)	2025 (MT)	2024 (MT)
Group III & Alliance Trade	-43%	72,752	126,289

Base Oil Sales¹

Total Sales Volumes, **Thousand MT**



Regional Sales Volumes, **Thousand MT**



By-product Production

In addition to base oils, Luberef’s operations generate a range of essential byproducts that support multiple industrial applications.

- **By-products:** Asphalt, marine heavy fuel oil (MHFO), slack wax, bright stock extract, and sulfur.
- **White products:** Ultra-low sulfur diesel (ULSD), naphtha, and drilling fluids.

By-product Sales, **Thousand MT**



Product	% Change (YoY)	2025 (MT)	2024 (MT)
Byproducts	-14%	2,014,261	2,334,103
White Products	-18%	335,900	411,694

Production Facilities

Luberef operates two base oil production facilities – Yanbu and Jeddah – strategically located on the Kingdom’s west coast for efficient access to domestic and international markets.

Production Facilities – Overview

Facility	Capacity (MT/year) ¹		Production 2025 (MT)		Production 2024 (MT)	
	Base Oil	Byproducts ²	Base Oil	Byproducts ²	Base Oil	Byproducts ²
Yanbu	1,180,000	1,780,000	798,324	1,398,173	1,023,085	1,795,532
Jeddah	275,000	1,050,000	245,826	951,988	256,900	950,267
Total	1,455,000	2,830,000	1,044,151	2,350,161	1,279,985	2,745,799

Yanbu Facility

Luberef’s primary production site, the Yanbu facility was commissioned in 1997 and originally designed to produce high-quality Group I base oils. It had an initial production capacity of approximately 300,000 metric tons per year. Until November 2017, the site produced aramcoDURA™ 150, aramcoDURA™ 500, and aramcoDURA BS™ 150.

Currently Yanbu has a core focus on Group II base oils, alongside selected Group I grades, including aramcoDURA BS™ 150 and aramcoDURA™ 150. The facility also produces ultra-low sulfur diesel (ULSD), naphtha, drilling fluids, marine heavy fuel oil (MHFO), asphalt, bright stock extract, and sulfur among its byproducts.

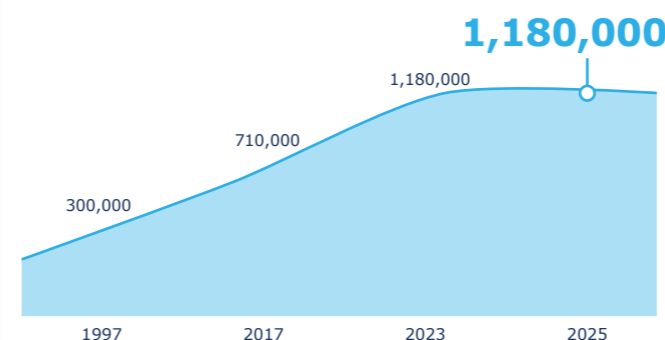
Yanbu Growth I Expansion

A major milestone was achieved with the completion of the Yanbu Growth I Expansion at the end of 2017, which enabled the introduction of Group II base oil production. Following this expansion, Yanbu began producing aramcoPRIMA™ 70, aramcoPRIMA™ 110, aramcoPRIMA™ 230, and aramcoPRIMA™ 500, alongside aramcoDURA™ BS 150, as principal products. The expansion also preserved the facility’s ability to produce a broad slate of byproducts.

This increased Luberef’s total Base Oils production capacity (across both facilities) to approximately 1.255 million MT per year by the end of 2017. In 2021, the Yanbu facility’s production capacity increased to approximately 1.07 million MT following capacity enhancements in certain units through transformation initiatives. As a result, Luberef’s total Base Oils production capacity across both the Yanbu and Jeddah facilities reached approximately 1.345 million MT per year.

As a result of the Growth I Expansion, the Yanbu facility’s total production capacity increased to approximately 1.0 million metric tons per year, including 710,000 metric tons of Group II base oils, significantly strengthening Luberef’s position in higher-value base oil segments.

Annual Production Capacity - Yanbu, **MT**



In 2023, further debottlenecking resulted in an additional 110,000 MT increase in Group II capacity, bringing Luberef’s total base oils production capacity to 1.455 million MT per year. Since 2025, Yanbu facility maintained an annual production capacity of 1.180 million MT.

¹ Luberef product only.

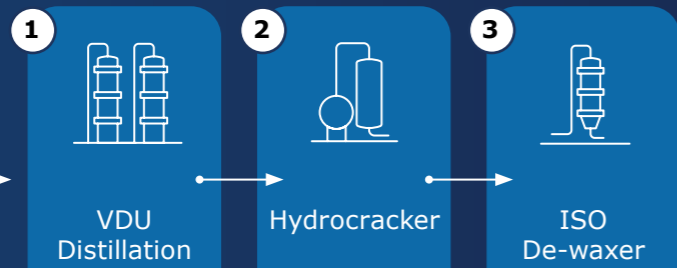
¹ Based on current operating products slate.

² By-product volumes include white products.

By-products



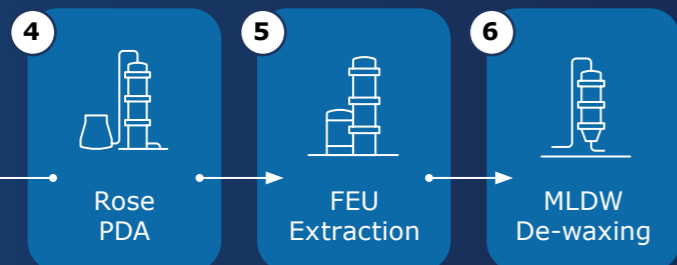
Group II Train



Group II Base Oils

- aramcoPRIMA 70
- aramcoPRIMA 110
- aramcoPRIMA 230
- aramcoPRIMA 500

Group I Train



Group I Base Oils

- aramcoDURA BS 150
- aramcoDURA 150

By-products



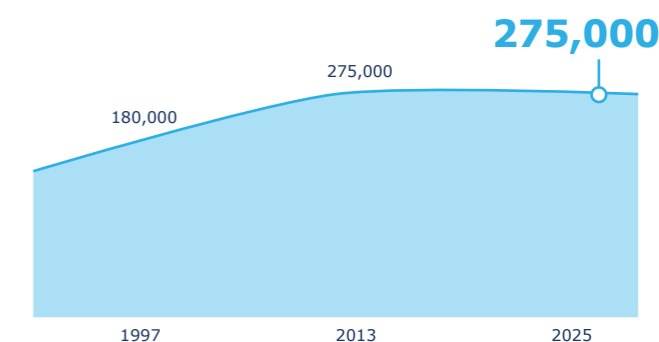
- 1** Vacuum Distillation Unit (VDU): feedstock heated to a high temperature using fired heater.
- 2** Hydrocracker: distillates produced by VDU are fed to the Hydrocracking reactor, unit output is known as Waxy or UCO streams.
- 3** ISO De-waxer: converts wax into Base Oils through isomerization process using catalyst.
- 4** Propane De-asphalting Unit (PDA). Process has two stages: 1) extraction; and 2) solvent recovery. The unit processes VDU bottom to produce Asphalt, in addition to De-asphalted Oil that is fed to FEU to produce BS 150.
- 5** Furfural Extracting Unit (FEU): uses solvent extraction process to remove undesirable components from DAO and other distillates. Creating a stream known as Raffinate (equivalent to UCO) that is fed to MLDW.
- 6** Mobile Lube De-waxing unit (MLDW): converts wax into Base Oils through thermal cracking process using catalyst.

Jeddah Facility

Commissioned in 1977, the Jeddah facility was originally designed to produce aramcoDURA™ 150 and aramcoDURA™ 500 Group I base oils. Over time, the site has undergone multiple debottlenecking initiatives and has strengthened operational synergies with the Yanbu facility.

These improvements increased the facility's annual production capacity from approximately 180,000 metric tons to 275,000 metric tons by 2013, a level that has been maintained to date.

Annual Production Capacity - Jeddah, MT

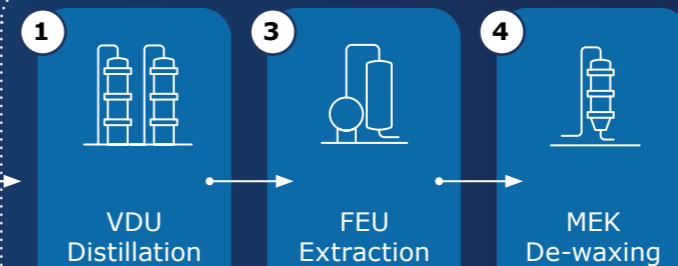


These improvements increased the facility's annual production capacity from approximately 180,000 metric tons to 275,000 metric tons by 2013, a level that has been maintained to date.

By-products

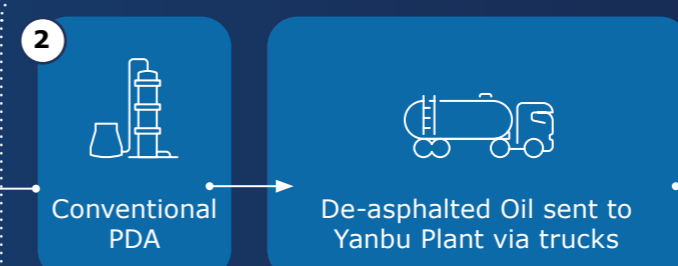


Group I Train



Group I Base Oils

- aramcoDURA 150
- aramcoDURA 500



Yanbu Facility



- 1** Vacuum Distillation Unit (VDU): feedstock heated to a high temperature using fired heater.
- 2** Propane De-asphalting Unit (PDA). Process has two stages: 1) extraction; and 2) solvent recovery. The unit processes VDU bottom to produce Asphalt. In addition to De-asphalted Oil that is fed to Yanbu FEU.
- 3** Furfural Extracting Unit (FEU): uses solvent extraction process to remove undesirable components from distillates. Creating a stream known as Raffinate.
- 4** MEK De-waxing Unit: uses mixture of MEK and toluene to crystallize waxes to be removed, producing Group I Base Oils.

Operational and Safety Review

In 2025, Luberef continued to demonstrate strong operational performance built on safety, reliability, and disciplined execution. The Company maintained a Total Recordable Incident Rate (TRIR) of 0.0 for the sixth consecutive year, reaffirming its position as one of the safest base oil producers globally.

Sustained reliability across both refineries, coupled with structured maintenance programs and targeted process improvements, supported operational continuity during a year that included major planned turnaround activities.

Strengthening Health, Safety, and Emergency Preparedness

Luberef achieved several milestones in occupational health and safety, underscoring its unwavering commitment to protecting people and assets. In 2025, the Company earned ISO 45001 certification for its Occupational Health and Safety Management System, reflecting adherence to international best practices in risk management and workplace protection.

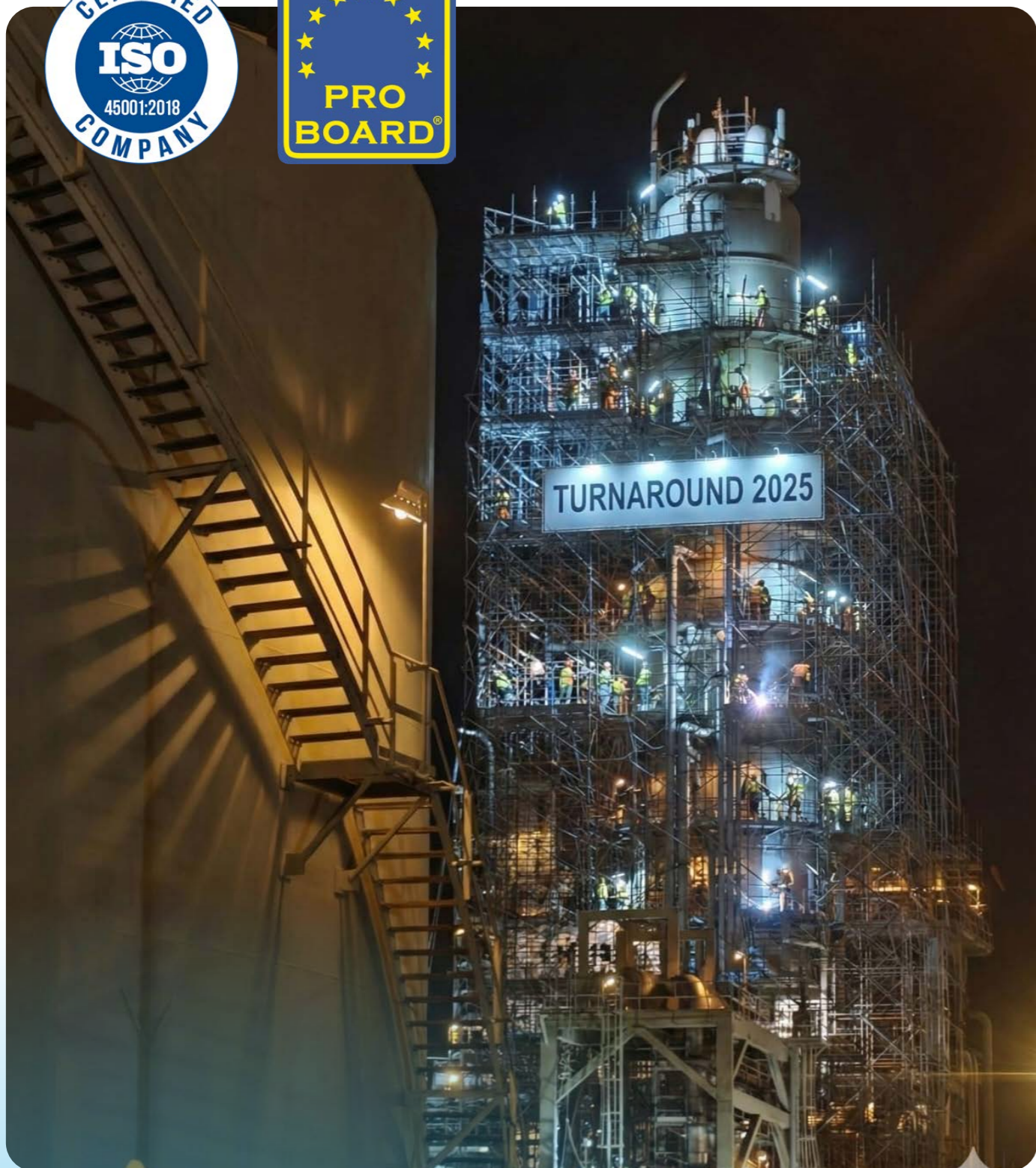
The Industrial Security and Safety (ISS) Department also received multiple recognitions, including Pro Board International Accreditation for ten firefighters certified to NFPA standards, two President's Awards from neighboring facilities for exemplary incident response, and a perfect score of 30/30 in a major emergency drill conducted by YAMA Group – affirming world-class readiness and responsiveness.



Embedding a Proactive Safety Culture

During the year, Luberef advanced its "Safety as a Second Nature" campaign, embedding a six-pillar safety framework that emphasizes leadership, accountability, continuous learning, and open communication. This initiative strengthened hazard awareness, improved reporting of near misses, and cultivated shared responsibility at all organizational levels.

A structured Unsafe Condition Management workflow was introduced, defining ownership, verification, and closure protocols for safety observations. The program achieved a closure rate exceeding 95% across both refineries, eliminating all pending unsafe conditions and establishing a sustainable, transparent mechanism for future cases.



Building Knowledge and Capability

Luberef continued to invest in health, safety, and emergency-response training to enhance workforce competence and readiness.

In 2025

976 participants joined safety programs totaling

HSE & emergency training hours

65,105

covering technical, behavioral, and emergency-preparedness topics

Training initiatives included:

- Four major **Health and Safety Campaigns** on heat stress, ergonomics, wellness, and safety culture.
- A new **Safety E-Learning Program** delivering structured modules on high-risk activities and behavioral safety.
- Specialized **Technical Safety Sessions** led by internal experts and industry professionals, addressing topics such as chemical handling, PPE compliance, and AI in safety monitoring.
- Comprehensive **safety orientations** for employees and contractors to ensure consistent awareness of site-specific hazards and protocols.

Metric	2025	2024	2023
Total Recordable Incident Rate (TRIR)	0.0	0.0	0.0
Hours without Lost-Time Injury	43,307,934	38,067,338	35,445,813
Participants trained in HSE & Emergency Response	976	720	202
Total HSE & Emergency Training Hours	65,105	57,736	43,710

Operational Excellence and Reliability

Luberef's strong operational discipline was further demonstrated through the successful completion of a major turnaround, executed safely and on schedule. The work enhanced equipment reliability and prepared both sites for the next phase of capacity expansion, including Group III readiness at Yanbu. Continuous monitoring, digital integration, and predictive maintenance practices further supported mechanical availability above 99%, contributing to Luberef's industry-leading efficiency and cost competitiveness.

Major Turnaround Execution

In 2025, Luberef successfully completed the largest planned turnaround in its history, marking a major operational milestone. Conducted safely, the turnaround enhanced asset reliability, efficiency, and readiness for the upcoming Growth II commissioning phase.

The scope included comprehensive maintenance, inspection, and equipment upgrades across critical process units, with detailed planning ensuring minimal disruption to ongoing operations. The project mobilized cross-functional

teams from both refineries, contractors, and technical partners, supported by robust safety oversight and daily coordination protocols.

Completion of the turnaround improved mechanical integrity and extend the life cycle of key assets. The success of this effort reflects the strong technical expertise, collaboration, and commitment of Luberef's people, whose skills continue to drive operational excellence across the Company.



Our People

Luberef's success is built on the talent, commitment, and expertise of its people. Their contributions drive innovation, operational excellence, and our growth as a trusted leader in the industry.

Human Resources and Organizational Development

Luberef's Human Resources strategy aims to build a resilient, high-performing organization that drives business growth while advancing national workforce goals. The Company continues to enhance efficiency, improve the employee experience, and develop Saudi talent at all levels, reinforcing its commitment to capability building and long-term success.

improved data access, and strengthened decision-making. By streamlining HR processes and enhancing service delivery, Luberef has created a more agile and responsive HR function that supports both business and employee needs effectively.

Workforce diversity also continued to advance, with a steady increase in female representation across functions, underscoring Luberef's commitment to inclusivity and equal opportunity in alignment with national workforce goals.

Digital transformation has been central to this progress. The rollout of SAP SuccessFactors and managed services simplified workflows,

Total number of direct employees ↗

632

Female employment increased ↗

by **19%** since 2024

	2025	2024	2023
Full-time employees	632	629	601
Male full-time employees	589	593	578
Female full-time employees	43	36	23

Total training hours ↗

59,696

Saudization

Luberef remains fully committed to supporting Saudization objectives and Vision 2030, with a clear focus on attracting, developing, and retaining Saudi nationals. Recruitment efforts prioritize Saudi candidates for both entry-level and leadership roles and are supported by partnerships with local universities, technical institutes, and training centers to build a sustainable talent pipeline.

Structured onboarding, rotational assignments, on-the-job training, and succession planning programs are tailored to support Saudi employees throughout their careers. As a result, Saudi nationals represented approximately 84–86% of the total workforce the last three years, with growing representation across analyst,

Saudization

84%

Achieving Platinum status as per the Saudi labor laws

supervisory, and managerial roles. This progress earned Luberef Platinum status under Saudi Labor Laws, reflecting its continued commitment to national workforce development.

Learning, Training, and Mentorship

Employee development remains a core priority. Luberef's annual training plan is based on competency mapping and role-specific certification requirements and is delivered through a combination of classroom instruction, e-learning, workshops, external training providers, and on-the-job learning.

Key programs include:

- Industrial Certification Program for role-specific technical accreditation
- Operations E-Learning Platform, providing flexible access to training resources
- Engineering Development Program, focused on building deep technical expertise
- SAP SuccessFactors Learning Management System, enabling structured training delivery and tracking
- Questionmark Assessment Software, supporting standardized assessments and certifications

In 2025, Luberef continued to expand its training reach and hours, reflecting sustained investment in workforce capability building. Mentorship remained a key element of employee development, particularly within manufacturing functions, where certified subject-matter experts support hands-on learning through the Job Certification Program. Using Job Task Standards (JTS), mentors help ensure that employees develop the practical skills and safety awareness required for consistent, high-quality performance.

	2025	2024	2023
Total number of employees that received training	236	189	163
Total number of training hours provided to employees	59,696	53,464	43,568

employees participated in rigorous assessment and development programs designed to prepare them for future leadership roles. These efforts strengthen internal capability while ensuring continuity across critical functions.

Leadership Development and Succession Planning

A key milestone in recent years was the establishment of the Luberef Leadership Center, which supports structured succession planning and leadership readiness. Approximately 50 high-potential



Support for Youth Development

Students enrolled in Co-ops/Summer Training Programs

29

University graduates enrolled in Tamheer on job-training programs

14

Compensation, Benefits, and Employee Well-Being

Luberef offers a comprehensive and competitive benefits package designed to support employee well-being, financial security, and long-term engagement. Benefits include healthcare insurance for employees and eligible dependents and parents, life insurance coverage for retirees and their spouses, end-of-service benefits in line with Saudi Labor Law, wellness programs, career development opportunities, and professional training.

Additional retention-focused benefits include the Thrift Plan, which encourages long-term savings, and a 13th salary, awarded annually after 12 months of service. Approximately 100% of full-time employees receive core benefits.

Meanwhile, ongoing collaboration with Saudi Aramco ensures alignment of compensation and benefits with joint venture standards, supporting competitiveness, transparency, and employee satisfaction.

Employee Engagement and Future Initiatives

During 2025, Luberef delivered a range of employee engagement initiatives, including annual recognition events, health and wellness campaigns, career fairs, and the launch of the Industrial E-Learning Library within SAP SuccessFactors.

Looking ahead, Luberef will expand leadership development and personalized learning programs while strengthening well-being and inclusion initiatives. These efforts will ensure the Company remains a sustainable, people-focused organization aligned with long-term growth.

Stakeholder Engagement

Luberef maintains open and transparent communication with its key stakeholders to ensure that business decisions reflect their expectations and support sustainable value creation.

Regular engagement enables the Company to identify risks and opportunities, strengthen relationships, and align its operations with the priorities of shareholders, employees, customers, suppliers, regulators, and the wider community.

Purpose of Engagement	How We Engage	How Often We Engage	Key Topics and Discussions
Shareholders			
Strengthen transparency, build investor confidence, and communicate performance and strategy	<ul style="list-style-type: none"> Corporate Governance Framework General Assembly Annual and Sustainability Reports Disclosures and Earnings Calls Investor Presentations and Roadshows Press Releases and Website Updates Direct communication with Investor Relations Department 	Annually, quarterly, and ad hoc as required	<ul style="list-style-type: none"> Business Strategy and Long-Term Growth Financial Performance and Dividends Share Price and Market Outlook Corporate Governance Practices Relationship with Saudi Aramco ESG Performance and Disclosure Material Developments
Employees			
Foster a safe, inclusive, and high-performing workplace built on engagement and development	<ul style="list-style-type: none"> Luberef Code of Conduct and HR Policies Training and Development Programs Employee Engagement and Feedback Surveys Grievance Mechanisms Internal Communications and Town Halls Safety and Well-being Campaigns 	Annually, quarterly, and ad hoc as required	<ul style="list-style-type: none"> Workplace Health, Safety, and Well-being Diversity, Inclusion, and Equal Opportunity Compensation, Benefits, and Job Security Training and Career Growth Organizational Culture and Feedback
Community			
Contribute to social and economic development while promoting environmental stewardship	<ul style="list-style-type: none"> Sustainability Report and CSR Programs Partnerships with NGOs and Charitable Organizations Educational and Vocational Training Initiatives Volunteering and Employee Engagement Campaigns Environmental and Recycling Projects Carbon Credit and Tree Planting Initiatives 	Annually, quarterly, and ad hoc as required	<ul style="list-style-type: none"> Community Welfare and Social Inclusion Environmental Sustainability and Awareness Youth Training and Employment Local Supplier and SME Development Corporate Donations and Sponsorships



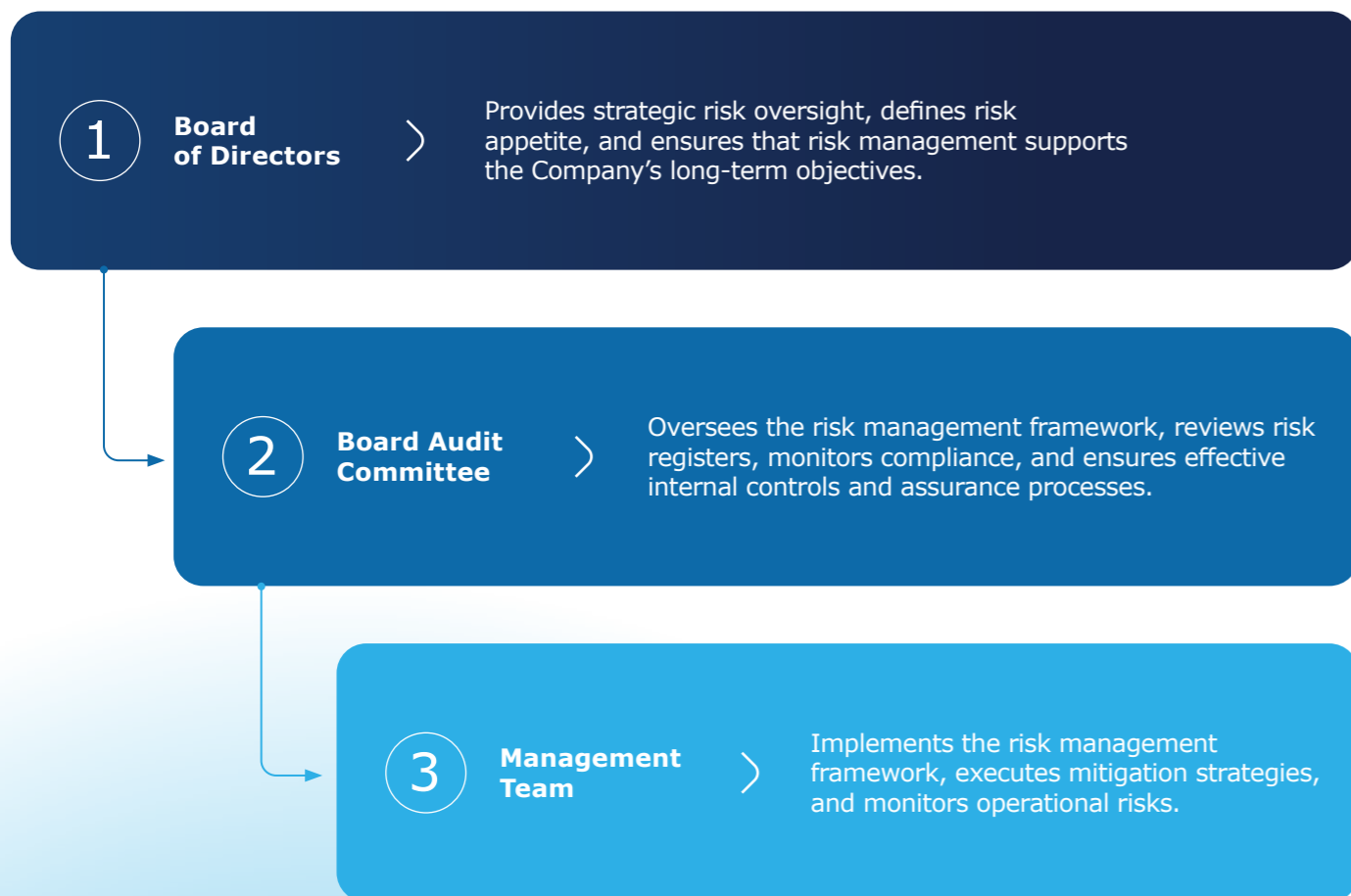
Purpose of Engagement	How We Engage	How Often We Engage	Key Topics and Discussions
Government and Regulators			
Maintain compliance, strengthen partnerships, and support national development goals	<ul style="list-style-type: none"> Code of Conduct and Regulatory Compliance Framework Direct Communication with Ministries and Authorities Regular Submissions and Site Inspections Policy Consultations and Forums Collaboration on Environmental and Industrial Standards 	Annually, quarterly, and ad hoc as required	<ul style="list-style-type: none"> Compliance With Laws and Regulations Health, Safety, and Environmental Performance Contribution to Vision 2030 Industrial and Energy Development Climate Change and Emission Management
Customers			
Deliver quality, reliability, and innovation to build lasting business partnerships	<ul style="list-style-type: none"> Code of Conduct and Customer Service Channels Technical Workshops and Industry Conferences Direct Sales and Marketing Communication Product Quality Assurance and Feedback Systems Online and Digital Platforms 	Regularly and as required	<ul style="list-style-type: none"> Product Specifications and Certifications Price Stability and Supply Reliability Sustainability Attributes of Base Oils Customer Satisfaction and Technical Support Long-Term Supply Agreements
Suppliers			
Strengthen relationships through ethical sourcing, transparency, and mutual performance improvement	<ul style="list-style-type: none"> Supplier Code of Conduct Supplier Audits and Compliance Assessments Conferences and Capability-Building Workshops Regular Performance Reviews Direct Engagement with Procurement and Contracts Teams 	Regularly and as required	<ul style="list-style-type: none"> Delivery and Performance Standards Ethical, Legal, and Financial Compliance Procurement Process Transparency Local Content and Supplier Development Digitalization and Process Efficiency

Risk Management

Luberef’s approach to risk management is built on foresight, governance, and resilience. The Company proactively identifies, assesses, and mitigates risks across strategic, operational, and financial dimensions, ensuring that decisions balance opportunity with risk exposure.

