



SOOR السور

شركة السور لتسويق الوقود ش.م.ك.ع
Soor Fuel Marketing Company K.S.C.P

ANNUAL REPORT

2025



SOOR السور

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Soor Fuel Marketing Company K.S.C.P



ألفا ALFA



**ANNUAL REPORT
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بِسْمِ اللَّهِ الرَّحْمَنِ الرَّحِيمِ



**His Highness Sheikh
Meshal Al-Ahmad Al-Jaber Al Sabah
The Amir of the State of Kuwait**



**His Highness Sheikh
Sabah Al-Khaled Al-Sabah
Crown Prince of the State of Kuwait**

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SOOR CORPORATE PROFILE

Company's Title: Soor Fuel Marketing Co (K. S. C.P)

Commercial Registry & Date: 113393, dated 9/4/2006

Paid-Up capital

42,089,588.300 Kuwaiti Dinar

Shared Issued & Subscribed: 420,895,883 shares

Number of shares Authorized: 420,895,883 shares

Headquarters: State of Kuwait – AlMirqab – Bl. 3 – Omar Bin Alkhatib street - KBT

P.O. Box: 28396 – Safat: 13144 – Kuwait

Soor Fuel Marketing Co (K. S. C.P) was incorporated under the Amiri Decree No (297) of 2005, issued on 22/11/2005 as a Kuwaiti public shareholding company.

The business activities of the company include acquisition, construction, leasing, operation and maintenance of the petrol filling stations. The company also constructs, develops, operates and maintains customers services centers at these stations. These centers provide all services related to cars and vehicles such as oil change, car wash, maintenance services, repair and technical testing of vehicles and supermarket services.

The company provides other services such as petrol filling, storage, transfer, leasing and trading in petrol products and manufactured materials whether wholesale or retail.

The company also purchases, leases, acquires and sells lands and real estates in the various locations.

The company can perform such business in the state of Kuwait and abroad.

The company may have interests or participate in any manner with any institution which participates or buys such institutions or have them affiliates.

OUR VISION

To be Kuwait's leading retail fuel and service provider, delivering exceptional customer experiences and achieving sustainable growth through diversified non-fuel services, innovative digital solutions, and a strong commitment to environmental and community sustainability — creating lasting value for our customers, stakeholders, and society.

SOOR VALUES

LEADERSHIP & EXCELLENCE – we are committed to being leaders in our industry and our country – setting an example for excellence in all what we say & do – in our products, services & actions.

TRUST & INTEGRITY – we are committed to building a long term Relationship with our clients, partners, employees, & community – one based on mutual respect, trust and the highest standards.

GROWTH & PERFORMANCE – we are committed to providing our partners and shareholders growth opportunities and profitable returns on their investments.

COMMITMENT & DEDICATION – we are committed to achieving Our goals together – offering great work environment and professional growth opportunities to our employees.

RESPONSIBILITY / CORPORATE CITIZENSHIP – we are Committed to responsible citizenship – through active community involvement and respect for our environment.

OUR MISSION

To deliver a wide range of high-quality energy and lifestyle solutions — from fuel distribution to non-fuel services through operational excellence, innovation, digital transformation, and responsible practices that enrich customer experience, enhance efficiency, and contribute to Kuwait's sustainable growth.

BOARD OF DIRECTORS

Mr. Turaif Mohammad Baqer Al-Awadhi

CHAIRMAN

Mr. Talal Ahmed Al-Khars

VICE CHAIRMAN & CEO

Mr. Abdulaziz Malek Al-Ali

BOARD MEMBER

Mr. Abdullah Shaker Al-Otaibi

BOARD MEMBER

Mr. Ashraf AlHaj Mahmoud

BOARD MEMBER

Mr. Jaber Mohammed Ashknani

BOARD MEMBER

Mr. Mubarak Faleh Alsehali

BOARD MEMBER

Mrs. Nour Mahdi Mahmoud

BOARD MEMBER

Mr. Mohammad Alabdulkareem

BOARD MEMBER

EXECUTIVE MANAGERS



SALEM KHADER AL-HASAWI
VP, Sales, Marketing & PR



TALAL AHMAD AL-KHARS
Vice chairman & CEO



HANI MOHAMMED AL-QALLAF
VP, Human Resources &
Administration



ENG. TAHA AHMAD AL-KHARS
VP, Technical Services



Ihab Gamil Ishak
VP, Finance & Accounting



ENG. ABDULAMIR MALLAH AL-JAZZAF
VP, Operation & Logistics Services



Turaif Mohammad Baqer Al-Awadhi
Chairman of the Board of Directors

CHAIRMAN MESSAGE
ESTEEMED SHAREHOLDERS,
GREETINGS & PEACE BE UPON YOU,

I am pleased to present to you the Annual report of Soor Fuel Marketing Company the audited financial statements for the financial year ended on 31 December 2025.