Governance Structure for Risk Oversight

Luberef’s governance model ensures that risk oversight is embedded across all organizational levels.



Three Lines of Defense

Luberef’s Enterprise Risk Management (ERM) framework is structured around the internationally recognized Three Lines of Defense model, ensuring accountability, transparency, and continuous improvement.

First Line

Business and Support Units:

Responsible for identifying and managing risks within their areas and implementing appropriate controls.

Second Line

Risk Management Function:

Monitors and reports on enterprise-level risks, oversees mitigation plans, and aligns ERM practices with business strategy.

Third Line

Internal Audit:

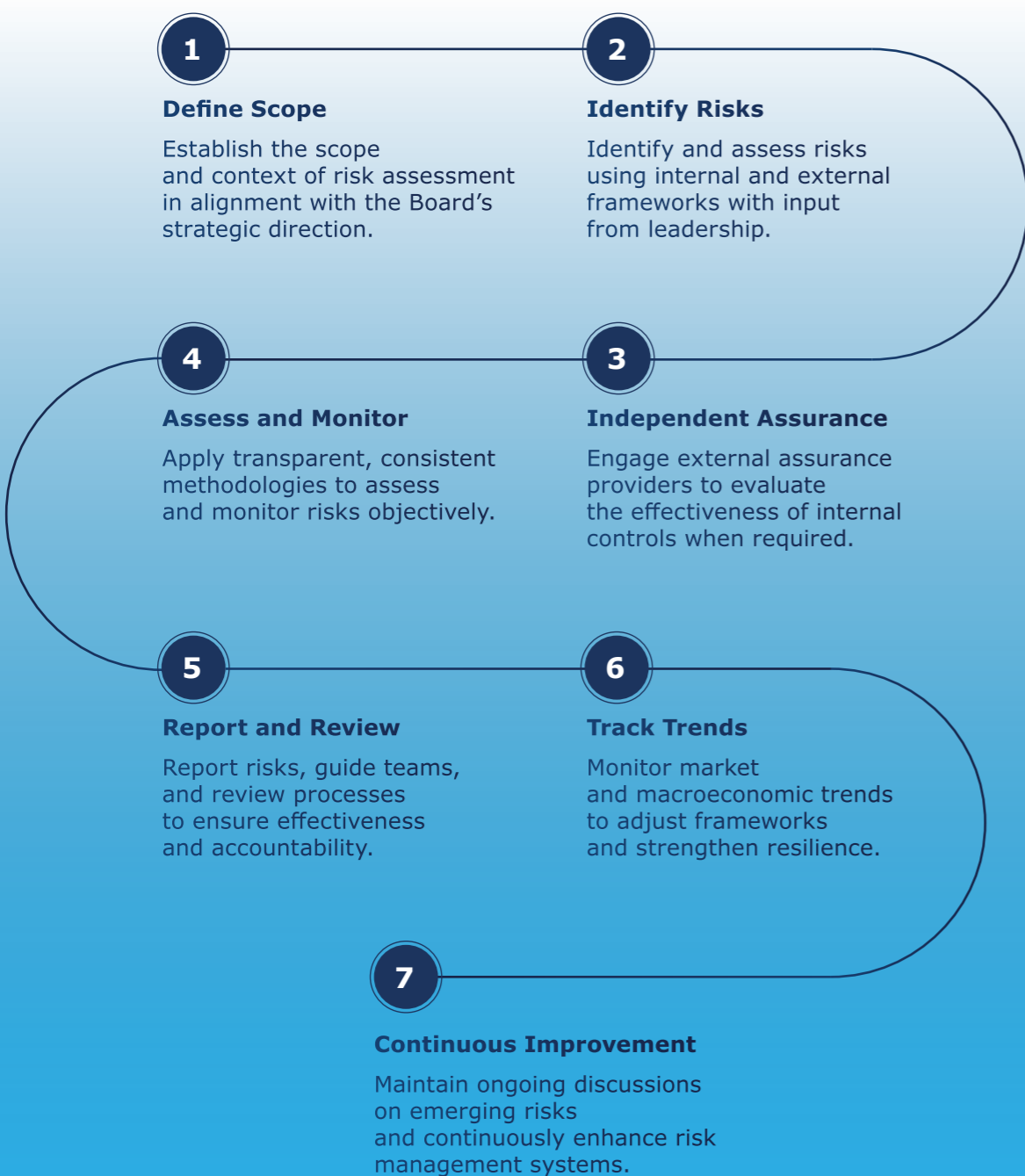
Provides independent assurance on the effectiveness of controls, governance systems, and the overall risk management process.

Process and Risk Management Framework

Luberef maintains an Enterprise Risk Management (ERM) Framework aligned with ISO 31000:2018 and COSO ERM 2017 principles, through which the Company continuously enhances its risk management capabilities. The framework supports comprehensive risk identification and mitigation across the enterprise, strengthens integration between ERM and Insurance Management, while also reinforcing financial and operational resilience.

Luberef also undertakes periodic third-party ERM maturity assessments to benchmark its practices against industry peers, identify key strengths, and define targeted areas for continuous improvement. The Company also promotes a strong risk-aware culture by empowering employees to take ownership of risk management and adapt to evolving market and operational conditions.

Luberef's risk management framework identifies, evaluates, and mitigates risks across all operations. Policies are regularly reviewed to ensure alignment with market dynamics and business objectives.



Business Continuity and Operational Resilience

Luberef's Business Continuity Framework ensures the uninterrupted continuation of critical operations during potential disruptions. It focuses on:

- Identifying critical processes and assessing potential impacts.
- Developing and testing recovery and contingency plans.

- Aligning continuity plans with ERM and cybersecurity systems to manage both digital and physical disruptions.
- Conducting scenario-based simulations and improvement exercises.

Cybersecurity and Digital Resilience

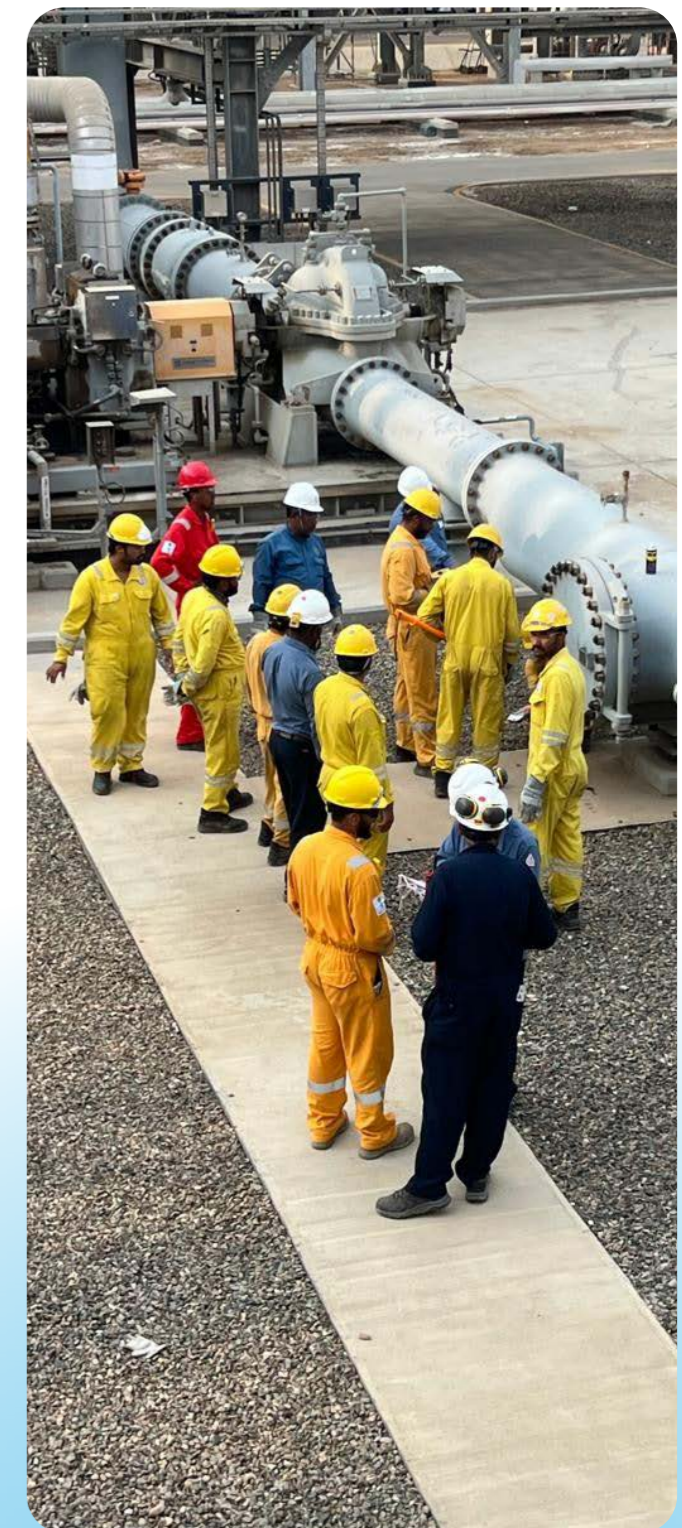
During 2025, Luberef elevated cybersecurity governance to a new level of maturity. Operating as a strategic governance enabler, the Cybersecurity function ensures that risks across IT and Operational Technology (OT) environments are proactively managed.

Key achievements included:

- **Integrated IT/OT Governance Model:** Clearly defined roles, escalation pathways, and decision rights across all business units.
- **Cyber Risk Register:** Implemented a unified, business-aligned risk register to assess and prioritize risks consistently.
- **Maturity Advancements:** Completed structured maturity evaluations with Aramco, identifying capability gaps and targeted improvements across people, process, and technology.
- **Incident Readiness:** Conducted executive-level tabletop exercises and improved coordination with internal and external stakeholders.
- **Cultural Awareness:** Launched Luberef's first company-wide **Cybersecurity Awareness Campaign**, achieving **89% engagement**, embedding security awareness across all functions.
- **Strong Results:** Recorded **zero critical or high-severity cybersecurity incidents** during 2025, reflecting effective governance, monitoring, and preventive controls.

Expanding Risk Domains

Luberef applies a comprehensive and proactive approach to managing both internal and external risks, ensuring resilience across all aspects of its operations. Its risk management system covers a broad range of risk domains to ensure business continuity and strategic agility.



ESG Review



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ESG at Luberef

Luberef’s ESG approach is built on the belief that sustainability and performance go hand in hand. The Company integrates environmental, social, and governance principles into every aspect of its operations to enhance efficiency, reduce impact, and create long-term value for employees, partners, and communities.

ESG Vision

Luberef is committed to positively contributing to society and creating value for our shareholders with ESG as a core element



Sustainable Management Systems

These accreditations provide a structured framework for managing environmental impacts, energy performance, product quality and workplace safety across Luberef’s operations.



Governance and Oversight

Luberef’s ESG governance framework ensures sustainability is embedded in strategic and operational decisions, with clear accountability from the Board to management and dedicated functions driving execution across the organization.

ESG governance at Luberef follows a multi-tiered structure:

BAC & RNC Committees
Recommend ESG goals for the BOD, allocate resources, and monitor strategic progress.



Management-level ESG Steering Committee
translate these goals into actionable strategies and oversee roadmap execution.



ESG Hybrid Function
coordinates daily implementation, project management, and internal communication, ensuring that sustainability remains embedded across Luberef.

Focus on regulatory compliance and economic value creation

Cultivating a transparent and inclusive ESG culture

Developing and implementing a clear roadmap for sustainable growth

ESG Highlights

In 2025, Luberef continued to advance its ESG agenda through targeted social, environmental, and community initiatives that strengthened inclusion, enhanced well-being, and supported sustainable development in line with Saudi Vision 2030.

Number of CSR project & Initiatives

20+

Total Employee volunteering hours

400+

Number of people impacted by CSR activities

20,078

Number of Agreements signed

4

1,145,114

GHG (Tons CO₂e)



Empowering Inclusion and Equal Opportunity

Luberef strengthened its commitment to workforce inclusion by signing a collaboration agreement with the Qaderoon Association to support people with disabilities.



Supporting Education and Youth Development

As part of its annual Back to School initiative, Luberef has supported students from low-income families by providing school supplies at the beginning of the academic year.



Health and Community Well-being

During Breast Cancer Awareness Month, Luberef partnered with the Zahra Association and donated to support the medical treatment of 11 breast cancer patients.



Advancing Circular Economy Practices

In partnership with SIRC, Luberef installed a Reverse Vending Machine, a smart recycling solution that collects empty plastic bottles and aluminium cans from the public in exchange for rewards.



Community Support and Food Security

Luberef expanded its community outreach efforts during Ramadan:

- Sponsored 200 food baskets as part of Aramco's Blue Box initiative, in collaboration with the Saudi Food Bank, supporting families in need in Jeddah.
- Distributed 300 Ramadan food baskets containing essential items to families across villages in Yanbu.

Environmental Stewardship and Public Spaces

The Company developed Luberef Park at King Faisal Naval Base, fully landscaped with greenery and equipped with recreational facilities.

Strengthening Cybersecurity

During 2025, Luberef achieved zero critical or high-severity cyber incidents.

Corporate Governance Report



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Committed to Upholding the Highest Standards of Corporate Governance

Luberef's approach to corporate governance is built on integrity, transparency, and accountability, ensuring the company operates in the best interests of all stakeholders. The Company's governance framework is designed to clearly define roles, responsibilities, and decision-making processes, aligning with both regulatory requirements and the specific needs of the business.

In 2025, the Board approved the implementation of Saudi Aramco's Controller's Group Governance Framework (CGGF) which establishes a leading and consistent standard of governance and controls over financial reporting for major processes across the business. The CGGF is designed in alignment with the globally recognized principles detailed in the Committee of Sponsoring Organizations of the Treadway Commission (COSO) Internal Control – Integrated Framework (ICIF), 2013.



Oversight

Effective oversight is at the core of Luberef's governance structure. The Board is responsible for setting Luberef's strategic direction, evaluating risks and internal controls, and ensuring compliance with all applicable laws and regulations. To support these responsibilities, the Board is assisted by two key committees that enhance oversight and governance effectiveness.

Luberef also maintains open and ongoing dialogue with its shareholders, incorporating their feedback to strengthen governance practices and ensure long-term value creation. Through this commitment, Luberef continues to uphold the highest standards of corporate responsibility, ensuring the company remains a trusted, transparent, and well-governed organization.

Board Committees

The Board Audit Committee (BAC) plays a central role in safeguarding the integrity of Luberef's financial management. It oversees financial reporting processes, internal controls, and risk management frameworks to ensure the accuracy and reliability of disclosures. The BAC also monitors compliance with regulatory requirements and internal policies, reinforcing transparency and accountability across the organization. As part of this mandate, Luberef successfully implemented the Internal Control over Financial Reporting (ICFR) program, further strengthening the robustness, reliability, and integrity of its financial reporting processes.

The Remuneration and Nomination Committee (RNC) is responsible for ensuring that Luberef's leadership and governance structures remain robust and forward-looking. The RNC oversees Board and Board committee composition, succession planning, and senior executive selection and remuneration policies, ensuring alignment with the Company's strategic objectives and performance culture. Through these efforts, the Committee helps attract, retain, and develop the leadership talent required to sustain long-term growth and value creation.

This year, the Board also approved the establishment of a third committee and its governing charter – **the Sustainability and HSE Committee**. The formation of the committee is now in its final administrative phase, which includes the appointment of its members.

Board of Directors



Ibrahim Q. Al Buainain

Chairman,
Non-Executive Director

Mr. Ibrahim Q. Al Buainain was appointed as the Chairman of the Board of Luberef in August, 2022. He presently serves as the Executive Vice President (EVP) of Global Manufacturing at Saudi Aramco. Prior to the role of the EVP, he held the position of Senior Vice President of Sales, Trading & Supply Planning at Saudi Aramco, as well as the President and Chief Executive Officer of Aramco Trading Company for a duration of six years, commencing in 2016.

With over three decades of experience in the oil and gas industry, Mr. Al Buainain possesses a robust portfolio of leadership and management expertise (listed below).

Education:

- MBA in Global Management, Massachusetts Institute of Technology (MIT).
- M.S. degree in Innovation and Global Leadership, Massachusetts Institute of Technology (MIT).
- B.Sc. degree in Mechanical Engineering at King Fahd University of Petroleum and Minerals, KSA.

Other Current Positions:

- Chairman of Rabigh Refining & Petrochemical Company (Petro Rabigh), a listed joint stock company operating in petrochemicals.
- Board Member of Aramco Trading Company, a limited liability company, operating in oil and gas.
- Board Member of Regional Voluntary Carbon Market Company.

Selected Previous Positions:

- Senior Vice President of Sales, Trading & Supply Planning at Saudi Aramco.
- President and Chief Executive Officer at Aramco Trading Company.
- Chairman of Aramco Trading Limited (London), a UAE limited liability company operating in oil and gas.

- Chairman of Aramco Trading Fujairah FZE, a private corporation with share capital operating in oil and gas.
- Chairman of Saudi Petroleum International, Inc., a private stock corporation operating in oil and gas services.
- Chairman of Aramco Trading Singapore Pte. Ltd., a limited liability company operating in oil and gas.
- Chairman of Aramco Overseas Company, Ltd., a private limited company operating in oil and gas services in The Hague.
- Chairman of Aramco Services Company, a private shareholding company operating in oil and gas services in the United States of America.
- Chief Executive Officer at Saudi Aramco Energy Venture Company, a limited liability company operating in oil and gas.
- Chief Executive Officer at Aramco Trading Company, a limited liability company operating in oil and gas.
- Chief Executive Officer at Saudi Aramco Asia Company, Ltd., a limited liability company operating in oil and gas.
- Board Member of Petredec, a private limited liability company operating in oil and gas services.
- Board Member of Aramco Digital Company, an in-house digital and technology subsidiary of Saudi Aramco.
- Board Member of Saudi Aramco Total Refining and Petrochemical Company (SATORP), a petrochemical company operating in oil and gas.
- Board Member of S-OIL, a Korean-listed company operating in oil and gas.
- Director at Hyundai Oil, a closed joint stock company operating in oil and gas.
- Director at National Chemicals Carriers Company of Saudi Arabia, a limited liability company operating in marine transport.
- Director at National Shipping Company of Saudi Arabia, a listed joint stock company operating in marine transport.



Abdulatif S. Al Shami

Vice Chairman, Independent
Non-Executive Director

Mr. Abdulatif S. Al Shami was appointed as the Vice Chairman of the Board of Luberef in August, 2022, bringing deep industry knowledge and operational expertise to the Company's leadership. Mr. Al Shami is a veteran energy industry executive with extensive experience in refining, gas processing, and major project execution.

Over a career spanning more than four decades at Saudi Aramco, he has held key leadership roles in refinery operations, natural gas processing, and technical support, playing a critical role in managing complex energy infrastructure and large-scale projects.

Previously, Mr. Al Shami served as Yanbu Refinery Manager at Saudi Aramco. Prior to this, he also held several leadership roles at Saudi Aramco, managing gas plants, fractionation facilities, and mega-projects across the Kingdom.

Education:

- M.Sc. degree in Human Resource Development, University of Minnesota.
- B.Sc. degree in Electrical Engineering, University of North Carolina.

Selected Previous Positions:

- Board Member, Saudi Aramco Mobil Refinery Company (SAMREF).
- Yanbu Refinery Manager, Saudi Aramco.
- Yanbu NGL Fractionation Plant Manager, Saudi Aramco.
- Technical Support & Planning Manager, Saudi Aramco.
- Hawiyah NGL Plant Manager, Saudi Aramco.
- Uthmaniyah Gas Plant Manager, Saudi Aramco.
- Berri Gas Plant Manager, Saudi Aramco.
- Head of Mega-Project, Karan Gas Field, Saudi Aramco.



Khalid D. Al Faddagh

Independent
Non-Executive Director

Dr. Khalid D. Al-Faddagh was appointed as an Independent Member of the Board of Luberef in August, 2022. He is an ex-Saudi Aramco executive with a distinguished 32-year career spanning across multiple disciplines including engineering, field operations and maintenance, project management, quality control, safety compliance, and strategy development.

During his time at Saudi Aramco, Dr. Al Faddagh held several senior positions, such as General Auditor (Chief Audit Executive) and Secretary of the Board Audit Committee. He was also the President & CEO of Petron Corporation in the Philippines, overseeing one of the largest refining and marketing operations in Southeast Asia.

Apart from Luberef, Dr. Al Faddagh also serves on several boards and committees across multiple sectors including the Public Investment Fund (PIF), Roshn, Banque Saudi Fransi, Vision Invest etc.

Education:

- Executive Program (PMD) in Leadership & Strategy, Harvard Business School.
- PhD, DIC in Mechanical Engineering (Applied Mechanics), Imperial College, London.
- M.Sc. in Mechanical Engineering (Applied Mechanics), University of Manchester (UMIST).

Other Current Positions:

- Board Risk Committee Member, Public Investment Fund (PIF).
- Board Audit Committee Member, Roshn (a PIF company).
- Board Audit Committee Member, Rua Alharam Almaki.
- Board Audit Committee Member, Saudi Eksab (a PIF company).
- Board Audit Committee Member, Banque Saudi Fransi.
- Board Audit Committee Member, SPIMACO (Pharmaceuticals).
- Board Member & Chairman of the Audit & Risk Committee, Vision Invest.
- Chairman, Audit & Risk Committee, DataVolt.

Selected Previous Positions:

- General Auditor (Chief Audit Executive), Saudi Aramco.
- President & CEO, Petron Corporation.
- Board Member & Chairman of the Audit & Risk Committee, Eastern Health Cluster.
- Board Risk Committee Member, GOSI.
- Chairman, Risk Committee, BUPA Arabia.
- Chairman, Risk & Compliance Committee, ACWA Power.
- Board Audit Committee Member, SABIC.
- Independent Audit Committee Member, STC (Saudi Telecom).
- Chairman, Audit & Risk Committee, Saudi Tabreed.
- Vice-Chairman, Audit Oversight Committee, King Fahd University of Petroleum & Minerals (KFUPM).
- Shareholders' Board Representative, Showa Shell, Japan.
- Board Member, Petron Corporation, Philippines.



Nabelah M. Al Tunisi

Independent
Non-Executive Director

Eng. Nabelah M. Al Tunisi was appointed as an Independent Non-Executive Director of Luberef in August, 2022. She is an executive leader with over 35 years of experience driving transformation across the energy, industrial, and education sectors. She currently serves on the boards of the Saudi Arabian Mining Company (Ma'aden) and Dar Al-Hekma University, contributing to governance, strategy, and institutional growth.

Eng. Nabelah is also the Chief Executive Officer of Hithium and Manat Manufacturing Co., where she leads industrial innovation and strategic expansion in advanced manufacturing. She previously held senior executive roles, including Executive Director for Programs at a leading Riyadh-based organization and was Executive Director of the Energy and Water Sector at NEOM, overseeing large-scale infrastructure and sustainable development initiatives.

Earlier in her career, she was Chief Engineer at Saudi Aramco, the first woman to hold this prestigious position, where she led engineering for all above-surface oil and gas facilities globally. During her time at Saudi Aramco, she held leadership roles across central engineering, project management, and supply chain, shaping some of the Kingdom's most complex energy projects.

Education:

- M.Sc. degree in Computer Engineering from Oregon State University.
- B.Sc. degree in Electrical Engineering from the University of Portland.

Other Current Positions:

- Chairperson, Remuneration & Nomination Committee, Luberef.
- Chairperson, Safety & Sustainability Committee, Saudi Arabian Mining Company (Ma'aden).
- Independent Board Member, Saudi Arabian Mining Company (Ma'aden).
- Board Member, Dar Al-Hekma University.

Selected Previous Positions:

- President, ViridiParente MENA.
- Executive Director of Programs, Government Project Management Entity.
- Managing Director, Energy & Water Sector, NEOM.
- Chief Engineer, Saudi Aramco.
- General Manager, Northern Area Project Management, Saudi Aramco.
- Manager, Materials Planning & System Department, Saudi Aramco.
- Director, FEED for SADARA, Saudi Aramco.
- Board Member, Saudi Council of Engineers.
- Board Member, Saudi Aramco Total Refining and Petrochemical Company (SATORP).
- Board Member, Petron Corporation, Philippines.



Mohammed F. Al Ahmari

Non-Executive Director

Mr. Mohammed F. Al Ahmari was appointed as a Member of the Board of Luberef in August, 2022 and is currently serving as Senior Financial Advisor at Saudi Aramco. He is a seasoned finance executive with over three decades of experience in corporate finance, governance and controls, financial planning, and strategic investments within the energy sector.

Mr. Al Ahmari previously held a number of other roles at Saudi Aramco, including the CFO Aramco Europe, Director of Group Finance and Financial Consulting, Director of Downstream Finance, Manager of Affiliates Support, Manager of Financial Reporting and Tax Compliance, and as the leader of the Finance team SABIC acquisition.

Education:

- M.A. degree in Accounting, University of Denver, USA.
- Post Graduate Advanced Program in Accounting & Finance, Texas A&M University, USA.
- B.Sc. degree in Accounting, King Fahd University of Petroleum and Minerals, KSA

Other Current Positions:

- Board Director, Aramco Ventures, London.

Selected Previous Positions:

- Board Director, Saudi Aramco Jubail Refinery (SASREF).
- Board Director, Aramco Overseas Malaysia.
- Board Director, Aramco Overseas Spain.
- Board Director, Saudi Aramco Entrepreneurship Investment Ltd (Wa'ed).
- Board Director, Saudi Aramco Power Company.
- Chief Financial Officer, Aramco Europe BV.
- Chief Financial Officer, Aramco UK.
- Vice President of Finance, Vela Company.
- Director, Downstream Finance, Saudi Aramco.
- Director, Group Finance and Financial Consulting, Saudi Aramco.
- Manager, Downstream Financial Planning & Performance Management, Saudi Aramco.
- Senior Lead, Finance Team, SABIC Acquisition, Saudi Aramco.
- Manager, Financial Reporting & Tax Compliance, Saudi Aramco.
- Manager, Corporate Planning & Budgeting, Saudi Aramco.
- Manager, Cash Management – Group Treasury, Saudi Aramco.
- Manager, Projects Compliance, Saudi Aramco.



Andrew S. Katz

Non-Executive Director

Mr. Andrew S. Katz was appointed as a Member of the Board of Luberef in August, 2022, bringing extensive global experience in energy, finance, and strategic development to the Company's leadership. He is a highly experienced executive with over 30 years of expertise in refining, chemicals, investment banking, and corporate finance.

Mr. Katz currently serves as Vice President of Downstream Growth & Development at Saudi Aramco, where he oversees the development and execution of transactions in support of Saudi Aramco's downstream strategy.

Prior to joining Saudi Aramco, Mr. Katz spent nearly a decade as Managing Director and Global Head of Chemicals and Refining at Standard Chartered Bank in Singapore, advising on high-profile transactions. Earlier in his career, he was an investment banker specializing in the chemicals industry in London and New York.

Education:

- MBA in Finance and Operations Research, New York University Stern School of Business.
- B.Sc. degree in Chemical Engineering, Stevens Institute of Technology.

Other Current Positions:

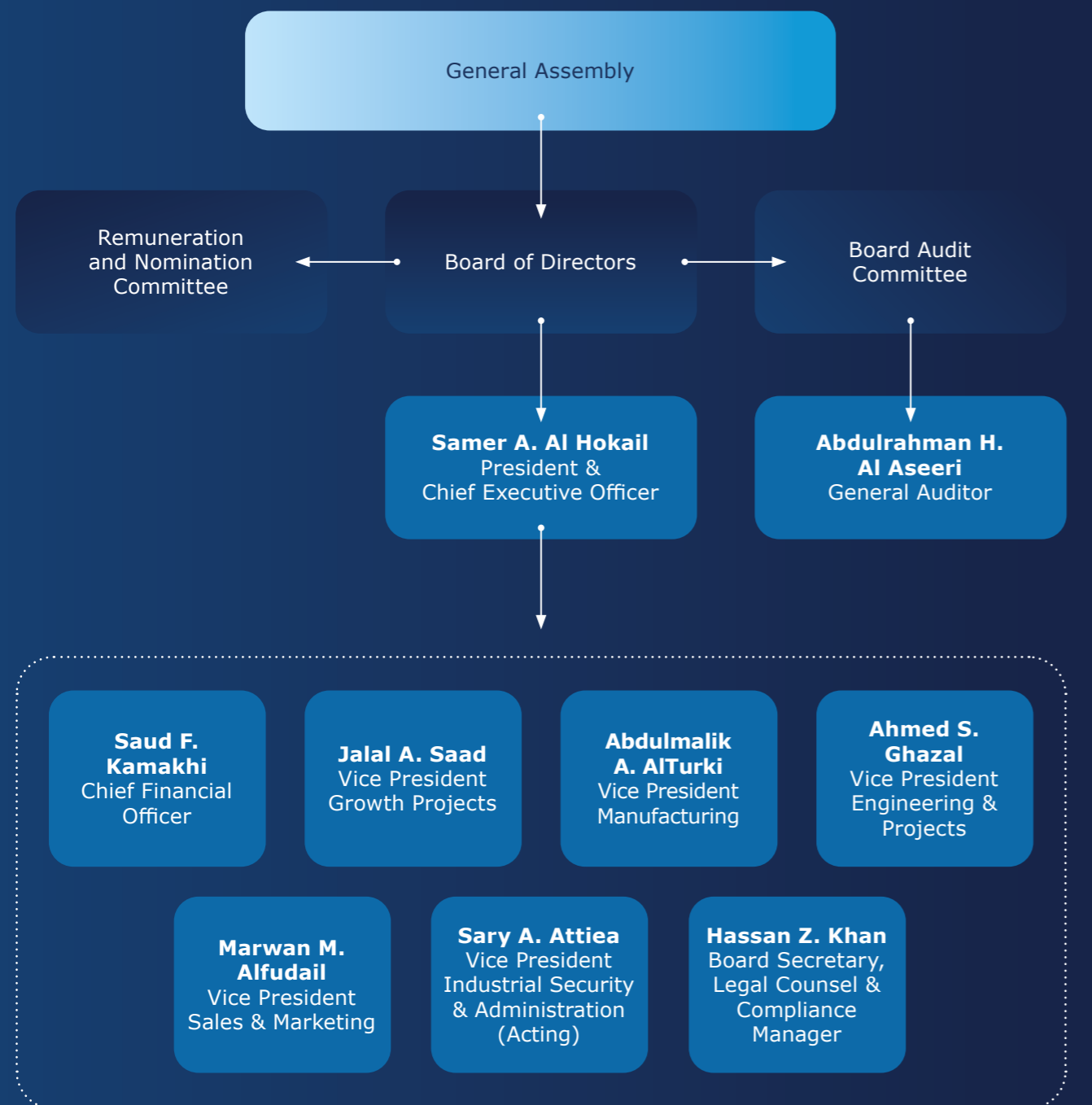
- Vice President, Downstream Growth & Development, Saudi Aramco.

Selected Previous Positions:

- Director, Capital Markets and Relations Department, Saudi Aramco.
- Director, Transaction Execution Department (SABIC Acquisition), Saudi Aramco.
- Director, Transaction and Portfolio Management Department, Saudi Aramco.
- Director, Downstream Transaction Services Department, Saudi Aramco.
- Director, Chemicals Business Strategy and Development Department, Saudi Aramco.
- Board Director, TSRC Corporation (Taiwan-based synthetic rubber manufacturer).
- Managing Director & Global Head of Chemicals and Refining, Standard Chartered Bank.

Organizational Structure

Luberef’s organizational structure, including the Board, its Committees and the functions of the Senior Executives.



Senior Executives

Luberef’s senior management team brings together extensive combined experience in the oil and gas industry. Their collective expertise drives the execution of the Company’s strategic priorities, as defined by the Board of Directors, fostering innovation, operational excellence, and long-term value creation for shareholders.



Samer A. Al Hokail President & Chief Executive Officer

Mr. Samer A. Al Hokail joined Luberef in September 2023, as President & CEO. Before joining Luberef, he was appointed in 2022 to establish and lead a new organization managing more than 12 of Saudi Aramco’s international subsidiary businesses with a combined asset value exceeding \$35 billion.

Prior to that, Mr. Al Hokail was the President and CEO of the Saudi Petroleum International Inc., based in New York. His responsibilities included managing the development and implementation of Saudi Aramco’s crude sales in North America.

Education:

- Fellowship and MBA degree in Innovation and Global Leadership from the Massachusetts Institute of Technology (MIT), USA.
- B.Sc. degree in Chemical Engineering from Arizona State University, USA.

Selected Previous Positions:

- President and Chief Executive of Saudi Petroleum International Inc., a New York-based Saudi Aramco subsidiary operating in the oil sector, 2016.
- Director of Corporate and Strategic Planning at Saudi Aramco (2015–2016).
- Director of Saudi Aramco Hawiyah NGL gas plant (2012–2013).
- Director of Saudi Aramco terminal operations, and then Manager of Jeddah Refinery at Saudi Aramco (2011–2012).



Saud F. Kamakhi

Chief Financial Officer

Saud Kamakhi is an accomplished finance professional currently serving as the Chief Financial Officer at Saudi Aramco Base Oil Company (Luberef). With a strong background in accounting analysis and financial planning, he brings a strategic approach to managing complex financial operations in the oil and energy industry. His expertise spans budgeting, analytical reporting, and performance optimization, driving organizational efficiency and fiscal sustainability.

Known for his leadership and collaborative mindset, Saud excels in building high-performing teams and fostering a culture of transparency and accountability. His proficiency in financial strategy and public communication reflects a balance between technical insight and executive vision, positioning him as a key contributor to Luberef's continued growth and operational excellence.

Education:

- M.Sc. degree in Business Administration from Willamette University, USA.
- B.Sc. degree in Accounting from King Fahd University of Petroleum and Minerals, KSA.

Selected Previous Positions:

- Chief Financial Officer at CNTXT (2021–2024).
- Finance Controller at AMIRAL (2019–2021).



Jalal A. Saad

Vice President Growth Projects

Jalal Abdul Razak Saad has been VP Growth Projects at Luberef since August 2025. Prior to this, Saad held a number of roles at Luberef, including VP Industrial Security & Administration, Central Engineering Manager, Projects Manager, Industrial Safety and Security Manager, and Yanbu Facility Manager.

Education:

- B.Sc. degree in Chemical Engineering from King Abdulaziz University, Jeddah, Saudi Arabia.

Selected Previous Positions:

- VP Industrial Security & Administration, Luberef (2024–2025).
- Industrial Safety and Security Manager, Luberef (2021–2023).
- Central Engineering Manager, Luberef (2019–2021).
- Project Management Department Manager, Luberef (2018–2019).
- Program Director for the Expansion Program, Luberef (2018).
- Commissioning and Start-Up Manager for the Expansion Program, Luberef (2015–2018).
- Operations Interface Manager for the Expansion Program, Luberef (2013–2015).
- Operation Representative for the Expansion Program, Luberef (2011–2012).
- Acting Refinery Manager for the Yanbu Plant, Luberef (2008–2011).
- Operations Manager for the Yanbu Plant, Luberef (2004–2008).
- Operations Superintendent at the Yanbu Plant, Luberef (1998–2004).
- Acting Process Engineering Supervisor, Luberef (1997–1998).
- Commissioning engineer at the Yanbu construction office, Luberef (1995–1997).
- Luberef-II Project Engineer Taipei, Taiwan – Luberef (1994–1995).
- Senior Process Engineer at the Jeddah plant, Luberef (1993–1994).
- Process Engineer at the Jeddah plant, Luberef (1990–1993).



Abdulmalik A. Al Turki

Vice President Manufacturing

Mr. Abdulmalik Al Turki brings over 20 years of experience in refining operations and leadership across Saudi Aramco's facilities. He was appointed as the Vice President of Manufacturing at Luberef in 2025. Prior to joining Luberef, he served as Director of the Aramco Yanbu Refinery, a role he has held since May 2024.

Notably, he led the implementation of the region's first AI-powered Real Time Optimizer (RTO), which contributed to the refinery receiving Saudi Aramco's Downstream President's Digital Horizons Award.

Mr. Al Turki has held several senior roles across Aramco's refining network, including positions at the Riyadh, Jeddah, and Jazan refineries, where he advanced operational efficiency and innovation. His experience also includes international assignments with Motiva Enterprises in the United States and leadership roles in corporate integration and strategy.

Education:

- MBA in Business Administration from King Saud University, KSA.
- B.Sc. in Chemical Engineering from King Fahd University of Petroleum & Minerals, KSA.

Selected previous positions:

- Aramco Yanbu Refinery Director (2024–2025).
- Assistant to VP Refining & NGL Fractionation (2020–2022).
- SABIC M&A Integration Team Leader (2019–2020).



Ahmed S. Ghazal

Vice President Engineering & Projects

Ahmed Ghazal brings over 23 years of practical experience in the Oil & Gas industry, in the fields of Engineering and Manufacturing. He joined Luberef in 2022, where he served as the Asset Integrity and Reliability Manager, becoming the Vice President of Engineering & Projects in January 2024.

Mr. Ghazal began his career with Saudi Aramco in 2002 and has since held several key leadership roles, including Engineering and Operations Manager at the Juymah NGL Fractionation Plant and Operations Manager at the Aramco Yanbu Refinery in 2021.

Education:

- B.Sc. degree in Chemical Engineering from King Fahad University of Petroleum & Minerals.

Selected Previous Positions:

- Asset Integrity and Reliability Manager, Luberef (2022–2024).
- Operation Manager at Yanbu Refinery, Saudi Aramco (2021).
- Engineering & Operation Manager at Juymah NGL Fractionation plant, Saudi Aramco (2018–2020).



Marwan M. Alfudail

VP of Sales & Marketing

Marwan Alfudail is the Vice President of Sales & Marketing at Luberef, appointed in March 2025. He brings extensive leadership experience across sales, marketing, strategy development, JV management, as well as mergers and acquisitions. He has also held multiple senior positions within Saudi Aramco and its affiliates.

Education:

- M.B.A degree in Finance from Indiana University, USA.
- B.Sc. degree in Computer Information Systems from Indiana University, USA.

Other Current Positions:

- Member of the National Committee for Base Oils and Lubricants under the Council of Saudi Chambers of Commerce and Industry.

Selected Previous Positions:

- Director, Amiral Project – Saudi Aramco (2023–2025).
- Manager, Business Development, Amiral Project – Saudi Aramco (2018–2023).
- Manager, Strategy and Business Development – Motiva Enterprises, Houston (2013–2017).
- Manager, Refining and Crude Oil Marketing Strategy – Saudi Aramco (2011–2013).
- Manager, North America, Crude Oil Sales & Marketing Department – Saudi Aramco (2010–2011).
- Marketing Manager, Strategic Studies Division – Saudi Aramco (2008–2010).
- JV Manager – Sinopec Senmai Petroleum Company, Hong Kong (2007–2008).
- JV Development & Acquisition Specialist, Hong Kong – Saudi Aramco (2001–2007).

Sary A. Attiea

VP Industrial Security & Administration (Acting)

Sary Attiea began his career in 2004 as a Process Engineer at Luberef. Mr. Attiea is currently serving as the Acting VP of Industrial Safety and Administration, bringing over 21 years of extensive experience and strong leadership within Luberef.

Starting his career in technical roles such as Process Control and DCS Engineer, Mr. Attiea advanced through positions including Project Superintendent, Commissioning and Startup Supervisor, and Process & Quality Superintendent.

Education:

- Pursuing Executive Master of Business Administration (EMBA) at Mohammad Bin Salman College.
- B.Sc. in Chemical Engineering – King Abdelaziz University.

Selected Previous Positions:

- Refinery Director, Luberef (2023).
- Operations Manager, Luberef (2022).
- Operations Superintendent, Luberef (2021).
- Process & Quality Superintendent, Luberef (2019–2020).
- Commissioning & Startup Supervisor, Luberef (2017–2018).
- Project Superintendent, Luberef (2015–2016).
- Project Engineer – Samsung, Korea (2013–2014).
- Project Engineer – JACOBS, Netherlands (2011–2012).
- Process Control & DCS Engineer, Luberef (2008–2010).
- Process Engineer, Luberef (2004–2007).

Abdulrahman H. Al Aseeri

General Auditor

Abdulrahman H. Al Aseeri has been serving as the General Auditor at Luberef since April 2021, reporting functionally to the Board Audit Committee and administratively to the President & CEO. With more than 17 years of experience in auditing, accounting, and project management, he has led initiatives that have strengthened governance, modernized audit practices, and enhanced transparency across the organization.

Before assuming his current role, he held various leadership positions at Luberef, including Head of Revenue and Accounts Receivables, and Accounting & Finance Representative and Business Administrator for the USD 1.5 billion Yanbu Expansion Project. Prior to joining Luberef in 2010, Abdulrahman worked as an external auditor at Deloitte and PwC.

Education:

- Certified Fraud Examiner (CFE) by the Association of Certified Fraud Examiners (ACFE).
- B.Sc. degree in Accounting, King Fahd University of Petroleum & Minerals (KFUPM).

Selected Previous Positions:

- Head of Revenue and Accounts Receivables Section, Luberef, 2020–2021.
- Assistant Head of the General Accounting Department, Luberef, 2018–2019.
- Senior Accountant – Treasury Section, Luberef, 2017–2018.
- Accounting and Finance Representative – Luberef Expansion Program, Luberef, 2012–2017.
- Business Administrator (Control Division) – Luberef Expansion Program, Luberef, 2012–2016.
- Auditor, Deloitte Touche Tohmatsu, 2009–2010
- Associate Auditor, PwC, 2008.

Hassan Z. Khan

Board Secretary, Legal Counsel & Compliance Manager

Hassan Z. Khan was appointed as the Board Secretary in March, 2025 and has been serving as the Company's Legal Counsel since December, 2020 and as the Compliance Manager since May, 2024. He is also a Member of the Executive Management Committee.

Mr. Khan was the legal lead on the Company's landmark USD 1.32 billion IPO and is accredited for drafting the Company's first-ever Code of Conduct and restructuring the corporate governance framework post-conversion to a joint stock company. He has provided legal counsel on contracts exceeding USD 2 billion and managed and resolved various claims and disputes totalling US \$800 million.

Education:

- Postgraduate Diploma in Law (LPC) from the University of Oxford and Oxford Brookes University, United Kingdom.
- Bar Admission from Khyber Pakhtunkhwa Bar Council, Pakistan.
- Bachelor of Laws (LLB) from the University of Wales, United Kingdom.

Current Positions:

- Member of Executive Management Committee.
- Member of Ethics & Disciplinary Action Committee.
- Member of Growth – II Project, Joint Steering Committee.
- Member of Credit Committee.
- JV Coordination Manager.

Selected Previous Positions:

- Chief Compliance Officer (A), Luberef (2022–2024).
- Legal Advisor, Luberef (2015–2020).
- Member, Special Audit Committee, Luberef (2017–2018)
- Joint Venture and Regulatory Affairs Officer, Oil and Gas Development Company Ltd. (OGDCL), Pakistan (2012–2015).

Board of Directors

The Board has the broadest powers and authorities to manage Luberef and its affairs and carry out all actions and procedures to achieve Luberef’s objectives, subject to any restrictions imposed by the provisions of the Companies Law or the Bylaws.

The Board may delegate any of the Board’s powers, within the limits of its authorities, to one or more of the Board Members, managers, officers, employees, or third parties to perform specific actions or duties on behalf of Luberef. It also has the right to revoke such delegations, in whole or in part, and to authorize the delegate the right to delegate specific responsibilities to others.

Luberef’s Board is composed of six members who were appointed by the Conversion Assembly on August 14, 2022, for a period of five years. The Board Members have extensive experience in the oil and gas industry including refining, chemicals, energy, engineering, finance, audit, and risk management.

With diverse backgrounds and decades of combined experience, the Board is well balanced and able to perform its duties in line with the highest standards of corporate governance.

The following table outlines Board composition and classification in 2025:



Ibrahim Q. Al Buainain
Chairman
Non-Executive Director



Abdulatif S. Al Shami
Vice Chairman
Independent
Non-Executive Director



Khalid D. Al Faddagh
Member
Independent
Non-Executive Director



Nabelah M. Al Tunisi
Member
Independent
Non-Executive Director

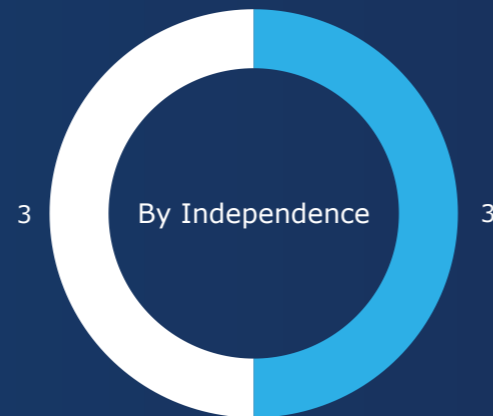


Mohammed F. Al Ahmari
Member
Non-Executive Director

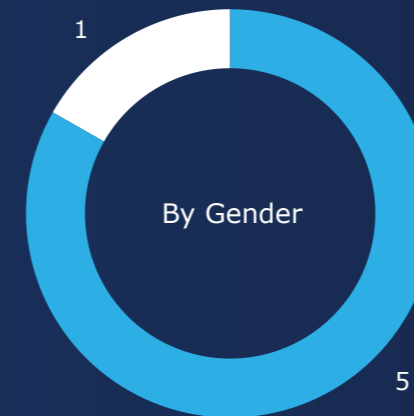


Andrew S. Katz
Member
Non-Executive Director

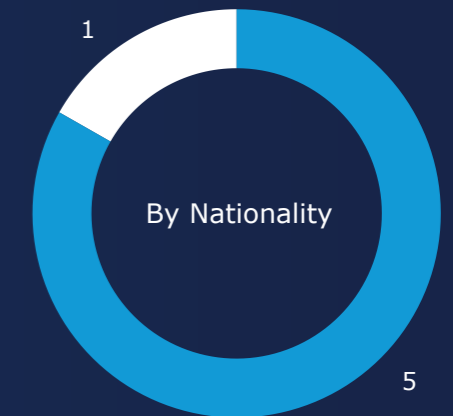
Board Composition and Membership Classification



- Non-executive Directors
- Independent Non-executive Directors



- Men
- Women



- Saudi Arabia
- Singapore

Board Expertise and Leadership

Operating in a rapidly changing industry, Luberef relies on a Board with diverse skills and deep sector knowledge. This collective experience enhances governance, strengthens strategic oversight, and supports the Company’s sustainable growth and performance.

1. Financial Expertise: Ensuring Sustainable Value Creation

In a capital-intensive industry like base oil refining, sound financial oversight is essential to sustaining growth and profitability. The Board’s financial expertise ensures adherence to global best practices, robust internal controls, and disciplined capital allocation, supporting cost efficiency, operational excellence, and long-term shareholder value.

2. Risk Management: Maintaining Resilience in a Volatile Industry

The Company operates in an environment exposed to market volatility, geopolitical challenges, and operational risks. Leveraging its strong risk management framework and Board oversight, Luberef effectively identifies, assesses, and mitigates these risks to maintain business continuity and resilience. This approach enables the Company to navigate challenges confidently and sustain performance in a competitive and unpredictable industry.

3. Industry-Specific Expertise: Maintaining a Competitive Edge in Base Oils

Base oil production demands deep technical understanding and insight into market dynamics. The Board’s industry expertise enables effective strategic guidance, process optimization, and operational excellence. This knowledge is key to sustaining Luberef’s competitiveness and leadership in the global base oil market.

4. Global Business Acumen: Navigating International Markets

Serving customers across Asia, Africa, Europe, and the Middle East, Luberef benefits from the Board’s international experience. This perspective supports the Company in seizing new opportunities, managing global trade risks, and expanding its footprint in growing economies.