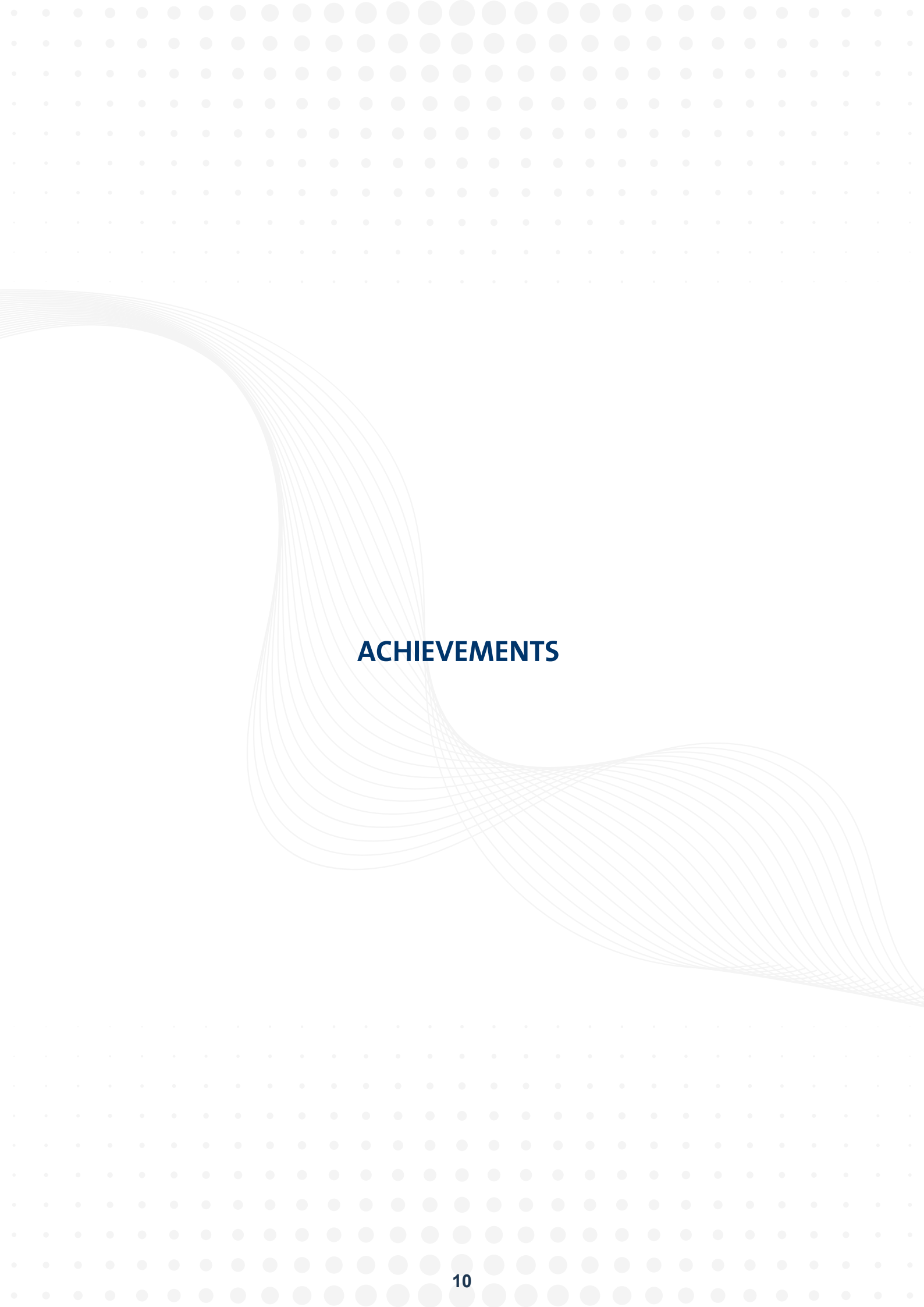
We are pleased to inform you that Soor Fuel Marketing Company achieved a net profit of 5,259,570KWD (Five million, Two hundred Fifty-Nine thousand, Five hundred Seventy Kuwaiti Dinars) for the year 2025. This was generated from total sales amounting to 158,570,442 KWD (One hundred fifty-Eight million, Five hundred Seventy thousand, Four hundred Forty-Two Kuwaiti Dinars). Additionally, the earnings per share reached 12.500 fils, reflecting a 8.7% increase compared to 2024. These achievements highlight the company's high flexibility, operational efficiency, and ability to swiftly respond to customer demands and market changes.