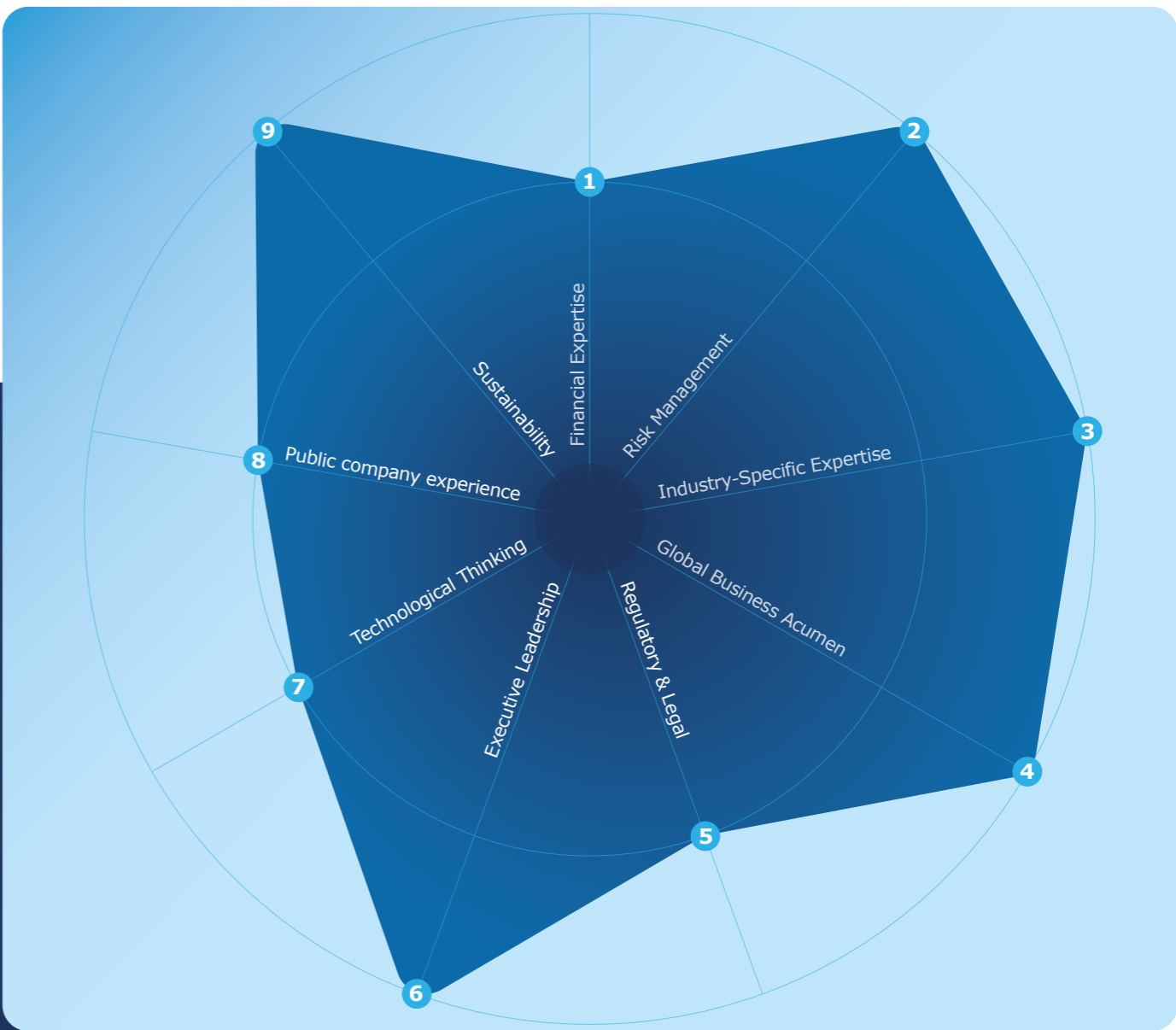
The Board’s collective expertise enables Luberef to navigate industry challenges, seize new opportunities, and deliver on its strategic priorities. By combining strong governance with deep operational, financial, and sustainability insights, the Board ensures the Company remains competitive, resilient, and focused on long-term value creation for all stakeholders.

5. Regulatory & Legal: Upholding Compliance and Integrity

Operating across jurisdictions requires adherence to diverse legal and regulatory frameworks. The Board’s expertise ensures Luberef complies with global standards, proactively engages with regulators, and mitigates legal risks – preserving the Company’s reputation and stakeholder confidence.

6. Executive Leadership: Guiding Strategic Direction and Performance

Strong leadership is essential to achieving Luberef’s strategic ambitions, fostering innovation, and managing organizational complexities. The Board’s executive experience provides effective oversight, ensuring clear direction, operational agility, and organizational alignment to drive sustainable performance.



7. Technological Insight: Technology and Innovation Are Vital to Maintaining Competitiveness

The Board’s understanding of emerging technologies supports operational efficiency, digital transformation, and continuous improvement – enabling Luberef to meet evolving market and customer demands.

8. Public Company Experience: Strengthening Corporate Governance

As a publicly traded company, Luberef must adhere to corporate governance standards and maintain investor confidence. Board Members with public company experience ensure that Luberef upholds governance best practices, manages shareholder relations effectively, and complies with regulatory frameworks. This expertise is critical for maintaining transparency and trust with stakeholders.

9. Sustainability: Driving ESG Commitment

Sustainability is a central pillar of Luberef’s long-term strategy. The Board’s ESG expertise guides the Company in advancing environmental stewardship, improving energy efficiency, and aligning with global sustainability standards. This capability ensures Luberef continues to create lasting value while contributing positively to society and the environment.

Board Independence

The Board has the authority to interpret and implement the independence provisions stipulated in the Capital Market Authority's (CMA) applicable rules, including the definitions and vitiating factors thereof, such as specifying any materiality threshold for dealings that would trigger vitiating factors. The Remuneration and Nomination Committee is responsible for verifying, annually, the independence of the independent directors and the absence of conflicts of interest, particularly in the event a member also serves as a board member of another company, where such member is a nominee of Saudi Aramco, upon consultation with Saudi Aramco, in accordance with the Management Agreement. Applying these standards, the Board has determined that Board Members Dr. Khalid D. Al Faddagh, Eng. Nabelah M. Al Tunisi and Mr. Abdulatif S. Al Shami are independent.

Board Evaluation

The Board, along with its Committees, conducts an annual self-assessment to ensure continuous improvement and governance excellence. This process alternates between an internally led assessment, overseen by the Remuneration and Nomination Committee, and an external assessment conducted by a third-party consultant, which is undertaken at least once during the Board's term. The responses and feedback from Board Directors and Committee Members are reviewed and tracked over time to identify trends and focus areas for enhancing the performance of the Board and its Committees.

In 2024, the Board and its Committees conducted a comprehensive performance assessment. Building on this, the Board in 2025 thoroughly reviewed and discussed the areas for improvement identified in the prior assessment, developing a detailed action plan to address these findings. Additionally, an internal performance assessment was carried out for 2025, demonstrating the Board's commitment to continuous improvement and maintaining the highest standards of governance.

Board Attendance

In 2025, four Board meetings were conducted. There were no meeting attendances by proxy during 2025. Below is a record of attendance at these meetings for each Board Member.

#	Name	Position	Feb 16, 2025	Jun 24, 2025	Jul 31, 2025	Dec 4, 2025
1	Ibrahim Q. Al Buainain	Chairman	•	•	•	•
2	Abdulatif S. Al Shami	Vice Chairman	•	•	•	•
3	Khalid D. Al Faddagh	Member	•	•	•	•
4	Nabelah M. Al Tunisi	Member	•	•	•	•
5	Mohammed F. Al Ahmari	Member	•	•	•	•
6	Andrew S. Katz	Member	•	•	•	•

General Assemblies Held in 2025

Luberef held one General Assembly meeting in 2025 at the Company's Administration Office in Jeddah City via modern technology as follows:

Extraordinary General Assembly

16th April 2025

Board Attendees

Ibrahim Q. Al Buainain	Chairman
Abdulatif S. Al Shami	Vice Chairman
Khalid D. Al Faddagh	Independent Director and Chairman of the Board Audit Committee
Nabelah M. Al Tunisi	Independent Director and Chairperson of the Remuneration and Nomination Committee
Mohammed F. Al Ahmari	Non-Executive Director
Andrew S. Katz	Non-Executive Director

Meeting Results

- The Company's Annual Board Report for the financial year ended on 31 December, 2024 was viewed and discussed.
- The Company's Financial Statements for the financial year ended on 31 December, 2024 were viewed and discussed.
- Approved the External Auditor's Report for the financial year ended on 31 December, 2024 after discussion.
- Approved the Board's recommendation to distribute a cash dividend for the second half of 2024 with a total amount of ₪ (518,225,554), representing ₪ (3.08) per share and (30.8%) of the nominal value of the share with dividend disbursement on 30 April, 2025.
- Approved and authorized the Board to distribute interim (semi-annual or quarterly) dividends for the financial year 2025.
- Approved paying ₪ 3,600,000 as remuneration for the Board Members for the fiscal year ended on 31 December, 2024.
- Approved the exoneration of the Board from liability for the financial year ended on 31 December, 2024.
- Approved the transfer of the Statutory Reserve amount of ₪ 506,250,000 to the Retained Earnings account.



Board Committees

Audit Committee Chairman’s Statement

For the Year Ended 31 December 2025



Dear Shareholders,

I am pleased to present the Audit Committee Report for the year ended December 31, 2025. This report outlines the Committee’s continued efforts to uphold the integrity, transparency, and reliability of the Company’s financial reporting and governance practices, and reflects our commitment to effective oversight, sound judgment, and the highest standards of accountability.

Throughout the year, the Committee maintained active oversight of the Company’s financial reporting process, internal control environment, and compliance framework. We worked closely with the Board of Directors and Management to monitor business developments, address emerging risks, and support the continued enhancement of the enterprise risk management framework.

The Committee remained actively engaged with Management on financial performance matters, providing constructive challenge and guidance on key financial assumptions, controls, and reporting practices, with a continued focus on safeguarding shareholder interests and supporting sustainable value creation.

The Committee continued to oversee the Internal Audit function, ensuring its independence, objectivity, and effectiveness. During 2025, Internal Audit delivered its approved plan in full and further strengthened its risk-based approach, advisory role, and digital capabilities. The Committee also reviewed Internal Audit’s conformance with the new Global Internal Audit Standards and supported actions taken to ensure full alignment.



Recognizing the growing importance of cybersecurity and technology risks, the Committee maintained a focused oversight on the Company’s cybersecurity posture and controls. During the year, attention was given to strengthening business continuity capabilities, identity and access management processes, and employee’s awareness programs, to enhance the Company’s overall resilience against potential cybersecurity threats.

The Committee also maintained close engagement and open dialogue with the External Auditor, to verify their independence, the audit scope quality, timeliness, and financial reporting transparency.

The Committee remains committed to supporting the Board in strengthening the Company’s overall governance, resilience, and long-term value creation for the shareholders.

Yours sincerely,
Chairman of the Audit Committee
Dr. Khalid D. Al Faddagh

Audit Committee Annual Report

For the Financial Year Ended 31 December 2025

1. Introduction

The Audit Committee (“the Committee”) is pleased to present its Annual Report to the Board of Directors for the financial year ended 31 December 2025. This report summarizes the Committee’s activities and how it discharged its responsibilities in accordance with its Charter,

delegated authorities, applicable regulations, and recognized corporate governance best practices.

During the year, the Committee supported the Board in overseeing financial reporting, internal controls, risk management, cybersecurity, compliance and internal and external audit matters.

2. Committee Meetings, Attendance, and Access

During the year, the Audit Committee held six (6) meetings. Attendance by Committee members reflects strong engagement and commitment to the Committee’s fiduciary responsibilities.

#	Name	Position	Feb 13, 2025	May 1, 2025	Jun 23, 2025	July 31, 2025	Oct 30, 2025	Dec 3, 2025
1	Khalid D. Al Faddagh ¹	Chairperson	•	•	•	•	•	•
2	Abdulatif S. Al Shami ²	Vice Chairperson	•	•	•	•	•	•
3	Mohammed F. Al Ahmari ²	Member	•	•	•	•	•	•

The President & Chief Executive Officer, the Chief Financial Officer, the General Auditor (who also serves as Committee Secretary), as well as representatives of the External Auditor, are regularly invited to attend the Committee meetings. When required, other members are invited to address specific matters and provide deeper insight on topics relevant to the Committee’s responsibilities.

the Committee, without the presence of Executive Management when deemed appropriate. These sessions provided additional opportunity for open dialogue, independent discussion, and candid feedback.

Following each Audit Committee meeting, the Chairman of the Committee reported in every Board meeting to the Board of Directors key matters discussed, conclusions reached, and recommendations made.

The General Auditor and the External Auditor had direct access to the Chairman of the Audit Committee and met in a private session with

¹ Chairperson.

² Member.

3. Financial Reporting and Financial Performance Oversight

The Committee reviewed and discussed with Management and the External Auditor the Company's quarterly and annual financial statements prior to submission to the Board.

In accordance with the authority delegated by the Board of Directors, the Audit Committee approved the Company's interim financial statements during the year.

The Committee also engaged with Management on the Company's overall financial performance, challenging their key assumptions, drivers, and identified risks in order to enhance transparency and discipline in financial reporting.

4. External Audit

The Committee oversaw all matters related to the External Auditor during the year, including the review of audit scope, audit plan, fees, and key audit matters. Regular engagement with the External Auditor enabled open dialogue and constructive challenge, contributing to the overall audit quality and financial reporting integrity.

The Committee is satisfied that the External Auditor maintained independence and objectivity and performed its duties in accordance with applicable regulations and professional standards.

5. Internal Audit

The Committee maintained oversight of the Internal Audit function, ensuring its independence, effectiveness, and alignment with the Company's strategy and risk profile.

During 2025, Internal Audit achieved several key milestones, including:

- Full execution of the approved Annual Audit Plan with no carry-forward engagements.
- Optimization of the audit universe, completion of a comprehensive risk assessment, and development of a five-year rolling audit plan.
- Expansion of the advisory role through major assessments.
- Completion of a gap assessment against the Global Internal Audit Standards and implementation of actions to support full conformance.
- Advancement of audit digital maturity through automation and data analytics.
- Achievement of a high implementation rate for audit recommendations.

- Client satisfaction levels exceeding established target.

The Committee also reviewed and approved the Internal Audit Plan and budget for the year 2026.

6. Risk Management and Internal Controls

The Committee reviewed updates on the Company's enterprise risk management (ERM) framework and internal control environment.

During the year:

- An ERM maturity assessment was conducted, identifying opportunities for improvement.
- A number of recommended enhancements were implemented, contributing to an advancement in ERM maturity.
- A Risk Management Steering Committee was established to oversee key strategic risks.
- ERM reporting was enhanced through the introduction and integration of a velocity-based risk matrix concept.

In addition, the Company adopted the Saudi Aramco Controller's Group Governance Framework (CGGF), strengthening governance over financial reporting and internal controls and aligning practices with COSO and IFRS principles.

7. Cybersecurity and Information Technology Risk Oversight

Cybersecurity and technology risks continued to receive focused attention from the Committee as part of its oversight of internal controls and risk management.

Key areas of oversight during 2025 included:

- Enhancement of business continuity and resilience capabilities.
- Strengthening of employee onboarding and offboarding processes.
- Execution of cybersecurity awareness initiatives across the Company's operations.

The Committee is satisfied that cybersecurity risks are appropriately governed and monitored.



8. Compliance, Ethics, and Whistleblowing

The Committee oversaw compliance activities and regulatory developments during the year. A key achievement was the approval of several critical policies and procedures, including those relating to insider trading, anti-corruption, privacy and data protection, competition law, international trade, and misconduct reporting and investigation.

The Committee also ensured that effective whistleblowing arrangements remain in place. No instances of fraud were reported during the year.

9. Governance and Other Matters

During the year, the Committee:

- Considered relevant supervisory and regulatory matters.
- Received management assurances regarding internal controls, risk management, and cybersecurity.

The Committee maintained open and constructive dialogue with Management, Internal Audit, and the External Auditor throughout the year.

10. Conclusion

Based on the work performed and information received during 2025, the Audit Committee is satisfied that the Company's:

- Financial reporting processes are sound and transparent.
- Internal control and risk management systems are operating effectively.
- Cybersecurity and technology risks are appropriately mitigated and governed.
- Internal Audit and External Audit functions remain independent, objective, and effective.
- Overall governance maturity continues to strengthen.

Remuneration and Nomination Committee

The Remuneration and Nomination Committee is composed of three members, who were appointed pursuant to a resolution of the Board of Directors on September 7, 2022.



Nabelah M. Al Tunisi
Chairperson,
(Independent,
Non-Executive
Director)



Abdulatif S. Al Shami
Member,
(Independent,
Non-Executive
Director)



Andrew S. Katz
Member,
(Non-Independent,
Non-Executive
Director)

The Remuneration and Nomination Committee’s responsibilities include the following:

Remuneration

- Developing Luberef’s remuneration policy for Board members, Board Committee members and Senior Executives and providing recommendations thereon to the Board for approval by the General Assembly.
- Reviewing the remuneration policy periodically to, among other matters, ensure consistency with any changes in relevant legislation and regulations, Luberef’s strategic objectives, and the skills and qualifications required, as well as recommending proposed changes thereto to the Board.
- Recommending to the Board the remuneration of the members of the Board, Board Committees and Senior Executives in accordance with the approved remuneration policy.

Board of Directors

- Developing a policy and criteria for membership of the Board and recommending the policy to the Board for approval by the General Assembly.

- Recommending to the Board nominees for Board membership according to the approved Board membership policy. Elevating the names of nominees put forward by Saudi Aramco, immediately, for so long as Saudi Aramco remains a shareholder (directly or through an affiliate), except if the nomination materially violates the approved Board membership policy.
- Conducting an annual review of the required skills and expertise for Board membership and updating, if needed, a description of the required capabilities and qualifications.
- Examining the size and composition of the Board and recommending, if deemed appropriate, possible changes.
- Establishing, if not addressed in existing policies or charters, procedures to address vacancies of the Board and Board Committees and making recommendations to the Board thereon.
- Providing recommendations to the Board on performance measures to evaluate the Board’s activities, members, and Board Committees.
- Evaluating the Board and Board Committees against the performance measures, reporting to the Board on the results of the evaluation and, where deemed appropriate by the Committee, proposing improvements in line with Luberef’s interest.

Remuneration and Nomination Committee Meeting Dates and Attendees:

#	Name	Position	Feb 12, 2025	Jun 23, 2025	Dec 3, 2025
1	Nabelah M. Al Tunisi ¹	Independent	•	•	•
2	Abdulatif S. Al Shami ²	Independent	•	•	•
3	Andrew S. Katz ²	Non-Independent	•	•	•

¹ Chairperson.

² Member.

Board Members

- Determining the amount of time that the Board member shall allocate for performing Board duties.
- Verifying, annually, the independence of the independent directors and absence of conflicts of interest in case the member is also a member of the Board of another company; and where such member is a nominee of Saudi Aramco, upon consultation with Saudi Aramco in accordance with the Management Agreement.
- Developing job descriptions of executive, non-executive, and independent directors.
- Recommending to the Board the re-nomination or dismissal of Board and committee members.

Orientation Program for New Board Members

- Recommending to the Board an orientation program for new Board members, addressing, among other items, Luberef’s activity, nature of its business, and its financial and legal aspects.

Senior Executives

- Recommending to the Board appropriate policies and standards for the appointment of senior executives and identifying the required capabilities and skills; and reviewing such policies and standards regularly to ensure their consistency with changes in Luberef’s strategic objectives and the required skills and qualifications to achieve them.
- Developing job descriptions for senior executives, reviewing Luberef’s organizational structure, and making recommendations to the Board on possible changes.
- Developing succession-planning processes for senior executive positions and making recommendations to the Board thereon.
- Conducting an annual review of the skills and expertise required from the Senior Executives.
- Oversight of management’s implementation, compliance with and facilitation of the implementation of the Management Agreement with Saudi Aramco.



Compensation and Other Interests

Remuneration of Directors

Luberef has a policy which aims to ensure that its Directors and Executives are paid in a fair, justified and competitive manner. This approach is integral

to promoting a conducive environment for business performance and our long-term objectives. This policy is aligned with the interests of Luberef and its shareholders, while attracting, retaining, and motivating talent.

Remuneration of Directors (Fixed Remuneration in SAR)

Name	Fixed Amount	Compensation for Board Meeting	Compensation for Committee Meeting	In Kind benefits	Payment for Committee Chairperson	Total
Independent Directors						
Khalid D. Al Faddagh	375,000	375,000	187,500	-	112,500	-
Nabelah M. Al Tunisi	375,000	375,000	187,500	-	56,250	-
Abdulatif S. Al Shami	375,000	375,000	375,000	-	-	-
Subtotal	1,125,000	1,125,000	750,000	-	168,750	-
Non-Executive Directors						
Ibrahim Q. Al Buainain	562,500	-	-	-	-	-
Andrew S. Katz	562,500	-	-	-	-	-
Mohammed F. Al Ahmari	562,500	-	-	-	-	-
Subtotal	1,687,500	-	-	-	-	-
Total	2,812,500	1,125,000	750,000	-	168,750	3,731,250

Remuneration of Directors (Variable Remuneration in SAR)

Name	% of Profit	Periodic Remuneration	Short-term Incentive Plans	Long-term Incentive Plans	Granted Shares (Value)	Total	End-of-service Award	Aggregate Amount	Expense Allowance
Independent Directors									
Khalid D. Al-Faddagh	-	-	-	-	-	-	-	-	16,875
Nabelah M. Al Tunisi	-	-	-	-	-	-	-	-	16,875
Abdulatif S. Al Shami	-	-	-	-	-	-	-	-	-
Subtotal	-	-	-	-	-	-	-	-	33,750
Non-Executive Directors									
Ibrahim Q. Al Buainain	-	-	-	-	-	-	-	-	-
Andrew S. Katz	-	-	-	-	-	-	-	-	-
Mohammed F. Al Ahmari	-	-	-	-	-	-	-	-	-
Subtotal	-	-	-	-	-	-	-	-	-
Total	-	-	-	-	-	-	-	-	33,750

Senior Executives Remuneration for the year 2025

The remuneration of Luberef's Senior Executives for the financial year 2025 compared to 2024 was as follows:

	2025	2024	Change Percentage
Total remuneration paid to the five highest paid executives including CEO and CFO¹	13,374,275	12,239,260	9%

The Company disclosed the Executive Management's remuneration in accordance with Article 90 of the Corporate Governance Regulations and the common disclosure practice in the Saudi Stock Market. The Company seeks to prevent the risks related to the detailed disclosure, guided by the discretionary authority in Article (63) of the RULES ON THE OFFER OF SECURITIES AND CONTINUING OBLIGATIONS issued by the Capital Market Authority.

Shareholding of Directors

#	Name	Number of shares at the beginning of 2025	Number of shares at the end of 2025	Net change
1	Ibrahim Q. Al Buainain	-	-	-
2	Abdulatif S. Al Shami	4,200	5,400	1,200
3	Khalid D. Al Faddagh	15,000	15,000	-
4	Nabelah M. Al Tunisi	-	-	-
5	Mohammed F. Al Ahmari	2,000	2,000	-
6	Andrew S. Katz	-	-	-

Shareholding of Senior Executives

#	Name	Number of shares at the beginning of 2025	Number of shares at the end of 2025	Net change
1	Samer A. Al Hokail	800	2,300	1,500
2	Saud F. Kamakhi	-	-	-
3	Ahmed S. Ghazal	-	-	-
4	Marwan M. Alfudail	-	-	-
5	Abdulmalik A. Al Turki	-	-	-
6	Sary A. Attiea	190	432	242
7	Jalal A. Saad	3,000	4,560	1,560
8	Abdulrahman H. Alaseeri	150	-	(150)
9	Hassan Z. Khan	150	150	-
10	Waleed M. Murad ²	-	-	-
11	Ahmed M. Al Jiffry ³	208	-	(208)
12	Ibrahim Al Faqeeh ⁴	12,150	-	(12,150)

¹ The remuneration of the Senior Executives seconded from Saudi Aramco was calculated based on the amount paid by the Company to Saudi Aramco for the secondment arrangement. The Company does not pay any other remuneration for the seconded Senior Executives.

² Last working date on 28/02/2025.

³ Last working date on 27/03/2025.

⁴ Last working date on 30/06/2025.

Governance, Risk and Compliance

Corporate Governance

Luberef has developed a governance system in accordance with the Corporate Governance Regulations (CGRs) issued by the CMA. The CGRs prescribe the rules and standards for the management of Luberef and ensure that Luberef's governance standards are in line with best practices.

The CGRs also regulate the various relationships between the Board, Senior Executives, shareholders and other stakeholders, by establishing clear rules and procedures to facilitate decision making processes. Their purpose is to protect the rights of shareholders and other stakeholders while promoting the values of credibility, fairness, competitiveness and transparency.

Furthermore, the CGRs ensure that the Board acts in the best interest of the shareholders and consistently provides a clear and fair view of Luberef's financial position and operating results at all times. The provisions of the CGRs are mandatory, except for those provisions referred to as guiding provisions.

In addition to the CGRs issued by the CMA, the Board approved the implementation of Saudi Aramco's Controller's Group Governance Framework (CGGF) in 2025, which establishes controls over financial reporting for major processes across the business. The CGGF is designed in alignment with the globally recognized principles detailed in the Committee of Sponsoring Organizations of the Treadway Commission (COSO) Internal Control – Integrated Framework (ICIF), 2013.

Key Corporate Governance Requirements

The key corporate governance requirements that Luberef complies with are set out in the Corporate Governance Regulations. These cover the following broad areas:

1. General Rights (Articles 4 to 9).
2. Rights relating to General Assembly Meetings (Articles 10 to 15).
3. The Board of Directors: Formation, responsibilities, competencies, procedures, and training (Articles 16 to 39).
4. Conflicts of Interest (Articles 40 to 46).
5. Company Committees (Articles 47 to 69).
6. Internal controls, external auditor, company reports and policies, disclosures and various other matters (Articles 70 to 95).

Corporate Governance Manual and Internal Policies

Luberef's governance system comprises of the following charters and internal policies related to Luberef's governance:

1. Board Audit Committee Charter, which was approved by a resolution of Luberef's General Assembly on 28/03/2024.
2. Remuneration and Nomination Committee Charter, which was approved by a resolution of Luberef's General Assembly on 28/03/2024.
3. Competition Standards, which were approved by a resolution of Luberef's General Assembly on 28/03/2024.
4. Remuneration Policy, which was approved by a resolution of Luberef's General Assembly on 28/03/2024.
5. Board Membership Policy, which was approved by a resolution of Luberef's General Assembly on 05/09/2022.
6. Luberef Code of Conduct, which was approved by a resolution of the Board on 27/02/2024.
7. Disclosure Policy, which was approved by a resolution of the Board on 31/08/2022.
8. Dividend Policy, which was approved by a resolution of the Board on 04/02/2024.
9. Board Procedure, which was approved by a resolution of the Board on 04/02/2024.
10. Conflicts of Interest Policy, which was approved by a resolution of the Board on 31/08/2022.
11. General Assembly Procedures, which were approved by a resolution of the Board on 04/02/2024.
12. Reporting Violations/Whistleblowing Policy, which was approved by a resolution of the Board on 31/08/2022.
13. Stakeholders Management Policy, which was approved by a resolution of the Board 04/02/2024.
14. New Management Guide, approved by a resolution of the Board of Directors on 04/12/2025.
15. New Delegation of Authority (DOA) replacing the existing Limits of Authority (LOA), approved by a resolution of the Board of Directors on 04/12/2025.
16. Sustainability and HSE Committee Charter, approved by a resolution of the Board of Directors on 04/12/2025.
17. Financial Policy, approved by a resolution of the Board of Directors on 04/12/2025.
18. Enterprise Risk Management (ERM) Policy, approved by a resolution of the Board of Directors on 17/09/2022.



Risk Assessment and Management

The Board regularly assesses potential risks that could impact Luberef's business model and future performance. Luberef's risk management framework and risk factors are detailed in the previous section of this Annual Report.

Corporate Governance Compliance

As at the date of this Annual Report, the Board of Directors declare that Luberef is compliant in all material respects with the mandatory provisions of the Corporate Governance Regulations. Furthermore, the Board of Directors declare that Luberef is compliant with the mandatory provisions of the Corporate Governance Regulations in relation to disclosures, notifications, and filings to the CMA, the Saudi Exchange, and/or the public on a continual basis, including, but not limited to:

Article 14(c) which provides that the shareholders shall be allowed through Luberef's website and the Saudi Exchange's website to obtain the information related to the items of the General Assembly agenda, particularly the reports of the Board of Directors and the external auditor, the financial statements and the Audit Committee's report.

Article 15(d) in relation to providing the CMA with a copy of the minutes of the General Assembly meeting.

Article 15(e) which provides that Luberef shall announce to the public and inform the CMA and the Saudi Exchange of the results of a General Assembly meeting immediately following its conclusion.

Article 87 in relation to the items to be covered under the Board report.

Article 88 in relation to publishing the Audit Committee's report on the website of the Saudi Exchange.

Related Party Transactions

Luberef is deeply integrated within the Saudi Aramco system and as part of its normal course of business, Luberef enters into various related party contracts and transactions. These principally include sales and purchases, and the provision and receipt of services. Such transactions are made on specific terms within the relevant regulatory framework in the Kingdom.

There are no transactions in which any of Luberef's Directors or Senior Executives or an immediate family member thereof has a direct or indirect interest or were not entered into on an arm's length basis. For compensation-related transactions with Luberef's Directors and Senior Executives, details are provided separately in this Annual Report. For more information on Luberef's related party transactions, see the Financial Statements – Note 24.

Declarations based on the Corporate Governance Regulations

Board of Directors' Declarations

The Board of Directors confirm the following:

- Accounting records have been properly prepared.
- The internal control system is built on a sound basis and is effectively implemented.
- There are no significant doubts concerning Luberef's ability to continue carrying out its activity.

- No convertible debt instruments, contractual securities, pre-emptive rights, or similar rights were issued or granted by Luberef during the fiscal year 2025.
- Luberef did not make any conversion or subscription under any convertible debt instruments, contractual based securities, warrants, or similar rights issued or granted by Luberef during the fiscal year 2025.
- No member of the Board of Directors or Senior Executive of Luberef has made any waiver of any remuneration.
- No shareholder of Luberef has waived any rights to dividends.

- Luberef did not receive notification of any interests belonging to persons other than Board members and Senior Executives regarding shares eligible to vote, or a change in such rights during the year 2025.
- The annual financial statements of Luberef have been prepared in accordance with the International Financial Reporting Standards (IFRS) and other standards and pronouncements issued by the Saudi Organization for Chartered and Professional Accountants (SOCPA), as endorsed in the Kingdom of Saudi Arabia for financial reporting.
- Luberef had 489,335 treasury shares as of the end of 2025, with a value of ₪ 48.68 million (see the Financial Statements – Note 15.3).
- Luberef presents shareholders' suggestions and comments about the Company's performance annually to the Board of Directors.
- There are no competing businesses for the Company or any of the branches of activity that it practices and which any member of the Board of Directors is practicing or has been practicing.

Luberef applies the provisions of the Corporate Governance Regulations issued by the Capital Market Authority except for the following:

Article/Paragraph No.	Article/Paragraph Text	Reason for Non-Implementation
Article 67: Composition of the Risk Management Committee	Luberef's Board shall, by resolution therefrom, form a committee to be named the "Risk Management Committee."	Guiding article ¹
Article 68: Competencies of the Risk Management Committee	The competencies of the Risk Management Committee shall include the following: (as provided for in Article 68 of the Regulations).	Guiding article ¹
Article 69: Meetings of the Risk Management Committee	The Risk Management Committee shall convene periodically at least once every six months, and as may be necessary.	Guiding Article
Article 92: Formation of a Corporate Governance Committee	If the Board forms a Corporate Governance Committee, it shall assign to it the competences stipulated in Article 92 of these Regulations. Such committee shall oversee any matters relating to the implementation of governance and shall provide the Board with its reports and recommendations at least annually.	Guiding Article

Penalties

During the year ended 2025, the Company did not incur any penalties.

¹ The Board Audit Committee is currently carrying out the competencies of the Risk Committee as provided for in its Charter approved by the General Assembly.

Dividend Policy

Luberef remains committed to creating sustainable shareholder value through a balanced and transparent dividend policy. The Company's approach is designed to provide regular returns to shareholders while ensuring sufficient flexibility to support growth investments, maintain financial resilience, and fund future expansion.

Under the revised policy approved by the Board in February 2024, dividends are based on free cash flow generation, targeting distributions of 60%–80% of annual free cash flows after accounting for capital

expenditure and other financial requirements. Interim dividends may be declared by the Board on a quarterly or semi-annual basis, subject to the necessary General Assembly authorization.

Dividend decisions consider several factors, including profitability, cash position, capital needs, market conditions, and compliance with regulatory and financing requirements. The Board retains discretion to adjust or suspend distributions where prudent to preserve long-term value and financial stability.

Dividends Paid, ₪ Million

Description	2025	2024	2023
Free cash flow	1,073	1,606	2,108
Dividends paid	686	1,447	1,683



Financial Statements





KPMG Professional Services Company
Zahran Business Center
Prince Sultan Street
P. O. Box 55078
Jeddah 21534
Kingdom of Saudi Arabia
Commercial Registration No 4030290792
Headquarters in Riyadh

شركة كي بي إم جي للاستشارات المهنية مساهمة مهنية
مركز زهران للأعمال
شارع الأمير سلطان
ص. ب. 55078
جده 21534
المملكة العربية السعودية
سجل تجاري رقم 4030290792
المركز الرئيسي في الرياض

Independent Auditor's Report

To the Shareholders of Saudi Aramco Base Oil Company – Luberef

Opinion

We have audited the financial statements of Saudi Aramco Base Oil Company – Luberef ("the Company"), which comprise the statement of financial position as at December 31, 2025, the statements of profit or loss and other comprehensive income, changes in equity and cash flows for the year then ended, and notes to the financial statements, comprising material accounting policies and other explanatory information.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at December 31, 2025, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRS) that are endorsed in the Kingdom of Saudi Arabia and other standards and pronouncements issued by the Saudi Organization for Chartered and Professional Accountants (SOCPA).

Basis for Opinion

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

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Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context

of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Revenue recognition

Refer to Notes 3 and 4.19 for the accounting estimate, accounting policy relating to revenue recognition and Note 25 for the related disclosures in the accompanying financial statements.

The key audit matter

During the year ended 31 December 2025, the Company recognised revenue amounting to Saudi Riyals 8,103 million from the sale of base oil, byproducts and freight services to domestic and international customers.

Revenue recognition requires the identification of performance obligations under contracts with customers and the determination of the appropriate timing of revenue recognition in accordance with International Financial Reporting Standard 15 Revenue from Contracts with Customers ("IFRS 15"). Revenue from the sale of goods is recognised at a point in time when control of the goods is transferred to customers, while revenue from freight services is recognised over time as the related shipping services are rendered.

Revenue recognition also requires an assessment of whether the Company acts as a principal or an agent in certain customer arrangements, which affects whether revenue is recognised on a gross or net basis.

Revenue is a key performance indicator for the Company and, due to the significance of revenue, the volume of transactions and the complexity of revenue recognition, there is an inherent risk of material misstatement. Accordingly, revenue recognition was considered a key audit matter.

How the matter was addressed in our audit

We performed the following audit procedures to address the key audit matter:

- Evaluated the appropriateness of accounting policies for revenue recognition against requirements of relevant accounting standards;
- Evaluated the design and implementation of the Company's key controls over revenue recognition;
- Examined contractual terms by inspecting relevant documentation and agreements with customers on a sample basis to confirm the appropriateness of identification of performance obligations and whether the Company acted as a principal or an agent;
- Tested a sample of sales transactions recorded during the year and inspected the supporting documentation to assess the adequacy of timing of revenue recognition;
- Performed cut-off testing on a sample of sales transactions before and after year-end to ensure revenue recognition in the correct accounting period; and
- Assessed the adequacy of the relevant disclosures in accordance with the requirements of applicable financial reporting framework included in the financial statements.

Other Matter Relating to Comparative Information

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

Other Information

Management is responsible for the other information. The other information comprises the information included in the annual report, but does not include the financial statements and our auditor's report thereon.

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

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with

the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed,

we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

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

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

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

as fraud may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, then we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit of Saudi Aramco Base Oil Company – Luberef ("the Company").

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and

communicate with them all relationships and other matters that may reasonably be thought to bear on our independence and where applicable, actions taken to eliminate threats or safeguards applied.

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

KPMG Professional Services Company



Abdullah Oudah Althagafi

License No. 455

Jeddah, February 15, 2026

Corresponding to Shaban 27, 1447H





Statement Of Financial Position


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

	Notes	As at December 31, 2025	As at December 31, 2024
Assets			
Non-current assets			
Property, plant and equipment	5	4,917,823	4,717,668
Right-of-use assets	6	143,535	149,549
Intangible assets	7	26,567	17,212
Loans to employees	9	14,869	18,708
Total non-current assets		5,102,794	4,903,137
Current assets			
Inventories	10	643,757	670,894
Trade receivables	11	415,563	961,113
Prepayments and other assets	12	71,139	16,628
Short-term deposits	13	385,763	452,304
Cash and cash equivalents	14	987,383	735,171
Total current assets		2,503,605	2,836,110
Total assets		7,606,399	7,739,247
Equity And Liabilities			
Equity			
Share capital	15	1,687,500	1,687,500
Statutory reserve	16	-	506,250
Treasury shares	15	(48,682)	(49,238)
Retained earnings		2,943,628	2,252,947
Total equity		4,582,446	4,397,459
Liabilities			
Non-current liabilities			
Borrowings, non-current portion	18	651,304	785,054
Lease liabilities, non-current portion	6	133,831	149,868
Employee benefit obligations	19	349,599	345,266
Provision for decommissioning obligation	21	47,059	46,078
Other non-current liabilities	20	505	4,771
Total non-current liabilities		1,182,298	1,331,037
Current liabilities			
Trade and other payables	22	1,414,269	1,568,543
Accrued expenses and other liabilities	23	238,806	274,485
Borrowings, current portion	18	133,867	116,455
Lease liabilities, current portion	6	30,061	19,448
Zakat and income tax payable	31	24,652	31,820
Total current liabilities		1,841,655	2,010,751
Total liabilities		3,023,953	3,341,788
Total equity and liabilities		7,606,399	7,739,247

The accompanying notes from 1 to 36 form an integral part of these financial statements.


Ibrahim Qassim Al-Buainain
 Chairman of the Board


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


Saud Fouad Kamakhi
 Chief Financial Officer

Statement of Profit or Loss and Other Comprehensive Income


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

	Notes	Year ended December 31, 2025	Year ended December 31, 2024
Revenue	25	8,103,355	10,035,854
Cost of revenue	26	(6,924,583)	(8,700,229)
Gross profit		1,178,772	1,335,625
Selling and distribution expenses	27	(36,285)	(64,210)
General and administrative expenses	28	(252,903)	(281,252)
Impairment reversal / (loss) on financial assets	11	1,409	(1,500)
Other (expenses) / income		(561)	11,982
Operating profit		890,432	1,000,645
Finance income	29	46,649	79,942
Finance cost	30	(63,146)	(92,174)
Profit before Zakat and income tax		873,935	988,413
Zakat and income tax	31	(18,620)	(16,385)
Profit for the year		855,315	972,028
Other comprehensive income:			
<i>Items that will not be reclassified to profit or loss:</i>			
Re-measurement gain on employee benefit obligations	19	15,602	3,631
Total comprehensive income for the year		870,917	975,659
Basic and diluted earnings per share	17	5.08	5.78

The accompanying notes from 1 to 36 form an integral part of these financial statements.



Ibrahim Qassim Al-Buainain
 Chairman of the Board



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



Saud Fouad Kamakhi
 Chief Financial Officer

Statement Of Changes in Equity

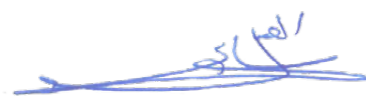
(All amounts in Saudi Riyals thousands, unless otherwise stated)

	Share capital	Statutory reserve	Treasury shares	Retained earnings	Total equity
Balance as at January 1, 2024	1,687,500	506,250	(49,238)	2,724,281	4,868,793
Profit for the year	-	-	-	972,028	972,028
Other comprehensive income for the year	-	-	-	3,631	3,631
Total comprehensive income for the year	-	-	-	975,659	975,659
Transactions with owners:					
Dividends (Note 15)	-	-	-	(1,446,993)	(1,446,993)
Balance as at December 31, 2024	1,687,500	506,250	(49,238)	2,252,947	4,397,459
Balance as at January 1, 2025	1,687,500	506,250	(49,238)	2,252,947	4,397,459
Profit for the year	-	-	-	855,315	855,315
Other comprehensive income for the year	-	-	-	15,602	15,602
Total comprehensive income for the year	-	-	-	870,917	870,917
Transfer (Note 16)	-	(506,250)	-	506,250	-
Treasury shares issued to employees (Note 15)	-	-	556	-	556
Transactions with owners:					
Dividends (Note 15)	-	-	-	(686,486)	(686,486)
Balance as at December 31, 2025	1,687,500	-	(48,682)	2,943,628	4,582,446

The accompanying notes from 1 to 36 form an integral part of these financial statements.



Ibrahim Qassim Al-Buainain
Chairman of the Board



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



Saud Fouad Kamakhi
Chief Financial Officer

Statement of cash flows

	Notes	Year ended December 31, 2025	Year ended December 31, 2024
Cash flows from operating activities:			
Profit before Zakat and income tax		873,935	988,413
Adjustments for:			
Depreciation of property, plant and equipment	5	228,938	249,446
Depreciation of right-of-use assets	6	22,906	17,549
Amortisation of intangible assets	7	5,786	4,328
Finance income	29	(46,649)	(79,942)
Non-cash employee expenses		1,631	1,937
Finance cost	30	63,146	92,174
Provision for employee benefits obligations	19	37,501	33,745
Insurance claim compensation	10	-	(10,131)
Loss on disposals of property and equipment		82	112
Impairment (reversal) / loss on financial assets	11	(1,409)	1,500
Write-off of trade receivables		-	1,518
Allowance / (reversal) for inventory obsolescence	10	633	(2,940)
Changes in:			
Inventories		26,504	(44,989)
Trade receivables		546,959	89,699
Prepayments and other assets		(54,232)	9,125
Trade and other payables		(154,274)	394,379
Accrued expenses and other liabilities		(34,076)	47,453
Cash generated from operations		1,517,381	1,793,376
Finance income received		43,500	93,019
Employee benefit obligations paid		(17,566)	(14,027)
Zakat and income tax paid	31	(25,788)	(63,892)
Net cash generated from operating activities		1,517,527	1,808,476
Cash flows from investing activities:			
Purchase of property, plant and equipment	5	(429,287)	(196,595)
Proceeds from disposal of property and equipment		112	-
Purchase of intangible assets	7	(15,141)	(6,221)
Investment in short-term deposits		(706,168)	(880,298)
Withdrawals from short-term deposits		773,233	2,049,899
Insurance claim compensation received		-	10,131
Collection against employees' loans		4,903	3,836
Disbursement of employees' loans		(5,661)	(4,201)
Net cash (used in) / generated from investing activities		(378,009)	976,551

	Notes	Year ended December 31, 2025	Year ended December 31, 2024
Cash flows from financing activities:			
Repayment of borrowings		(116,304)	(1,039,266)
Dividends paid	15	(686,486)	(1,446,993)
Repayment of principal portion of lease liabilities	6	(22,316)	(16,954)
Finance costs paid on lease liabilities	6	(9,063)	(7,155)
Finance cost paid		(53,137)	(85,448)
Net cash used in financing activities		(887,306)	(2,595,816)
Net increase in cash and cash equivalents		252,212	189,211
Cash and cash equivalents at the beginning of the year		735,171	545,960
Cash and cash equivalents at the end of the year	14	987,383	735,171

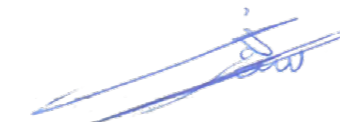
The accompanying notes from 1 to 36 form an integral part of these financial statements.



Ibrahim Qassim Al-Buainain
Chairman of the Board



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



Saud Fouad Kamakhi
Chief Financial Officer

Notes to the Financial Statements

For the year ended December 31, 2025

1. General Information

Saudi Aramco Base Oil Company – Luberef (the “Company”) is a Saudi Joint Stock Company registered in the Kingdom of Saudi Arabia. The Company commenced its operations in Jeddah in 1978 and in Yanbu in 1998. The purpose of the Company is to construct, own and operate refineries of base oils and to purchase, sell, transport, market, import and export base oils, additives, base oil blending stocks, byproducts and other related petroleum products.

The Company is registered under Commercial Registration (“CR”) number 4030010447 having unified number 7000875133 issued in Jeddah on Ramadan 3, 1396H (corresponding to August 29, 1976). The Company was converted from a limited liability company to a closed joint stock company pursuant to resolution number 1173 dated Muharram 20, 1444H (corresponding to August 18, 2022) issued by the Ministry of Commerce. On December 28, 2022, the Company completed its Initial Public Offering, and its ordinary shares were listed on the Saudi Stock Exchange (“Tadawul”).

The financial statements include the financial information of the Company’s head office in Jeddah, its branch in Yanbu and its operations in Hamriyah Free Zone Authority, United Arab Emirates (UAE). The CR number of Yanbu branch is 4700004941. The license certificate number 11857 for operations in Hamriyah was issued with a status of Free Zone Establishment Company (the “Establishment”) by the Government of Sharjah (UAE), on Rabi-ul-Awal 26, 1435H (corresponding to January 27, 2014). The Company has treated the Free Zone Establishment as a branch in these financial statements as it owns 100% paid up capital of the Establishment.

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

2. Basis Of Preparation

2.1 Statement of compliance

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

These financial statements are presented in thousands of Saudi Riyal, which is the Company’s functional and presentation currency. These financial statements have been rounded off to the nearest Saudi Riyal thousands, unless otherwise stated.

2.2 Basis of measurement

These financial statements have been prepared on a historical cost basis, except for the following:

- The employee benefit obligations which is recognised at the present value of future obligations using the Projected Unit Credit Method; and
- Lease liabilities which are recognised at the present value of future lease payments.

2.3 New standards, interpretations and amendments

Standards, interpretations and amendments adopted

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

Standard / Interpretation	Description	Effective date
IAS 21	Lack of Exchangeability (Amendments to IAS 21)	January 1, 2025

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

Standards, interpretations and amendments issued but not yet effective

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

Standard / Interpretation	Description	Effective from periods beginning on or after the following date
IFRS 9 and IFRS 7	Classification and Measurement of Financial Instruments – Amendments to IFRS 9 Financial Instruments and IFRS 7 Financial Instruments: Disclosures	January 1, 2026
Annual Improvements to IFRS Accounting Standards	Annual Improvements to IFRS Accounting Standards – Amendments to: <ul style="list-style-type: none"> • IFRS 1 First-time Adoption of International Financial Reporting Standards; • IFRS 7 Financial Instruments: Disclosures and its accompanying Guidance on implementing IFRS 7; • IFRS 9 Financial Instruments; • IFRS 10 Consolidated Financial Statements; and • IAS 7 Statement of Cash flows 	January 1, 2026
Amendments to IFRS 9 and IFRS 7	Contracts Referencing Nature-dependent Electricity	January 1, 2026
IFRS 18	Presentation and Disclosure in Financial Statements	January 1, 2027
IFRS 19	Subsidiaries without Public Accountability: Disclosures	January 1, 2027
IAS 21	The effects of changes in foreign exchange rates	January 1, 2027
IFRS 10 and IAS 28	Sale or contribution of assets between an Investor and its Associate or Joint Venture – Amendments to IFRS 10 and IAS 28	To be determined

Management is in the process of assessing the impact, if any, these pronouncements may have in future reporting periods.

3. Critical Accounting Estimates and Judgments

The preparation of these financial statements requires management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities and accompanying disclosures of contingent liabilities, at the reporting date. However, uncertainty about these assumptions and estimates could result in outcomes that could require a material adjustment to the carrying amount of the asset or liability affected in the future period.

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Company based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Company. Such changes are reflected in the assumptions when they occur.

Useful life of property, plant and equipment

The Company's management determines the estimated useful life of its property, plant and equipment for calculating depreciation based on the experience with similar assets. The future economic benefits embodied in the assets are consumed principally through use. However, other factors, such as technical or commercial obsolescence and wear and tear, often result in the diminution of the economic benefits embodied in the assets. Management assesses the remaining useful lives in accordance with the current technical conditions of the assets and the estimated period during which the assets are expected to earn benefits for the Company as well as the duration of lease periods. The following primary factors are considered: (a) the expected usage of the assets; (b) the expected physical wear and tear, which depends on operational factors and maintenance plan; and (c) the technical or commercial obsolescence arising from changes in market conditions.

The management periodically reviews the estimated useful lives, residual values and the depreciation method to ensure that depreciation is consistent with the expected pattern of economic benefit of the assets. The Company's assets, classified within property, plant and equipment, are depreciated on a straight-line basis over their economic useful lives.

Provision for inventory obsolescence

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

Employee benefit obligations

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

The parameter most subject to change is the discount rate. With respect to determining the appropriate discount rate, yield and duration of high-quality bonds obligation, as designated by an internationally acknowledged rating agency, are extrapolated as needed along the yield curve to correspond with the expected term of the defined benefit obligation. See Note 19 for further details.

Expected Credit Loss (ECL) measurement on financial assets

Measurement of ECL is a significant estimate that involves determination methodology, models and data inputs. The Company uses supportable forward-looking information for measurement of ECL. Details of ECL measurement methodology are disclosed in Note 32.2. The components that have a major impact on credit loss allowance are probability of default ("PD") and loss given default ("LGD"), as well as models of macro-economic scenarios. The Company regularly reviews and validates the models and inputs of the models to reduce any differences between expected credit loss estimates and actual credit loss experience.

Decommissioning obligation

The Company's operational activities are subject to various laws and regulations. The Company estimates decommissioning obligations based on management's understanding of the current legal requirements in the Kingdom of Saudi Arabia, terms of the lease agreements and engineering estimates. A provision is made for decommissioning as soon as the obligation arises. Actual costs incurred in future years could differ materially from the amounts provided. Additionally, future changes to laws and regulations and life of assets estimates could affect the carrying amount of this provision.

Right-of-use assets and lease liabilities

In case of lease contracts where extension options are also available to the Company, judgement is applied in evaluating whether it is reasonably certain to exercise the option.

The Company reassesses whether it is reasonably certain to exercise the extension options, upon the occurrence of either a significant event or significant change in circumstances that are within the control of the Company.

Revenue recognition

The Company has agreements with Saudi Aramco to purchase feedstock for the Company's Jeddah and Yanbu refineries and to supply certain byproducts back to Saudi Aramco after the feedstock has been processed and base oil extracted for sale to its other customers (see Note 25). The Company accounts for these transactions separately as purchases of feedstock from, and sales of byproducts to, Saudi Aramco, instead of provision of processing services. This is on the basis of the Company's ability to control, obtaining substantial economic benefits and decision making relating to feedstock used and mix of the products produced which are substantially different from the feedstock purchased.

4. Material accounting policies

The Company has consistently applied the following material accounting policies to all periods presented in these financial statements, except if mentioned otherwise.

4.1 Foreign currencies

The financial statements include the financial statements of the Company's branch in Hamriyah Free Zone Authority, United Arab Emirates (UAE). The reporting period of the Company's branch is same as that of the Company i.e. December 31. The Company's branch transactions are principally in United Arab Emirates Dirhams and United States Dollars.