In addition, in 2025, Soor Fuel Marketing Company achieved some of the achievements and objectives represented in the achievement of a 6-star rating from the Kuwait National Petroleum Company (KNPC) after passing a compliance audit of HSE and fuel filling stations , Also, the modernization and development of some gas stations has been completed, for example, Station 81 located in Sulaibiya area by adding activities and services (Auto Wash Station, Central Market Building and Car Quick Service Center), we have also undertaken the development, modernization, and addition of new activities and services at Station 32 located in Khaitan (Auto Wash Station, Central Market Building and Car Quick Service Center), and adding diesel and gasoline islands inside the station.

Believing in social responsibility, Soor Fuel Company participated in publishing awareness advertisements in cooperation with the Ministry of Interior, in addition to sponsoring sports and cultural activities.

In conclusion, I wish to thank all Government Authorities, particularly Kuwait Petroleum Corporation, Kuwait National Petroleum Company, Environment Public Authority, Fire General Department, Kuwait Municipality and State Properties Department for their ongoing cooperation and support of the Company's activities, that has contributed to promoting growth and development and the attainment of further goals and achievements for many years to come, with the blessings of Allah.

TURAIK MOHAMMAD BAQER AL-AWADHI
CHAIRMAN OF THE BOARD OF DIRECTORS
MAY ALLAH GRANT US SUCCESS

The background features a light gray grid of dots of varying sizes. A series of thin, overlapping wavy lines in a light gray color flows from the left side of the page, curving downwards and then back up towards the right, creating a dynamic, organic shape.

ACHIEVEMENTS

MARKETING ACHIEVEMENTS

Soor Fuel Marketing Company made several marketing achievements during the year 2025, including:

1. Soor Fuel Marketing Company achieved a 6-star rating from Kuwait National Petroleum Company after successfully passing the compliance audit for Health, Safety, Environment, and Quality standards at the head office and fuel filling stations.
2. The upgrade and development of Station 81, located in Al-Sulaibiya, have been completed by adding new activities and services, including an automatic car wash, a convenience store building, and a quick service center for vehicles.
3. Station 32, located in Khaitan, has also been developed and upgraded with the addition of new activities and services (automatic car wash, convenience store building, and quick service center for vehicles), along with the addition of diesel and gasoline islands within the station.

SOCIAL RESPONSIBILITY

Believing in the Soor Fuel Marketing Company in the importance of its role society and its social responsibility, the company carried out the following:

1. Sponsorship was provided for the publication of campaign advertisements aimed at raising awareness of the Drug and Psychotropic Substances Law, in cooperation with the Ministry of Interior.(MOI)
2. A sponsorship was provided to Kuwait Sports Club as support from Soor Fuel Marketing Company for the club sports and cultural activities.
3. A sponsorship was provided for a graduation project for students at the College of Engineering and Petroleum on preparing an engineering model of marine operations in the oil and gas sector.

SALES GROWTH

1. Postpaid Card Sales: Revenue increased by 4% compared to 2024.
2. Prepaid Card Sales: Revenue showed a 2% increase compared to 2024.
3. Card Recharge : There was a significant increase of 18%, indicating a positive trend in usage.
4. All Card Department sales : Increase 8% Compared to 2024.
5. Contract: In 2025, we successfully renewed the fuel refueling card contract with several government agencies, including Ministry of Health.

OPERATIONS AND LOGISTICS SERVICES ACHIEVEMENTS

1. Training station employees on the standards and principles related to the COP (Code of Practice) system, and successfully passing the COP audit conducted by the regulatory authority KNPC with an excellent rating.
2. Organizing first aid courses and refresher training programs for supervisors and contractors at the stations.
3. Requesting Solo devices and KNET devices to cover all fuel dispensers and islands at the stations in order to reduce manipulation by workers.
4. Operating Station No. 81 in West Abdullah Al-Mubarak (fueling and automatic car wash).
5. Developing and operating the automatic car wash at Station No. 91 – Al-Rabiya (manual and automatic washing).
6. Supervising calibration operations by station officials to ensure the accuracy of procedures and data.
7. Implementing safety, health, environment, and quality (SHEQ) requirements for contractors and investors.