4.2 Current vs non-current classification

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

- Expected to be realised or intended to be sold or consumed in normal operating cycle.
- Held primarily for the purpose of trading.
- Expected to be realised within twelve months after the reporting period; or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

The Company classifies all other assets as non-current. A liability is current when:

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

The Company classifies all other liabilities as non-current.

4.3 Property, plant and equipment

Initial recognition

Property, plant and equipment is recognised as an asset when, and only when, it is probable that the future economic benefits that are associated with the property, plant and equipment will flow to the Company, and the cost of the asset can be measured reliably. Property, plant and equipment is recognised and measured initially at cost. Cost includes the fair value of the consideration given to acquire the asset (net of discounts and rebates) and any directly attributable cost, such as site preparation cost, delivery, installation costs, relevant professional fees and the estimated cost of dismantling and removing the asset and restoring the site (to the extent that such cost is recognised as a provision).

When parts of property, plant and equipment are significant in cost in comparison to the total cost of the item and such parts have a useful life different from other parts, the Company recognises such parts as individual assets and depreciates them accordingly.

Major spare parts qualify for recognition as property, plant and equipment when the Company expects to use them during more than one year. Transfers are made to relevant operating assets category as and when such items are available for use.

Planned turnaround costs are deferred and depreciated over the period until the date of the next planned turnaround. Should an unexpected turnaround occur prior to the previously envisaged date of planned turnaround, the previously undepreciated deferred costs are immediately expensed, and the new turnaround costs are depreciated over the period likely to benefit from such costs.

Subsequent measurement

The Company adopts the cost model to measure the entire class of property, plant and equipment. After

Depreciation is calculated on a straight-line basis over the below useful lives and is recognised in the statement of profit or loss and other comprehensive income:

Category	Useful life-years
Manufacturing plants	10 - 50
Building and leasehold improvements	20 - 30
Furniture and fixtures	4 - 10
Other machinery and equipment	2 - 15
Motor vehicles	4

The Company has a policy to depreciate refinery turnaround costs up to five years.

De-recognition

An item of property, plant and equipment is derecognised when it has been disposed, or no future economic benefits are expected to arise from its use or disposal. Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in the statement of profit or loss and other comprehensive income at the time the item is derecognised.

Capital work-in-progress (CWIP)

Assets in the course of construction or development are capitalised in the CWIP within property, plant and equipment. The asset under construction or development is transferred to the appropriate category in property, plant and equipment,

recognition as an asset, an item of property, plant and equipment is carried at its cost less any accumulated depreciation and impairment losses, if any.

Subsequent expenditure

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably.

Depreciation

Useful lives are determined by management based on the expected usage of the asset, expected physical wear and tear, technical and commercial obsolescence, legal and similar limits on the use of the assets and other similar factors. The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period. An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

once the asset is in a location and / or condition necessary for it to be capable of operating in the manner intended by management.

The cost of an item of CWIP comprises its purchase price, construction / development cost and any other cost directly attributable to the construction or acquisition of an item intended by management.

CWIP is measured at cost less any recognised impairment. CWIP is not depreciated. Depreciation only commences when the assets are capable of operating in the manner intended by management, at which point they are transferred to the appropriate asset category.

Borrowing costs

Borrowing costs directly attributable to the acquisition and or construction of property, plant and equipment that necessarily take a substantial period of time to prepare for their intended use and a proportionate share of general borrowings are capitalised to the cost of those property, plant and equipment. All other borrowing costs are expensed as incurred and recognised in finance costs.

4.4 Leases

Leases are recognised as a right-of-use asset and a corresponding liability at the date at which the leased asset is available for use by the Company.

Assets and liabilities arising from a lease are initially measured at their present value. Lease liabilities include the net present value of the following lease payments:

- fixed payments (including in-substance fixed payments), less any lease incentives receivable.
- amounts expected to be payable by the lessee under residual value guarantees.
- the exercise price of a purchase option if the lessee is reasonably certain to exercise that option; and
- payments of penalties for terminating the lease, if the lease term reflects the lessee exercising that option.

The lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be determined, the lessee's incremental borrowing rate is used, being the rate that the lessee would have to pay to borrow the funds necessary to obtain an asset of similar value in a similar economic environment with similar terms and conditions.

Right-of-use assets are measured at cost comprising the following:

- the amount of the initial measurement of lease liability.
- any lease payments made at or before the commencement date less any lease incentives received.
- any initial direct costs; and restoration costs.

Payments associated with short-term leases of equipment and vehicles and all leases of low-value assets are recognised on a straight-line basis as an expense in profit or loss. Short-term leases are leases with a lease term of 12 months or less.

In determining the lease term, management considers all facts and circumstances that create an economic incentive to exercise an extension

option or not exercise a termination option. Extension options (or periods after termination options) are only included in the lease term if the lease is reasonably certain to be extended (or not terminated).

Depreciation of right-of-use assets

Right-of-use assets are generally depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis.

Subsequent measurement

Right-of-use assets

The Company adopts the cost model to measure right of use assets. After recognition as an asset, right-of-use assets are carried at the initial recognition amounts less any accumulated depreciation and impairment losses, if any.

Lease liabilities

The lease liability is measured as follows:

- Increasing the carrying amount to reflect interest on the lease liability.
- Reducing the carrying amount to reflect the lease payments made; and
- Reassessing the carrying amount to reflect any reassessment or lease modifications, or to reflect revised in-substance fixed lease payments.

Where the Company is exposed to potential future increases in variable lease payments based on an index or rate, these are not included in the lease liability until they take effect. When adjustments to lease payments based on an index or rate take effect, the lease liability is reassessed and adjusted against the right-of-use asset.

Lease payments are allocated between principal and finance cost. The finance cost is charged to profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of liability for each period.

4.5 Intangible assets

Intangible assets, consisting of computer software and licenses, are recorded at cost, net of accumulated amortisation and impairment losses, if any. Intangible assets are amortised on a straight-line basis over 3 to 15 years.

4.6 Impairment of non-financial assets

Assets that have an indefinite useful life are not subject to depreciation / amortisation and are instead tested annually for impairment. Assets subject to depreciation / amortisation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less cost of disposal and value in use. For the purpose of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or group of assets (cash generating unit).

Non-financial assets that have been fully or partially impaired are reviewed for possible reversal of all or part of the impairment loss at the end of each reporting period. The amount of any reversal is restricted to the carrying value of the relevant assets if the original impairment had not occurred (i.e., after taking into normal depreciation had no impairment occurred).

The impairment loss is allocated to reduce the carrying amount of the assets of the cash generating unit (group of units) in pro rata on the basis of the carrying amount of each asset in the unit (group of units). These reductions in carrying amounts shall be treated as impairment losses on individual assets and recognised.

4.7 Trade receivables

Trade receivables are amounts due from customers for goods sold and services rendered in the ordinary course of business. Trade receivables are recognised initially at the amount of consideration that is unconditional unless arrangements contain significant financing components, when they are recognised at fair value. The Company holds the trade receivables with the objective to collect the contractual cash flows and therefore measures them subsequently at amortised cost. Refer Note 32.2 for a description of the Company's impairment policies.

4.8 Inventories

Inventories are stated at the lower of cost and net realizable value. Cost comprises direct materials, direct labor and an appropriate proportion of variable and fixed overhead expenditure, the latter being allocated on the basis of normal operating capacity. Costs are assigned to individual items of inventory on the basis of weighted average

costs. Costs of purchased inventory are determined after deducting rebates and discounts. Net realizable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

The amount of any write-down of inventories to net realisable value and all losses of inventories shall be recognised as an expense in the period the write-down or loss occurs. The amount of any reversal of any write-down of inventories, arising from an increase in net realisable value, shall be recognised as a reduction in the number of inventories recognised as an expense in the period in which the reversal occurs.

4.9 Financial instruments

Classification of financial assets

The Company classifies its financial assets under the following categories:

- Fair value through profit or loss (FVTPL); and
- Amortised cost.

These classifications are on the basis of business model of the Company for managing the financial assets, and contractual cash flow characteristics.

The Company measures financial asset at amortised cost when it is within the business model to hold assets in order to collect contractual cash flows, and contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

For assets measured at fair value, gains and losses will be recorded in statement of profit or loss and other comprehensive income.

Initial measurement

At initial recognition, financial assets or financial liabilities are measured at their fair value. Transaction costs of financial assets carried at fair value through profit or loss are expensed in the statement of profit or loss and other comprehensive income. In the case of financial assets or financial liabilities not at fair value through profit or loss, its fair value plus or minus transaction costs that are directly attributable to the acquisition or issue of the financial asset or financial liability is the initial recognition amount.

Classification of financial liabilities

The Company designates a financial liability at fair value through profit or loss if doing so eliminates or significantly reduces measurement or recognition inconsistency or where a group of financial liabilities is managed and its performance is evaluated on a fair value basis.

All other financial liabilities are subsequently measured at amortised cost using the effective interest rate method.

Offsetting financial assets and liabilities

Financial assets and liabilities are offset so that the net amount reported in the statement of financial position where the Company currently has a legally enforceable right to offset the recognised amounts, and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously.

Reclassifications

Financial assets are reclassified when the Company changes its business model for managing financial assets. For example, when there is a change in management's intention to hold the asset for a short-term or long-term. Financial liabilities are not reclassified.

Subsequent measurement

Subsequent measurement of financial assets is as follows:

Debt instruments

Amortised cost: Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. Interest income from these financial assets is included in finance income using the effective interest rate method. Any gain or loss arising on derecognition is recognised directly in the statement of profit or loss and other comprehensive income and presented in other income / (expenses). Impairment losses are presented as separate line item in the statement of profit or loss and other comprehensive income.

FVTPL: Assets that do not meet the criteria for amortised cost or FVOCI are measured at FVTPL. A gain or loss on a debt investment that is subsequently measured at FVTPL is recognised in the statement of profit or loss and other comprehensive income and presented as fair value gain / (loss) on financial instruments measured at fair value through profit or loss in the statement

of profit or loss and other comprehensive income in the period in which it arises.

De-recognition

The Company derecognises a financial asset when, and only when the contractual rights to the cash flows from financial asset expire, or it transfers substantially all the risks and rewards of ownership of the financial asset.

Financial liabilities are derecognised when the obligations specified in the contract are discharged, cancelled or expires. A substantial change in the terms of a debt instrument is considered as an extinguishment of the original liability and the recognition of a new financial liability.

The Company accounts for substantial modification of terms of an existing liability or part of it as an extinguishment of the original financial liability and the recognition of a new liability. It is assumed that the terms are substantially different if the discounted present value of the cash flows under the new terms, including any fees paid net of any fees received and discounted using the original effective rate is at least 10 per cent different from the discounted present value of the remaining cash flows of the original financial liability. If the modification is not substantial, the difference between: (1) the carrying amount of the liability before the modification; and (2) the present value of the cash flows after modification is recognised in profit or loss as the modification gain or loss within other income and expenses.

Credit-impaired financial assets

A financial asset is credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of that financial asset have occurred. Evidence that a financial asset is credit-impaired includes observable data about the following events:

- (a) significant financial difficulty of the issuer or the borrower.
- (b) a breach of contract, such as a default or past due event (see (ii) above);
- (c) the lender(s) of the borrower, for economic or contractual reasons relating to the borrower's financial difficulty, having granted to the borrower a concession(s) that the lender(s) would not otherwise consider.
- (d) it is becoming probable that the borrower will enter bankruptcy or other financial reorganisation; or
- (e) the disappearance of an active market for that financial asset because of financial difficulties.

Impairment of financial assets

The Company assesses the expected credit losses associated with its financial assets carried at amortised cost using expected credit losses model. For trade receivables, the Company applies the simplified approach permitted by IFRS 9, which requires expected lifetime losses to be recognised from initial recognition of the receivables. See Note 32.2 for further details.

Derivative financial instruments

Derivative financial instruments, including interest rate swaps are carried at their fair value. All derivative instruments are carried as assets when fair value is positive and as liabilities when fair value is negative. Changes in the fair value of derivative instruments are included in profit or loss for the year. The Company does not apply hedge accounting.

4.10 Short-term deposits

Short-term deposits include placements with banks and other short-term highly liquid Islamic investments with original maturities of more than three-month but not more than twelve months from the purchase date.

4.11 Cash and cash equivalents

For the purposes of the statement of cash flows, cash and cash equivalents include cash in hand, bank balances and Murabaha deposits as Islamic / shariah compliant instrument with original maturities of three months or less, if any.

4.12 Share capital

Ordinary shares are classified as equity. Transaction costs directly attributable to the issue of new shares are shown in equity as a deduction from the proceeds.

Treasury shares are recognised as a deduction from equity at the amount of consideration paid by the Company for their acquisition, including any directly attributable transaction costs incurred.

4.13 Dividends distribution

Dividend distribution to Company's shareholders is recognised as a liability in the Company's financial statements in the period in which the dividends are approved by Company's shareholders.

4.14 Borrowings

Borrowings are initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in the statement of profit or loss and other comprehensive income over the period of the borrowings using the effective interest method.

Borrowings are removed from the statement of financial position when the obligation specified in the contract is discharged, cancelled or expired. The difference between the carrying amount of a financial liability that has been extinguished or transferred to another party and the consideration paid, including any noncash assets transferred or liabilities assumed, is recognised in statement of profit or loss and other comprehensive income as other income or finance costs.

Borrowings are classified as current liabilities unless the Company has a right to defer settlement of the liability for at least 12 months after the reporting period.

4.15 Employee benefits

Short-term employee benefits

Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided.

Employees' thrift plan

The Company operates a thrift plan to encourage its employees to make savings in a manner that will warrant an increase in their income and contribute to securing their future according to the established plan. The saving contributions from the participants are deposited in a separate bank account other than the Company's normal operating bank accounts, which is not restricted and the Company management can access those without any conditions.

Post-employment obligation

The Company operates post-employment benefit scheme of defined benefit plan driven by the Labor Law of the Kingdom of Saudi Arabia after the retirement of employee. End of service payments are based on employees' final salaries and allowances and their cumulative years of service. The Company also provides full medical coverage to Saudi employees and their spouses provided they have completed minimum 25 years of service with

the Company and their age is minimum 55 years or the employee reaches the age of 60 years.

The post-employment benefits plans are not funded. Accordingly, valuations of the obligations under those plans are carried out by an independent actuary based on the projected unit credit method. The costs relating to such plans primarily consist of the present value of the benefits attributed on an equal basis to each year of service and the interest on this obligation in respect of employee service in previous years.

Current and past service costs related to post-employment benefits are recognised immediately in the statement of the profit or loss and other comprehensive income while unwinding of the liability at discount rates used are recorded as interest cost. Any changes in net liability due to actuarial valuations and changes in assumptions are taken as re-measurement in the other comprehensive income.

Re-measurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognised in the period in which they occur, directly in other comprehensive income and transferred to retained earnings in the period in which they occur.

Changes in the present value of the defined benefit obligation resulting from plan amendments or curtailments are also recognised immediately in the statement of profit or loss and other comprehensive income as past service costs.

4.16 Provisions

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Provisions are not recognised for future operating losses.

Provisions are measured at the present value of management's best estimate of the expenditure required to settle the obligation at the end of the reporting period. The discount rate used to determine the present value is a pre-zakat and tax rate that reflects current market assessments of the time value of money and the risks specific to liability. The increase in the provision due to the passage of time is recognised as interest expense. The expense relating to a provision is presented in the statement of profit or loss and other comprehensive income, net of reimbursements.

Decommissioning cost

Provision for decommissioning obligation is recognised when the Company has a liability for restoration work or land rehabilitation. The extent of decommissioning required, and the associated costs are dependent on the requirements of current laws and regulations.

Costs included in the provision include all decommissioning obligations expected to occur over the life of the asset. The provision for decommissioning is discounted to its present value and capitalized as part of the asset under property, plant and equipment and then depreciated as an expense over the expected life of that asset.

Adjustments to the estimated amount and timing of future decommissioning cash flows are a normal occurrence in light of the significant judgments and estimates involved. Such adjustments are recorded as an increase in liability and a corresponding increase in the related asset. Factors influencing those adjustments include:

- developments in technology.
- regulatory requirements and environmental management strategies.
- changes in the estimated extent and costs of anticipated activities, including the effects of inflation; and
- changes in economic sustainability.

4.17 Trade payables

Trade payables are obligations to pay for goods and services that have been acquired in the ordinary course of business from suppliers. Trade payables are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade payables are recognised initially at fair value and subsequently measured at amortised cost using effective interest rate.

4.18 Zakat and income tax

The Company is subject to Zakat and income tax in accordance with the regulations of the Zakat, Tax and Customs Authority (the "ZATCA") however subsequent to the listing on Tadawul, the Company is subject to zakat only. Provision for zakat is accrued and charged to the statement of profit or loss and other comprehensive income. Additional amounts payable, if any, at the finalisation of final assessments are accounted for when such amounts are determined.

The Company withholds taxes on certain transactions with non-resident parties in the Kingdom of Saudi Arabia as required under Saudi Arabian Income Tax Law.

4.19 Revenue recognition

Sales of goods

Revenue is recognised upon the satisfaction of performance obligations, which occurs when control transfers to the customer under contracts for sale of goods. Control of the products is determined to be transferred to the customer when the title of base oil and / or byproducts passes to the customer, which typically takes place when product is physically transferred into a vessel, pipe or other delivery mechanism. The Company recognises revenue at a point in time when control of the goods is transferred to the customer, generally on delivery of the goods.

Freight services

Revenue from freight is recognized over a period of time, when the services are rendered.

The Company reviews the principal vs agent assessment for different performance obligations agreed as part of contracts with customers.

The transaction price is the amount of consideration to which the Company expects to be entitled after deducting value added taxes, excise duties and similar levies. The transaction price is allocated to the performance obligations in the contract based on standalone selling prices of the goods or services promised.

4.20 Expenses

Cost of revenue

Production costs and direct manufacturing expenses are classified as cost of revenue. This includes raw material, direct labor and other attributable overhead costs and freight costs incurred for freight services.

Selling and distribution expenses

Selling and marketing expenses are those arising from the Company's efforts underlying the marketing, selling and distribution functions.

General and administrative expenses

General and administrative expenses pertain to operation expenses which are not directly related to the production of any goods. These also include allocations of general overheads which are not specifically attributed to cost of revenue or selling and distribution expenses.

Allocation of overheads among cost of revenue, selling and distribution expenses, and general and administrative expenses, where required, is made on a consistent basis.

4.21 Finance income

Finance income is measured using the effective interest rate, which is the rate that exactly discounts the estimated future cash receipts through the expected life of the financial asset or a shorter period, where appropriate, to the net carrying amount of the financial asset.

4.22 Finance cost

Finance cost is recognised for the interest due to the lender of all financial liabilities measured at amortised cost, using the effective interest rate. The effective interest rate is the rate that discounts the estimated future cash payments or receipts over the expected life of the financial instrument or a shorter period, where appropriate, to the net carrying amount of the financial liability. Additionally, the finance cost also includes time value of money for all the lease liabilities recognised. Finance cost is also recognised due to passage of time whenever a provision or liability has been discounted to its present value.

4.23 Earnings per share

Basic earnings per share

Basic earnings per share is calculated by dividing:

- the net income attributable to the ordinary shareholder of the Company; and
- by the weighted average number of ordinary shares outstanding during the reporting period, adjusted for element of bonus ordinary shares issued during the period and excluding treasury shares.

Diluted earnings per share

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account:

- the after income tax effect of interest and other financing costs associated with dilutive potential ordinary shares; and
- the weighted average number of additional ordinary shares that would have been outstanding assuming the conversion of all dilutive potential ordinary shares.

4.24 Share-based compensation

The cost of an equity-settled award granted to employees is measured by reference to the fair value of the equity instrument on the date the award is granted. This cost is recognised as an employee benefit expense in the statement of profit or loss and other comprehensive income with a corresponding increase in equity. The cost of the equity-settled award is recognised over the vesting period, which is the period over which the employees render the required service for the award.

In determining the fair value of an equity-settled award, an appropriate valuation method is applied. Service and non-market performance conditions are not taken into account in determining the fair value of the award, but during the vesting period the likelihood of the conditions being met is assessed as part of the Company's best estimate of the number of awards that are expected to vest. Any market performance conditions and non-vesting conditions are taken into account in determining the award's fair value.

4.25 Segmental reporting

An operating segment is a component of the Company that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the Company's other components. All operating segments' operating results are reviewed regularly by the Company's Board of Directors and the President & Chief Executive Officer ("CEO") who make decisions about resources to be allocated to the segment and to assess its performance, and for which discrete financial information is available.

Segment results include items directly attributable to a segment as well as those that can be allocated on a reasonable basis and are reported to the Company's Board of Directors and the President & CEO, being the Chief Operating Decision Maker ("CODM") of the Company.

5. Property, Plant And Equipment

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

	Manufac- turing plants	Buildings and lease- hold improve- ments	Furniture and fixtures	Other machinery and equipment	Motor vehicles	Capital work-in- progress	Total
Cost:							
At January 1, 2025	7,942,022	333,386	27,367	247,504	3,087	435,891	8,989,257
Reclassification ¹	(73,087)	-	-	-	-	73,087	-
Additions	-	-	-	-	-	429,287	429,287
Disposals	-	-	-	-	(424)	-	(424)
Transfers	22,777	635	-	292	-	(23,704)	-
At December 31, 2025	7,891,712	334,021	27,367	247,796	2,663	914,561	9,418,120
Accumulated depreciation:							
At January 1, 2025	3,733,745	291,736	27,148	216,280	2,680	-	4,271,589
Charge for the year	219,004	5,587	70	4,094	183	-	228,938
Disposals	-	-	-	-	(230)	-	(230)
At December 31, 2025	3,952,749	297,323	27,218	220,374	2,633	-	4,500,297
Net book value:							
December 31, 2025	3,938,963	36,698	149	27,422	30	914,561	4,917,823

¹ During the year, the Company has reassessed the presentation of certain plant and equipment pertaining to capital work-in-progress. These items were previously being presented within manufacturing plants and have now been presented under capital work-in-progress.

	Manufac- turing plants	Buildings and lease- hold improve- ments	Furniture and fixtures	Other machinery and equipment	Motor vehicles	Capital work-in- progress	Total
Cost:							
At January 1, 2024	7,827,245	330,983	27,367	244,584	3,087	359,508	8,792,774
Additions	-	-	-	-	-	196,595	196,595
Disposals	(112)	-	-	-	-	-	(112)
Transfers	114,889	2,403	-	2,920	-	(120,212)	-
At December 31, 2024	7,942,022	333,386	27,367	247,504	3,087	435,891	8,989,257
Accumulated depreciation:							
At January 1, 2024	3,495,216	286,126	27,043	211,307	2,451	-	4,022,143
Charge for the year	238,529	5,610	105	4,973	229	-	249,446
At December 31, 2024	3,733,745	291,736	27,148	216,280	2,680	-	4,271,589
Net book value:							
December 31, 2024	4,208,277	41,650	219	31,224	407	435,891	4,717,668

(b) Manufacturing plants include refinery turnaround costs. The movement in refinery turnaround costs is as follows:

	2025	2024
Cost:		
Opening and closing balance	186,142	186,142
Accumulated depreciation:		
Opening balance	135,414	110,122
Charge for the year	14,494	25,292
Closing balance	149,908	135,414
Net book value	36,234	50,728

(c) Additions during the year in capital work-in-progress principally relates to the additions to refineries. Capital work-in-progress as at December 31, 2025, relates to the development and enhancement work for the refineries.

(d) Depreciation charge for the year has been allocated as follows:

	Notes	2025	2024
Cost of revenue	26	228,558	248,971
General and administrative expenses	28	380	475
		228,938	249,446

6. Leases

The Company leases various land, generators, buildings and other assets including motor vehicles and pipelines. Lease contracts are typically made for fixed periods of 1 to 30 years. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. The lease contracts do not impose any covenants, and leased assets shall not be used as security for borrowing purposes.

At December 31, 2025, the Company did not have any lease contracts classified as right-of-use asset that are variable in nature. Some leases contain extension options exercisable by the Company before the end of the non-cancellable contract period. Where practicable, the Company seeks to include extension options in new leases to provide operational flexibility. The Company assesses at lease commencement whether it is reasonably

certain to exercise the option. The Company does

not provide residual value guarantees in relation to any of its leases.

(a) Right-of-use assets

	Land	Generators	Buildings	Others	Total
At January 1, 2024	128,300	23,883	11,539	3,376	167,098
Depreciation	(4,326)	(7,542)	(2,769)	(2,912)	(17,549)
At December 31, 2024	123,974	16,341	8,770	464	149,549
Modification ¹	(8,362)	25,254	-	-	16,892
Depreciation	(1,846)	(17,827)	(2,769)	(464)	(22,906)
At December 31, 2025	113,766	23,768	6,001	-	143,535

Depreciation on right-of-use assets is charged to the statement of profit or loss and other comprehensive income using the straight-line method to allocate their costs over their lease term which are as follows:

Category	Useful life - years
Land	30 - 99
Generator	4
Buildings	5
Others	5 - 27

(b) Lease liabilities

	2025	2024
Opening balance	169,316	186,270
Modification ¹	16,892	-
Lease payments ²	(31,379)	(24,109)
Interest on lease liabilities	9,063	7,155
Closing balance	163,892	169,316

	2025	2024
Lease liabilities		
Current	30,061	19,448
Non-current	133,831	149,868
	163,892	169,316

As at December 31, 2025, potential future cash outflows of Saudi Riyals 452.87 million (undiscounted) have been included in the lease liability because management considers that it is reasonably certain that the lease will continue to be extended (December 31, 2024: Saudi Riyals 591.34 million) given the nature of the Company's operations.

During the current year, the Company signed an extension to the Yanbu refinery's land lease agreement with RCJY for 20 years. For the computation of the right-of-use assets and lease liabilities, the lease term applied has been extended to reflect the Company's reasonable expectations of the period during which the underlying asset will be used. Considering the broader economics of the contract and recent developments, the Company is reasonably certain that parties to the contract will continue

to exercise extension options given in the land lease agreements. As a consequence of this change in assessment, the lease term for the Yanbu land lease contract has been extended to 99 years. The Company also had a land lease agreement with Saudi Aramco for Jeddah refinery, effective from July 1, 1996 for a term of 25 years.

The lease term is reassessed if an option is actually exercised (or not exercised) or the Company becomes obliged to exercise (or not exercise) it. The assessment of reasonable certainty is only revised if a significant event or a significant change in circumstances occurs, which affects this assessment, and that is within the control of the lessee. During the current financial year, there were no revisions of lease terms due to exercising extension and termination options.

Amounts recognised in the statement of profit or loss and other comprehensive income:

	2025	2024
Depreciation of right-of-use assets (Note 26 and 28)	22,906	17,549
Interest expense (Note 30)	9,062	7,155
Tank rents (short-term leases) (Note 27)	20,429	21,405

Depreciation of right-of-use assets has been allocated as follows:

	Notes	2025	2024
Cost of revenue	26	20,137	14,780
General and administrative expenses	28	2,769	2,769
		22,906	17,549

7. Intangible Assets

	2025	2024
Cost:		
Opening balance	42,564	36,343
Additions	15,141	6,221
Closing balance	57,705	42,564
Accumulated amortisation:		
Opening balance	25,352	21,024
Charge for the year	5,786	4,328
Closing balance	31,138	25,352
Closing carrying amount	26,567	17,212

Intangible assets comprise software and its development cost.

¹ The Company has reassessed certain lease contracts based on the recent developments and recognised the modification with the corresponding impact in the right-of-use assets and lease liabilities.

² Lease payments include a payment made to Royal Commission for Jubail and Yanbu ("RCJY"), a related party, for Yanbu land lease contract amounting to Saudi Riyals 5.8 million during the year ended December 31, 2025 (December 31, 2024 Saudi Riyals 5.8 million).

8. Employees' Home Ownership Receivable

In the prior years, the Company had a Home Ownership Program that offered eligible Saudi employees' home ownership opportunities. During 2010, the Company constructed and sold 133 residential houses for outright sale to the employees. Houses were sold to eligible employees, and a receivable was recorded against such sale, which does not bear any finance charges and is expected to be collected over a period

of 15 years. Deductions are made monthly from the employees' salaries up to 25% of their basic salaries. The Company has the legal documents of the property as collateral having fair value higher than the receivable balance to be collected from the employee and shall transfer the legal title of those residential houses to the concerned employees at the time of final settlement of the loan.

(a) The movement in employees' home ownership is as follows:

	2025	2024
Opening balance	711	1,950
Deductions from employees' salary during the year	(657)	(1,311)
Finance income due to unwinding	44	72
Closing balance	98	711

9. Loans To Employees

Loans to employees comprise the following:

	Notes	2025	2024
Home loans to employees	9(a)	19,590	21,334
Other loans to employees	9(b)	935	2,138
Less: current portion	12	(5,656)	(4,764)
		14,869	18,708

(a) Home loans to employees

The movement in home loans to employees' balance is as follows:

	2025	2024
Opening balance	21,334	19,618
Disbursed during the year	-	2,400
Finance income for the year	662	855
Discounting effect on loan disbursed	-	(355)
Deductions during the year	(2,406)	(1,184)
Closing balance	19,590	21,334

Home loans are given to eligible Saudi employees of the Company under a scheme approved by the Board of Directors. Under this scheme, loans are provided to eligible employees for the purpose of purchasing or constructing their residential houses. Such loans, which do not bear any finance charges, are re-payable by the employee as per the agreement with the employee and the Company

have the title of the property until the employee has settled all dues. The fair value of the related collateral property is higher than the carrying value of the home loan to employees.

b) Other loans to employees

Such loans are given to eligible Saudi employees of the Company under a scheme approved by the Board of Directors. Under this scheme, the employees are eligible for loans up to 80%

of their end-of-service benefits accrued. Such loans, which do not bear any finance charges, are re-payable by the employees over 36 months and are secured against the related employees' end of service benefits.

The movements in other loans to employees are as follows:

	2025	2024
Opening balance	2,138	1,544
Loans disbursed during the year	685	2,057
Finance income for the year	317	468
Discounting effect on new loan	(365)	(590)
Deductions during the year	(1,840)	(1,341)
Closing balance	935	2,138

Other loans to employees are recognised as a non-current financial asset at fair value and measured at amortised cost using the EIR method. The difference between the fair value and the actual

amount of cash given to the employee is recognised as an expense. The carrying amount of employees' loans on each reporting date approximates the fair value of this balance.

10. Inventories

	2025	2024
Finished goods	198,317	232,398
Production in progress	247,835	260,169
Raw material - feedstock	97,918	85,770
Spare parts and consumables materials	119,141	111,378
	663,211	689,715
Less: Allowance for obsolescence spare parts	(19,454)	(18,821)
	643,757	670,894

Movement in provision for obsolescence spare parts is as follows:

	2025	2024
Opening balance	18,821	21,761
Additions for the year	633	573
Reversal for the year ¹	-	(3,513)
Closing balance	19,454	18,821

¹ In 2022, inventory and other assets were damaged due to heavy rain in Jeddah. During the year ended December 31, 2024, the Company successfully secured insurance claims of Saudi Riyals 10.13 million and recognised this within "other income".

11. Trade Receivables

	Notes	2025	2024
Trade receivables		240,823	398,638
Related parties	24	187,126	576,270
		427,949	974,908
Allowance for expected credit losses		(12,386)	(13,795)
		415,563	961,113

Related party balances amounting to Saudi Riyals 335.31 million (December 31, 2024: Saudi Riyals 446.73 million) have been offset against the related party trade payables in the statement of financial position. For details, refer to Note 22.

Due to the short-term nature of the trade receivables, their carrying amounts are considered to approximate their fair value and are generally settled within 12 months from the reporting date.

Movement in provision for impairment of trade receivables is as follows:

	2025	2024
Opening balance	13,795	12,295
(Reversal) / loss for the year	(1,409)	1,500
Closing balance	12,386	13,795

Information about the impairment of trade receivables and the Company's exposure to credit risk, market risk and liquidity risk is disclosed in Note 32.2.

12. Prepayment and Other Assets

	Notes	2025	2024
Net value added tax (VAT) receivables		55,019	-
Advances to suppliers		6,237	5,319
Loans to employees, current portion	9	5,656	4,764
Prepaid insurance		1,310	3,754
Employees' home ownership receivables, current portion	8	98	711
Others		2,819	2,080
		71,139	16,628

Loans to employees, employees' home ownership receivables and other receivables are generally settled within 12 months from the reporting date. Hence, their carrying amount is considered to be the same as fair value.

13. Short-Term Deposits

The Company deposited Saudi Riyals 383.08 million (December 31, 2024: Saudi Riyals 450.14 million) in Murabaha deposits. The accrued profit from Murabaha deposits amounted to Saudi Riyals 2.68 million (December 31, 2024: Saudi Riyals 2.16 million). These short-term deposits, with maturity periods ranging from 112 days to 170 days, were held with commercial banks and are due to mature by April 7, 2026. The Company

placed short-term Murabaha deposits on a recurring basis during the year ended December 31, 2025.

The Murabaha deposits are held with banks having sound credit ratings. The fair value at each reporting date is estimated to be the same as their carrying value as they are short-term in nature and profit on Murabaha deposits is based on market prevailing rates.

14. Cash and Cash Equivalents

	2025	2024
Cash at banks	420,392	716,344
Murabaha deposits	566,991	18,827
	987,383	735,171

Cash at banks and Murabaha deposits are placed with banks having sound credit ratings (refer to Note 32.2). The carrying value at each reporting date is considered to be the same as fair value.

Murabaha term deposits are placed with local commercial banks and yield shariah compliant financial income at prevailing market rates with original maturities of three months or less.

15. Share Capital

15.1 Issued and paid-up capital

	2025	2024
Ordinary shares of Saudi Riyals 10 each (December 31, 2024: Saudi Riyals 10 each)	1,687,500	1,687,500
Issued and paid-up capital		
Number of shares	168,750	168,750

15.2 Dividend

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

15.3 Treasury shares

On December 28, 2022, the Company acquired 580,000 ordinary shares from Jadwa Industrial Investment Company for cash consideration of Saudi Riyals 57.42 million. In 2023 and 2025, certain treasury shares were awarded to employees as share-based compensation. As at December 31, 2025, the outstanding treasury shares with the Company is 489,335 ordinary shares (December 31, 2024: 494,950 ordinary shares) amounting to Saudi Riyals 48.68 million (December 31, 2024: Saudi Riyals 49.24 million).

16. Statutory Reserve

During the year ended December 31, 2025, the Company transferred statutory reserve amounting to Saudi Riyals 506.25 million to retained earnings. This transfer was recommended by the Board of Directors of the Company

on February 16, 2025 (corresponding to Shaban 17, 1446H) to the General Assembly which were approved by the General Assembly on April 16, 2025 (corresponding to Shawwal 18, 1446H).

17. Earnings Per Share

	2025	2024
Net profit attributable to owners of the Company	855,315	972,028
Weighted average number of shares ¹	168,261	168,255
Basic / diluted earnings per share (Saudi Riyals per share)	5.08	5.78

18. Borrowings

Long-term borrowings comprise of the following:

	2025	2024
Islamic banking facilities (Murabaha)	785,171	901,509
Less: current portion of long-term borrowings	(133,867)	(116,455)
	651,304	785,054

Currency denomination of the borrowings in Saudi Riyals equivalent is as follows:

	2025	2024
Saudi Riyals	405,431	465,504
United States Dollars ("USD")	379,740	436,005
	785,171	901,509

On August 19, 2021, the Company entered into an Islamic loan agreement under Murabaha arrangement. The agreement involved a loan syndication of Saudi Riyals 1,687.5 million from five local banks. In addition, USD 150 million (equivalent of Saudi Riyals 562.5 million) from a commercial bank. The principal repayments began from June 30, 2022 and will continue on an agreed semi-annual installment basis till June 30, 2029. These facilities bear finance costs at market rates, which are generally based on Saudi Inter Bank Offered Rate ("SIBOR") for Saudi Riyals denominated borrowings and on Term Secured Overnight Financing Rate ("Term SOFR") for USD denominated borrowings. The spread during the year ended December 31, 2025, on these facilities varied

between 0.9% and 1.25% (December 31, 2024: 0.75% and 1.25% per annum). Moreover, there is no collateral on the Company's assets due to these long-term borrowing agreements.

The above long-term borrowing agreements contain certain covenants, which among other things, require the Company to maintain annually net debt to equity and certain other financial ratios. As at and during the year ended December 31, 2025, and 2024, the Company was compliant with all the covenants with the lenders.

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

Fair value of long-term borrowings is approximately equal to their carrying amounts as they are subject to variable interest at market rates. Finance costs recognised as expense on the above borrowings have been disclosed in Note 30.

The Company's main interest rate risk arises from borrowings with variable rates, which expose the Company to cash flow interest rate risk. During the year ended December 31, 2025 and 2024, the Company's borrowings at variable Murabaha profit rates were mainly denominated in Saudi Riyals and USD.

The breakdown of the aggregate maturities of borrowings is as follows:

	2025	2024
2025	-	116,455
2026	133,867	133,750
2027	139,565	139,565
2028	162,826	162,826
2029	348,913	348,913
	785,171	901,509

19. Employee Benefit Obligations

Employee benefit obligations comprise the following:

	Notes	2025	2024
Employees' end of service benefits	19 (a)	145,368	138,550
Employees' post-retirement health care benefit	19 (b)	204,231	206,716
		349,599	345,266

Net benefit expense recognised in profit or loss for the year in the statement of profit or loss and other comprehensive income:

	2025	2024
Current service cost	16,704	15,974
Interest cost	20,797	17,771
	37,501	33,745

Net benefit gain recognised in other comprehensive income in the statement of profit or loss and other comprehensive income:

	2025	2024
Actuarial (gain) / loss arising from experience	(14,053)	34,010
Actuarial gain arising from changes in financial assumptions	(1,549)	(37,641)
	(15,602)	(3,631)

¹ As at December 31, 2025 and 2024 the Company does not have any potential ordinary shares.

a) Employees' end of service benefits

The Company has an employee defined benefit plan. The benefits are required by Saudi Labor Law. The benefit is based on the employees' final salaries and allowances and their cumulative years of service, as stated in the labor laws of Saudi Arabia.

The following table summarizes the components of the net benefit expense recognised in the statement of profit or loss and other comprehensive income and amounts recognised in the statement of financial position.

Movement in the present value of employees' end of service benefits:

	2025	2024
Opening balance	138,550	136,610
Included in profit or loss:		
Current service cost	10,746	10,495
Interest cost	7,771	6,682
	18,517	17,177
Included in other comprehensive income:		
Actuarial loss / (gain) on obligations	3,011	(3,994)
Benefits paid during the year	(14,710)	(11,243)
Closing balance	145,368	138,550

Significant assumptions used in determining the employee defined benefit obligation include the following:

	2025	2024
Discount rate	5.55%	5.80%
Future salary increase rate	5%	4.80% - 5%

A quantitative sensitivity analysis for significant assumptions on the defined benefit obligation is shown below:

Discount rate:

	2025	2024
0.5% increase in discount rate	(5,977)	(5,347)
0.5% decrease in discount rate	6,454	5,806

Future salary growth rate:

	2025	2024
0.5% increase in future salary growth rate	6,457	5,832
0.5% decrease in future salary growth rate	(6,035)	(5,420)

The sensitivity analysis is based on a change in one assumption while holding all other assumptions constant. In practice, this is unlikely to occur, and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions the same method (present value of defined benefit obligation calculated with projected unit credit method at the end of the reporting period) has been applied when calculating the employee termination.

The weighted average duration of the defined benefit obligation as at December 31, 2025 is 8.6 years (December 31, 2024: 8.1 years).

The expected maturity analysis of undiscounted employee benefit obligations as at December 31, is as follows:

	2025	2024
Less than a year	13,774	9,161
Between 1 - 4 years	41,839	47,765
Between 5 - 10 years	93,531	95,760

b) Employees' post-retirement health care benefit

The Company provides full medical coverage to Saudi employees and their spouses provided they have completed a minimum 25 years of service with the Company, and their age is minimum 55 years, or the employee reaches the age of 60. The employees who joined the Company after February 28, 2021, will not be eligible for this benefit.

The following table summarizes the components of the net benefit expense recognised in the statement of profit or loss and other comprehensive income and the amounts recognised in the statement of financial position:

Movement in the present value of employees' post-retirement health care benefit:

	2025	2024
Opening balance	206,716	192,569
Included in profit or loss:		
Current service cost	5,958	5,479
Interest cost	13,026	11,089
	18,984	16,568
Included in other comprehensive income:		
Actuarial (gain) / loss on obligations	(18,613)	363
Benefits paid during the year	(2,856)	(2,784)
Closing balance	204,231	206,716

Significant assumptions used in determining the post-employment defined benefit obligation include the following:

	2025	2024
Discount rate	6.20%	6.35%
Medical rate (pre-retirement)	9%	10%
Medical rate (post-retirement)	10%	10%

A quantitative sensitivity analysis for significant assumptions on the defined benefit obligation is shown below:

Discount rate:	2025	2024
0.5% increase in discount rate	(21,244)	(21,988)
0.5% decrease in discount rate	24,901	25,843

Medical rate (Pre-Retirement):	2025	2024
0.5% increase in medical rate (Pre-retirement)	6,716	926
0.5% decrease in medical rate (Pre-retirement)	(6,184)	(925)

Medical rate (Post Retirement):	2025	2024
0.5% increase in medical rate (post-retirement)	16,676	23,760
0.5% decrease in medical rate (post-retirement)	(14,957)	(20,571)

The sensitivity analysis is based on a change in one assumption while holding all other assumptions constant. In practice, this is unlikely to occur, and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligations to significant actuarial assumptions the same method (present value of defined benefit obligations calculated

with projected unit credit method at the end of the reporting period) has been applied when calculating the employee termination.

The weighted average duration of the defined benefit obligation as at December 31, 2025 is 22.9 years (December 31, 2024: 23.8 years).

The expected maturity analysis of undiscounted Employees' post-retirement health care benefit as at December 31, is as follows:

	2025	2024
Less than a year	3,305	3,167
Between 1 - 4 years	11,955	11,723
Between 5 - 10 years	36,676	35,887

20. Other non-current liabilities

	2025	2024
Employees' thrift plan	-	4,120
Chronic Medical Circumstance	505	651
	505	4,771

21. Provision for decommissioning obligation

Decommissioning provision is made for the refinery closure, reclamation and dismantling obligation of the refineries. These obligations are expected to be incurred in the year in which the respective refinery is expected to be closed. Management estimates the provision based on management's understanding of the current legal requirements in the Kingdom of Saudi Arabia, terms of the lease agreements as disclosed in note 6, engineering estimates and discount rates ranging from 2.4% to 6.01%.

The provision for decommissioning obligation represents the present value of full amount of the estimated future closure and reclamation

costs, based on information currently available including closure plans and applicable regulations. Future changes, if any, in regulations and cost assumptions may be significant and will be recognised when determined.

Considering the broader economics of the Yanbu lease agreement, the Company is reasonably certain that the Company will exercise extension options given in the land lease agreement. As a consequence of this change in assessment, the decommissioning on the Yanbu land has been recognised at the expected end of the lease term. The Company is also maintaining a provision for decommissioning of the Jeddah facility closure.

Movement in provision for decommissioning is as follows:

	2025	2024
Opening balance	46,078	45,179
Unwinding of discount (Note 30)	981	899
Closing balance	47,059	46,078

22. Trade And Other Payables

	Notes	2025	2024
Related parties	24	1,340,248	1,447,259
Third parties		24,758	72,788
Employees' thrift plan	22(a)	33,542	30,115
Contract liabilities		15,721	18,381
		1,414,269	1,568,543

Trade payables are unsecured and are usually paid within 3-12 months of recognition. The carrying amounts of trade payables are considered to approximate their fair values, due to their short-term nature.

Contract liabilities represent advances from customers. Revenue recognised that was included in the contract liability balance at the beginning of the year is Saudi Riyals 18.38 million (2024: Saudi Riyals 10.95 million).

Financial assets and liabilities are offset and the net amount is reported in the statement of financial position where the Company currently has a legally enforceable right to offset the recognised amounts, and there is an intention to settle on a net basis or realize the asset and settle the liability simultaneously. The Company has an agreement with Saudi Aramco to purchase feedstock and sell by-product in Jeddah refinery. The settlement of these transactions takes place after 90 days and net payment is made to or received from Saudi Aramco.

The following table presents the recognised financial instruments that are offset, or subject to enforceable netting arrangements:

Effects of offsetting on the statement of financial position

	Gross amounts	Amounts set off	Net amounts presented
December 31, 2025			
Related party receivables (Note 11)	522,432	(335,306)	187,126
Related party payables	1,675,554	(335,306)	1,340,248
December 31, 2024			
Related party receivables (Note 11)	1,022,999	(446,729)	576,270
Related party payables	1,893,988	(446,729)	1,447,259

a) Employees' thrift plan

The movement in employees' thrift plan is as follows:

	2025	2024
Opening balance	34,235	34,704
Contribution during the year	19,345	18,772
Withdrawals during the year	(20,038)	(19,241)
Closing balance	33,542	34,235

	2025	2024
Non-current (Note 20)	-	4,120
Current	33,542	30,115
	33,542	34,235

Subsequent to the year end, the Company has transferred the plan to a commercial bank for managing on behalf of the Company.

23. Accrued Expenses and Other Liabilities

	2025	2024
Accrued expenses	142,637	142,111
Accrual for rebates and discounts	78,515	78,750
Accrued bonus	10,850	17,000
VAT payable	-	36,624
Others	6,804	-
	238,806	274,485

24. Related Party Transactions and Balances

Related parties comprise the shareholders and key management personnel of the Company, and entities controlled, jointly controlled or significantly influenced by such parties. Related parties also include business entities in which certain directors or senior management have an interest (other related parties). Moreover, the Company

is ultimately controlled by the government of the Kingdom of Saudi Arabia. The Company applies the exemption in IAS 24 Related Party Disclosures that allows to present reduced related party disclosures regarding transactions with government related parties.

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

Shareholder and Immediate Parent
Saudi Aramco
Entities under common control
Saudi Aramco Mobil Refinery Company Ltd. ("SAMREF")
S-Oil Singapore Pte. Ltd
S-Oil Corporation

Motiva Trading LLC
Aramco Lubricants and Retail Company
Saudi Aramco Technologies Company
S-Oil Europe B.V.
Rabigh Refining & Petrochemical Company

Agreements with Saudi Aramco

1. Purchase and sale contracts at Jeddah and Yanbu refinery

The Company has agreements with Saudi Aramco for the purchase of feedstock for its Jeddah and Yanbu refineries. The Company also has an offtake agreement with Saudi Aramco for the sale of certain products. The pricing mechanism for the sale and purchase of these products is based on formulae, that has external inputs mentioned in the contracts.

2. Technical management, support services and leases

Saudi Aramco also provides operational technical, utilities and human resources support to the Company on agreed terms. The Company also has two lease agreements with Saudi Aramco for land rentals and pipelines in Jeddah, which are on agreed terms.

Agreement with SAMREF

The Company has an agreement for the sale of certain products from its Yanbu refinery to SAMREF. The pricing mechanism is based on a formula that has external input mentioned

in the contract. The Company also receives technical and management support services from SAMREF which are on agreed terms.

Transactions with key management personnel

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

	2025	2024
Short-term employee benefits	46,788	38,470
Provision for employee benefit obligations	4,506	3,416

All related party transactions were made on terms specified in the agreements with the related parties. The credit terms with all related parties range from 30 to 90 days.

During the year ended December 31, 2025, the Company has remunerated Saudi Riyals 4.19 million to Board members for attending the Board of Directors' meetings (2024: Saudi Riyals 5.30 million).

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

Related party	Nature of transaction	Amount of transactions for the year ended December 31		Balance as at December 31	
		2025	2024	2025	2024
Due from related parties					
Saudi Aramco	Sales of byproducts	2,915,606	3,686,564	74,838	330,200
SAMREF	Sales of byproducts	630,998	773,420	58,372	128,058
S-Oil Singapore Pte. Ltd.	Sales of base oil	739,600	1,109,711	1,562	77,584
S-Oil Corporation	Sales of base oil	91,560	105,191	270	13,018

Related party	Nature of transaction	Amount of transactions for the year ended December 31		Balance as at December 31	
Motiva Trading LLC	Sales of base oil	53,226	66,894	10,876	23,664
S-Oil Europe B.V.	Sales of base oil	61,955	-	23,735	-
Aramco Lubricants and Retail Company	Sales of base oil	64,230	47,648	16,846	3,746
Rabigh Refining & Petrochemical Company	Technical and management support services	545	-	627	-
				187,126	576,270
Due to related parties					
Saudi Aramco	Purchase of feedstock, materials and utilities	5,472,229	7,127,840	1,264,281	1,429,693
	Technical and management support services	31,728	15,209	25,987	17,490
	Lease rental for Jeddah refinery land and Yanbu refinery pipeline	1,894	3,493	-	-
	Dividends	481,950	1,015,875	-	-
SAMREF	Technical and management support services	1,988	1,316	-	-
	Purchase of material	27,564	4,824	10,536	76
S-Oil Corporation	Purchase of base oil	267,159	431,979	17,551	-
S-Oil Singapore Pte. Ltd.	Rebate on sales of base oil	-	-	2,368	-
Motiva Trading LLC	Purchase of base oil	66,382	59,337	19,115	-
Saudi Aramco Technologies Company	Technical and management support services	356	1,251	410	-
				1,340,248	1,447,259

The Company's revenues derived from sales to Saudi Aramco and entities under its common control accounted for approximately 36% and 20% (December 31, 2024: 37% and 21%), respectively, of the total revenue. Refer to Note 11 and 32.2 for the impairment loss charge for the year ended December 31, 2025 and 2024.

The Company has Saudi Riyals 10.45 million (December 31, 2024: Saudi Riyals 32.95 million) as cash with banks owned by Saudi government entities. The Company also has Saudi Riyals 240 million (December 31, 2024: Saudi Riyals 120 million) as short-term Murabaha deposits with banks owned by Saudi government entities.

25. Revenue

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

	2025	2024
Revenue from base oil sales ¹	4,340,143	5,268,343
Revenue from byproducts sales	3,763,212	4,767,511
	8,103,355	10,035,854

By-product sales includes sales of Fuel Oil Blend, Marine Heavy Fuel Oil, Asphalt, Naphtha, Diesel, and other related products.

¹ During the year ended December 31, 2024, the Company has recognised revenue from freight services amounting to Saudi Riyals 137.60 million (December 31, 2024: Saudi Riyals 236.54 million).

The management has categorized its geographical operations as follows:

Geographic information	2025	2024
Revenues from local sales		
Kingdom of Saudi Arabia	5,059,605	6,002,841
Revenues from export sales		
United Arab Emirates	1,629,588	2,270,605
India	534,111	803,358
South Africa	292,907	226,343
Singapore	128,954	78,631
Egypt	107,250	184,683
United States of America	93,027	69,405
South Korea	89,918	105,191
Cyprus	53,052	61,431
Others	114,943	233,366
Total	8,103,355	10,035,854

26. Cost Of Revenue

	Notes	2025	2024
Cost of materials		6,103,219	7,765,566
Employee related costs		229,159	217,867
Depreciation	5	228,558	248,971
Freight cost		188,597	317,461
Depreciation of right-of-use assets	6	20,137	14,780
Others		154,913	135,584
		6,924,583	8,700,229

27. Selling And Distribution Expenses

	2025	2024
Tank rents	20,429	21,405
Demurrage charges	4,027	20,117
Export pipeline fee	3,873	2,536
Others	7,956	20,152
	36,285	64,210

28. General And Administrative Expenses

	Notes	2025	2024
Employee related costs		160,268	167,090
Consultancy charges		46,154	58,571
Telephone and postage		5,928	6,561
Insurance		4,443	5,757
Board of Directors' fees		4,189	5,301
Amortisation of intangible assets		3,392	3,392
Depreciation of right-of-use assets	6	2,769	2,769
Depreciation of property, plant and equipment	5	380	475
Others		25,380	31,336
		252,903	281,252

29. Finance Income

	2025	2024
Profit on Murabaha deposits	45,626	78,547
Finance income on unwinding of loans	1,023	1,395
	46,649	79,942

30. Finance Cost

	Notes	2025	2024
Borrowings		53,102	84,120
Interest on lease liabilities	6	9,063	7,155
Unwinding of decommissioning provision	21	981	899
		63,146	92,174

31. Zakat And Income Tax

Significant components of Zakat base of the Company, which are subject to adjustment under Zakat and income tax regulations, are equity at the end of the year, the closing balance of the liabilities classified as non-current and the non-current deductible assets.

Furthermore, under the new Zakat regulations, the Company's Zakat base for each reporting period must be at least equal to its net income and cannot exceed its net equity and its equivalent.

31.1 Charge for the year:

The charge for the years ended December 31, consists of the following:

	Notes	2025	2024
Zakat charge	31.2	18,620	24,301
Reversal of income tax	31.4	-	(7,916)
		18,620	16,385

31.2 Components of Zakat base

The significant components of the approximate Zakat base for years ended December 31 comprised the following:

	2025	2024
Equity at the end of year	4,582,446	4,397,459
Provisions at the end of year	24,652	61,935
Non-current liabilities at the end of year	1,182,298	1,331,037
Additional current liabilities in relation to spare parts and consumables materials	86,467	76,533
Non-current deductible assets	(5,087,925)	(4,884,429)
Spare parts and consumables materials	(119,141)	(111,378)
Allowable deduction in relation to loan to employees	(3,308)	(4,887)
Approximate Zakat base	665,489	866,270
Net income (i.e. minimum limit)	855,315	972,028
Total equity and its equivalent (i.e. maximum limit)	4,654,157	4,509,592
Zakat base as per the Zakat regulations	855,315	972,028
Zakat provision for the year	22,047	24,301

31.3 Provision for Zakat and income tax

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

	Income tax	Zakat	Total
At January 1, 2024	9,981	69,346	79,327
Prior year reversal	(7,916)	-	(7,916)
Charge for the year	-	24,301	24,301
Payment	(2,065)	(61,827)	(63,892)
At December 31, 2024	-	31,820	31,820
Prior year reversal	-	(3,427)	(3,427)
Charge for the year	-	22,047	22,047
Payment	-	(25,788)	(25,788)
At December 31, 2025	-	24,652	24,652

31.4 Status of assessments

The Company has filed its Zakat and income tax returns up to the year ended December 31, 2024. Zakat assessments for years up to the year ended December 31, 2023, have been finalized with ZATCA. ZATCA is yet to issue its final assessments for the year ended December 31, 2024.

32. Financial instruments

32.1 Fair value measurement of financial instruments

a) Recognised fair value measurements

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date in the principal or, in its absence, the most advantageous market to which the Company has access at that date. The fair value of a liability reflects its non-performance risk.

When measuring the fair value of an asset or liability, the Company uses observable market data as far as possible. Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2: inputs other than quoted prices included level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

As at December 31, 2025 and 2024, all of the Company's financial assets and financial liabilities are currently classified and measured at amortised cost. Further, the carrying value of all the financial assets and liabilities classified as amortised cost approximates to the fair value on each reporting date.

32.2 Risk management framework

The Company's top management has overall responsibility for the establishment and oversight of the Company's risk management framework. The Company's overall risk management program focuses on the unpredictability of financial markets and seeks to minimize potential adverse effects on the Company's financial performance. Risk management is carried out by the Board of Directors.

The Company's risk management policies are established to identify and analyse the risks faced by the Company, to set appropriate risk limits and controls and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Company's activities. The Company, through its training and management standards and procedures, aims to maintain a disciplined and constructive control environment in which all employees understand their roles and obligations.

The Company management monitors compliance with the Company's risk management policies and procedures and reviews the adequacy of the risk management framework in relation to the risks faced by the Company. The Company's audit committee is assisted in its oversight role by internal audit. Internal audit undertakes both regular and ad-hoc reviews of risk management controls and procedures, the results of which are reported to the management.

The Company has exposure to the following risks arising from financial instruments:

- Credit risk
- Liquidity risk
- Market risk (currency risk, fair value and cash flow interest risk and price risk)

b) Credit risk

Credit risk arises from cash and cash equivalents, credit exposures to customers, including outstanding receivables.

Risk management

The stated rating is as per the global bank ratings by Moody's Investors Service.

The credit rating of banks in which the Company holds cash and cash equivalents are as follows:

Credit rating (Moody's)	2025	2024
Aa3	985,547	-
A1	1,836	704,227
A3	-	30,944
Total	987,383	735,171

The short-term Murabaha deposits are held with banks having Aa3 credit rating (2024: A1 credit rating) and yields financial income at prevailing market rates. The carrying value at each reporting date is estimated to be the same as their fair value.

For trade receivables, management assesses the credit quality of the customers, considering their financial position, past experience and other factors. The compliance with credit limits by customers is regularly monitored by the management.

For banks, only independently credit rated parties having sound ratings are accepted. For trade receivables, internal risk control department assesses the credit quality of the customers, taking into account their financial position, past experience and other factors. Individual risk limits are set in accordance with limits set by the management. The compliance with credit limits by customers is regularly monitored by line management.

A significant increase in credit risk is presumed if a debtor is more than 30 days past due in making a contractual payment. A default on a trade receivable occurs when the counterparty fails to make contractual payments within 90 days of when they fall due. The Company categorizes a receivable for write-off when a debtor fails to make contractual payments greater than 360 days past due. Where receivables have been written-off, the Company continues to engage in enforcement activity to attempt to recover the receivable due. Where recoveries are made, these are recognised in the statement of profit or loss and other comprehensive income.

Financial assets are written off when there is no reasonable expectation of recovery, such as a debtor failing to engage in a repayment plan with the Company. The Company writes-off financial assets, in whole or in part, when it has exhausted all practical recovery efforts and has concluded there is no reasonable expectation of recovery. Where recoveries are made, these are recognised in the statement of profit or loss and other comprehensive income.

Impairment of financial assets

The Company's maximum exposure to credit risk at the reporting date is as follows:

	Note	2025	2024
Employees' home ownership receivables	8	98	711
Loans to employees	9	20,525	23,472
Trade receivables – third parties	11	240,823	398,638
Trade receivables – related parties	11	187,126	576,270
Other receivables (included within prepayments and other assets)	12	2,819	2,080
Short-term deposits	13	385,763	452,304
Cash at banks	14	420,392	716,344
Term deposits	14	566,991	18,827
		1,824,537	2,188,646

Other receivables are considered to have low credit risk; therefore, 12 months expected loss model was used for impairment assessment. Based on management's impairment assessment, there is no provision required in respect of these balances for all the periods presented.

For trade receivables, the Company applies the simplified approach to provide for expected credit losses prescribed by IFRS 9, which permits the use of the lifetime expected credit loss provision for all trade receivables based on a provision matrix. To measure the expected credit losses, trade receivables have been grouped based on shared credit risk characteristics and the days past due.

The provision matrix takes into account historical credit loss experience and is adjusted for average historical recovery rates. The provision matrix was developed considering probability of default based on historical collection trends of the Company's customers and credit rating of the Company's

related parties assigned by reputed credit rating agencies and loss given default. The loss rates are adjusted to reflect current and forward-looking information on macroeconomic factors affecting the ability of the customers to settle the receivables.

The historical loss rates are also considered to reflect current and forward-looking information on macroeconomic factors affecting the ability of the customers to settle the receivables. The Company has identified inflation rate, oil prices and GDP growth rate of the countries in which it sells its goods to be the most relevant macro-economic factors of forward-looking information that would impact the credit risk of the customers and accordingly adjusts the historical loss rates based on expected changes in these factors.

Impairment losses on financial assets recognised in the statement of profit or loss and other comprehensive income are as follows:

	2025	2024
Impairment (reversal) / impairment loss on trade receivables (Note 11)	(1,409)	1,500

The following table provides information about the exposure to credit risk and ECLs for trade receivables from external customers:

	Gross carrying amount	Weighted average loss rate	Loss allowance
December 31, 2025			
Current (not past due)	374,011	0.42%	1,575
1-90 days past due	37,122	0.48%	179
91-180 days past due	31	6.45%	2
181-360 days past due	1,504	58.18%	875
More than 360 days past due	15,281	63.84%-100%	9,755
Total	427,949		12,386
December 31, 2024			
Current (not past due)	917,146	0.45%	3,990
1-90 days past due	25,214	0.51%	130
91-180 days past due	20,308	5.23%	1,061
181-360 days past due	8,325	51.91%	5,085
More than 360 days past due	3,915	90.17%- 100%	3,529
Total	974,908		13,795

Trade receivables relate to sales made during the year to corporate customers. As at December 31, 2025, trade receivables balance from related parties' is Saudi Riyals 187.13 million (December 31, 2024: Saudi Riyals 576.3 million). Out of this amount Saudi Riyals 163.31 million was 'not due', Saudi Riyals 10.54 million was due '1 to 90 days' and Saudi Riyals 13.28 million was due 'more than 365 days' (December 31, 2024: Saudi Riyals 565.03 million was 'not due', Saudi Riyals 2.07 million was due '91

to 180 days', Saudi Riyals 8.12 million was due '181 to 365 days', and Saudi Riyals 1.06 million was due 'more than 365 days') having impairment loss of Saudi Riyals 5.33 million (December 31, 2024: Saudi Riyals 2.49 million). These pertain to corporate related parties that have no history of default and accordingly the probability of default is minimal. For related parties' balances, the Company applies the simplified approach to provide for expected credit losses, which permits the use of the lifetime

expected credit loss provision based on a provision matrix. Further, related parties' balances have low credit risk and majority balances were not yet due at each reporting date.

Trade receivables are non-derivatives financial assets carried at amortised cost and are generally on terms of 30 to 60 days. The carrying value

c) Liquidity risk

Liquidity risk is the risk that an enterprise will encounter difficulty in raising funds to meet commitments associated with financial instruments. Liquidity risk may result from an inability to sell a financial asset quickly at an amount close to its fair value. Liquidity risk is managed by monitoring on a regular basis that sufficient funds are available through committed credit facilities to meet any future commitments. For instance, concentrations of liquidity risk may arise from the repayment terms of financial liabilities or reliance on a particular market in which to realise liquid assets. Contractual undiscounted cashflows are:

	1 year or less	1 to 5 years	Above 5 years	Total
As at December 31, 2025				
Borrowings	174,949	725,338	-	900,287
Accrued expenses and other liabilities	238,806	-	-	238,806
Trade payables	1,414,269	-	-	1,414,269
Lease liabilities	30,061	36,668	556,964	623,693
	1,858,085	762,006	556,964	3,177,055

	1 year or less	1 to 5 years	Above 5 years	Total
As at December 31, 2024				
Borrowings	166,645	896,368	-	1,063,013
Accrued expenses and other liability excluding VAT payable	237,861	-	-	237,861
Trade payables	1,568,543	-	-	1,568,543
Lease liabilities	19,426	45,346	584,857	649,629
	1,992,475	941,714	584,857	3,519,046

Liquidity risk is managed by monitoring on a regular basis that sufficient funds and banking and other credit facilities are available to meet the Company's future commitments.

d) Market risk

Market risk is the risk that changes in market prices - such as foreign exchange rates and interest rates will affect the Company's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters while optimizing the returns. Market risk is the risk that the fair value or the future cash flows of a financial instrument may fluctuate as a result of changes in market profit rates or the market prices of securities due to change in credit rating of the issuer or the instrument, change in market sentiments, speculative activities, supply and demand of securities and liquidity in the market. Market risk comprises of three types of risk: currency risk, interest rate risk and other price risk.

i) Currency risk

Currency risk is the risk that the value of a financial instrument will fluctuate due to changes in foreign exchange rates. Currency risk arises when future commercial transactions and recognised assets and liabilities are denominated in currency that is not the Company's functional currency. The Company's transactions are principally in Saudi Riyals, United Arab Emirates Dirhams, Euros and United States Dollars. The management believes that there is no currency risk arising from the transactions in currencies to which the Saudi Riyals is pegged.

The Company's exposure to currency risk arising from currencies to which the Saudi Riyals is not pegged is not material to these financial statements.

ii) Interest rate risk

Interest rate risks are the exposures to various risks associated with the effect of fluctuations in the prevailing interest rates on the Company's financial position and cash flows. The Company manages the interest rate risk by regularly monitoring the interest rate profiles of its interest-bearing financial instruments. The Company's

interest-bearing liabilities, which are mainly bank borrowings, are at floating rates of interest, which are subject to re-pricing. Management monitors the changes in interest rates and believes that the fair value risks to the Company are not significant. The Company have short-term deposits and Murabaha term deposits, interest bearing financial assets at the end of reporting period.

The interest rate profile of the Company's interest-bearing financial instruments as reported to the management of the Company is as follows:

	2025	2024
Financial liabilities, variable interest bearing financial instruments	785,171	901,509

The Company's main interest rate risk arises from borrowings with variable rates, which expose the company to cash flow interest rate risk. During 2025 and 2024, the Company's borrowings at variable rate were mainly denominated in Saudi Riyals and USD.

At December 31, 2025, if interest rates had been 100 bps higher/lower with all other variables held constant, future interest on outstanding loans will increase/decrease by Saudi Riyals 10.4 million (December 31, 2024: Saudi Riyals 16.17 million).

iii) Price risk

Price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from special commission rate risk or currency risk) whether those changes are caused by factors specific to the individual financial instruments or it's issuer, or factors affecting all similar financial instruments traded in the market. The Company does not have any financial instruments which are subject to other price risk.

e) Capital management

The primary objective of the Company's capital management is to ensure that it maintains a proper capital ratio in order to support its business and maximize shareholders' value. The capital is managed by the board of directors. The capital structure includes all component of shareholders' equity. The Company manages its capital structure and makes adjustments to it, in light of changes in economic conditions. To maintain or adjust

the capital structure, the Company may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares.

The Company monitors capital on the basis of the gearing ratio. This ratio is calculated based on the net cash / debt divided by total capital.

	2025	2024
Borrowings	785,171	901,509
Lease liabilities	163,892	169,316
Less: short-term deposits	(385,763)	(452,304)
Less: cash and cash equivalents	(987,383)	(735,171)
Net debt / (Cash) (A)	(424,083)	(116,650)
Shareholders' equity (B)	4,582,446	4,397,459
Total capital (A+B)	4,158,363	4,280,809
Negative gearing ratio (A / (A+B))	(10%)	(3%)

f) Net cash / debt reconciliation

	Borrowings	Lease liabilities	Dividend payable	Total
As at January 1, 2024	(1,942,104)	(186,270)	-	(2,128,374)
Changes from financing cashflows:				
Payments	1,124,714	24,109	-	1,148,823
Dividend payments	-	-	1,446,993	1,446,993
Total changes from financing cashflows	1,124,714	24,109	1,446,993	2,595,816
Other changes:				
Dividend announced	-	-	(1,446,993)	(1,446,993)
Interest	(84,119)	(7,155)	-	(91,274)
Total other changes	(84,119)	(7,155)	(1,446,993)	(1,538,267)
As at December 31, 2024	(901,509)	(169,316)	-	(1,070,825)
Changes from financing cashflows:				
Payments	169,441	31,379	-	200,820
Dividend payments	-	-	686,486	686,486
Total changes from financing cashflows	169,441	31,379	686,486	887,306
Other changes:				
Dividend announced	-	-	(686,486)	(686,486)
Interest	(53,102)	(9,063)	-	(62,165)
Others	(1)	(16,892)	-	(16,893)
Total other changes	(53,103)	(25,955)	(686,486)	(765,544)
As at December 31, 2025	(785,171)	(163,892)	-	(949,063)

33. Commitments and Contingencies**33.1 Commitments**

As at December 31, 2025, the Company had outstanding capital commitments of Saudi Riyals 1,052.62 million (December 31, 2024: Saudi Riyals 881.31 million) in respect of additions to property, plant and equipment at its Jeddah and Yanbu refineries.

33.2 Contingencies

As at December 31, 2025, letters of guarantees issued by banks on behalf of the Company amounted to Saudi Riyals 3.61 million (December 31, 2024: Saudi Riyals 3.86 million) and letters of credit issued by banks on behalf of the Company is Saudi Riyals 58.28 million (December 31, 2024: Saudi Riyals 59.17 million) for various business needs.

34. Operating segment

The Company is engaged to construct, own and operate refineries of lubricating oils and to purchase, sell, transport, market, import and export lubricating oils, additives, lubricating oil blending stocks, byproducts and other related petroleum products. The Company operates in Jeddah and Yanbu region of Saudi Arabia and has an operation in Al-Hamriyah in the United Arab Emirates. For management purposes, the Company is organized as a single business unit aligned with its principal business activity.

The Company has determined that the Company's Board of Directors and the President & CEO, are the CODM and are responsible for making decisions regarding the allocation of resources

and assessment of performance of the Company. The CODM monitors the operating results of the Company as a whole for the purpose of making decisions about resource allocation and performance assessment of the Company's business. The CODM evaluates the performance on the basis of revenues, total operating expenses, earnings before interest, tax, depreciation and amortisation (EBITDA), net income and return on equity.

Geographical information of the Company's revenues is disclosed in Note 25. The Company's property, plant and equipment assets are located in Kingdom of Saudi Arabia. Saudi Aramco is the Company's major customer exceeding 10% revenue threshold. See Note 25.

35. Subsequent Event

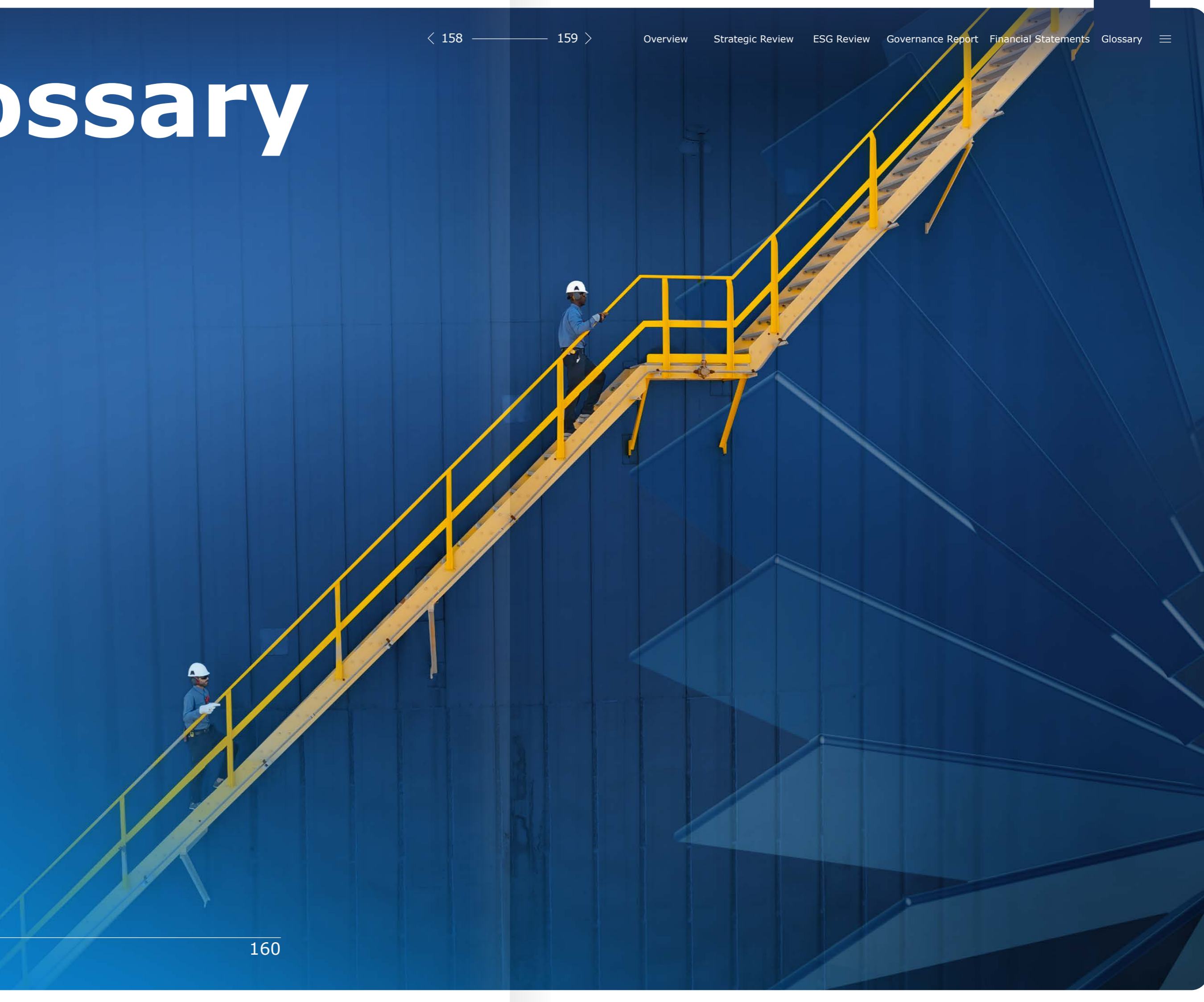
On February 6, 2026 (corresponding to Shaban 18, 1447H), the Board of Directors of the Company resolved to recommend the General Assembly for distribution of annual dividends for the year ended December 31, 2025 of Saudi Riyals 3.5 per share amounting to Saudi Riyals 588.91 million.

No other matter has occurred up to and including the date of the approval of these financial statements by the Board of Directors which could materially affect these financial statements and the related disclosures for the year ended December 31, 2025.

36. Approval Of Financial Statements

These financial statements were approved and authorized for issue by the Board of Directors of the Company on February 6, 2026, corresponding to Shaban 18, 1447H.

Glossary



Glossary

Bright Stock – High-Viscosity Base Oil

CO₂e – Carbon Dioxide Equivalent

CSR – Corporate Social Responsibility

ERM – Enterprise Risk Management

ESG – Environmental, Social, and Governance

FEU – Furfural Extracting Unit

FLEET – Fuel Lubricants Efficient Engine Technology

FTEs – Full-Time Employees

GHG – Greenhouse Gas

HVGO – Heavy Vacuum Gas Oil

IFRS – International Financial Reporting Standards

KPI – Key Performance Indicator

KSA – Kingdom of Saudi Arabia

LTi – Lost Time Incident

LVGO – Light Vacuum Gas Oil

LubeHUB – An Industrial Value Park

m³ – Cubic Meter

MHFO – Marine Heavy Fuel Oil

MHRSD – Ministry of Human Resources and Social Development

MLDW – Mobile Lube De-waxing Unit

MT – Metric Tons

NCA – National Cybersecurity Authority

NGO Engagements – Engagements with Non-Governmental Organization

OEM – Original Equipment Manufacturer

PDA – Propane De-asphalting Unit

RCO – Reduced Crude Oil

SOCPA – Saudi Organization for Chartered and Professional Accountants

TRIR – Total Recordable Incident Rate

UCO – Unconverted Oil

ULSD – Ultra-Low Sulfur Diesel

uODS – Ultrasonically Assisted Oxidative Desulfurization

VDU – Vacuum Distillation Unit

VGO – Vacuum Gas Oil

Non-IFRS Measures and Definitions

- **Operating Capacity** – The maximum volume of feedstock that Luberef can process under ideal operating conditions considering equipment limitations and typical base oil slate based on current allocated feedstock. This measure reflects the refinery's potential throughput under optimal circumstances.
- **Mechanical Availability** – The percentage of time that Luberef's refining equipment and infrastructure are operational, excluding downtime due to scheduled maintenance. A higher mechanical availability indicates improved reliability and reduced unplanned disruptions.
- **Capacity Utilization** – The ratio of total actual production to nameplate capacity, expressed as a percentage. This metric measures how efficiently Luberef operates relative to its designed production capability.
- **Unit Cost of Production** – Total production costs (excluding depreciation and amortization) divided by the base oil quantity (net of imports) sold. This measure reflects the cost efficiency of producing and selling refined base oil products.
- **EBITDA** – Earnings before interest, income taxes, zakat, depreciation, and amortization. This metric provides a clear view of the Company's operating profitability before non-cash and financing costs.
- **ROACE (Return On Average Capital Employed)** – A 12-month rolling net operating profit after tax (NOPAT) divided by the average of net financial debt and the average book value of equity. This measure evaluates Luberef's profitability in relation to its capital base.
- **Free Cash Flow (FCF)** – Cash flow from operating activities (CFFO) minus capital expenditures (CapEx). This metric indicates the cash available for strategic investments, debt service, or shareholder returns after maintaining operations.
- **Cash Conversion** – Free cash flow divided by EBITDA. This ratio measures the efficiency of converting operating profits into available cash flow.
- **Gearing** – Net financial debt divided by total capital employed. This measure assesses Luberef's financial leverage and capital structure.
- **Net Financial Debt** = Total Debt + Lease Liabilities – Cash and cash equivalents includes short term deposits.
- **Crack Margin** – Realized sales price (net of freight and rebate) (\$/MT) minus feedstock cost (\$/MT). This metric represents the refining margin per metric ton of product sold.
- **GHG** – Scope 1 and 2 (GRI-305 – GRI-305-2a) total direct emissions measured on CO₂ equivalent from operations covered under the defined boundaries and Indirect GHG emissions from the generation of purchased electricity, steam, heating, and cooling consumed by the organization.
- **Water Discharge (GRI 303-4)** – Total water discharged to third parties and directly to the sea.
- **Water Withdrawal (GRI 303-3-a)** – Water withdrawn from the sea (total) and from third-parties (total).
- **Sustaining Capex to PPE** – Sustaining Capex / Average (Beginning balance + Ending balance of PPE and right of use).
- **Return on PPE** – Net income / Average (Beginning balance + Ending balance of PPE and right of use).