SAFETY, HEALTH, ENVIRONMENT, AND QUALITY (HSEQ)

1. Passing the external audit for 2025 conducted by Royal Cert Company and obtaining certifications for the International Standards Organization in the fields of Occupational Health and Safety Management (ISO 45001:2018), Environmental Management (ISO 14001:2015), and Quality Management (ISO 9001:2015).
2. Completing the internal audits for 2025 on the company's departments according to the International Standards Organization systems in the fields of Occupational Health and Safety Management, Environmental Management, and Quality Management, as well as according to the Health, Safety, Environment, and Quality Code of Practice of the Kuwait National Petroleum Company, followed by issuing reports and addressing findings.
3. Conducting training courses in the fields of Safety, Health, Environment, and Quality for the 50 Kuwaiti workers nominated by the Human Resources Department to work at the company's stations.
4. Completing mock emergency drills for 3 stations and recording the response of station employees to the emergency in the training, followed by issuing reports including lessons learned for improving responses.
5. Passing the joint inspection with the regulatory authority of Kuwait National Petroleum Company for the commissioning of the car service facility at Station 115, 108, 34 & 91.
6. Passing the joint inspection with the regulatory authority of Kuwait National Petroleum Company for the commissioning of the automatic carwash facility at Station 123 named Splash after development and renovation work.
7. Passing the joint inspection with the regulatory authority of Kuwait National Petroleum Company for the commissioning of the c-store facility at Station 76 & 91.
8. Obtaining certifications from the Environment Public Authority for the study reports of the environmental present situation at stations No. 44, No. 74.
9. Passing and coordinating the external audits for 2025 conducted by the regulatory authority of Kuwait National Petroleum Company for the fuel stations.

HUMAN RESOURCES AND ADMINISTRATIVE AFFAIRS ACHIEVEMENTS

1. In cooperation with the workforce restructuring program, Kuwaiti staff were appointed and trained.
2. 120 new senior station attendants are recruited and provided with theoretical and practical training in (SHEQ) according to procedures and a course in Operations and Operations Management.
3. Implementing the regulations of the Labor Law in accordance with the requirements of the Manpower Department and the Ministry of Labor and Social Affairs.
4. First aid training for station workers in cooperation with the Australian University.
5. Organizing a training course for new station employees: Certified Station Manager course.
6. Organizing a course on tools for improving customer satisfaction levels and a course on professional leadership in crises and comprehensive change for administrative staff.
7. Organizing the (ICCGO) International Certificate Course for administrative staff.
8. Implementing an electronic transfer system for all matters related to residency permits and work permits for Kuwaitis and non-Kuwaitis.
9. Obtaining the necessary approvals to amend the building permits for fuel stations “81”, “53”, and “84”, by the Ministry of Finance – State Property Administration.
10. Meeting the requirements for assessing the labor needs of Soor Company's file with the Public Authority for Manpower.
11. Boosting the workforce to meet the labor needs of Soor Company's fuel stations and the requirements of the Ministry of Interior's tender.
12. The company's data is updated with the Ministry of Commerce, Industry and updating the company's commercial license until 2029.
13. Completing the outstanding payments related to rental fees and investment percentages for fuel stations at the State Property Administration – Ministry of Finance.

FUTURE PLANS

- 1.The commitment to maintaining and achieving the 100% Kuwaiti workforce recruitment rate at the stations for the year 2026.
- 2.Achieving the highest possible productivity efficiency, by planning the organization's human resource needs in terms of quantity and quality using scientific methods in general and statistical and mathematical methods in particular.
- 3.Working to increase the performance level by focusing on increasing individuals' ability to work and increasing their desire to perform work, by developing their capabilities through training and providing a suitable work environment, both materially and psychologically
- 4.Developing training curricula and equipping the training hall with the latest technologies.
- 5.Promoting safe containers and ensuring compliance with the container filling process by the fuel attendant outside the vehicle.
- 6.Enforcing Safety, Health, Environment, and Quality (SHEQ) requirements on investors and contractors.
- 7.Applying the requirements for supplying customers with petroleum products (Bulk Sales)
- 8.Working on updating risk registers and work procedures for safety, health, environmental, and quality practices
- 9.Working certifications from the Environment Public Authority for the environmental study reports submitted.
- 10.Working on passing the external audit for the year 2026 conducted by Royal Cert Company and the external audits for the year 2026 conducted by the regulatory authority for filling stations
- 11.Conducting inspections and checks on all fuel stations.
- 12.Working on organizing training courses in safety, health, environmental, and quality fields for employees of station investors.
- 13.Working on achieving the company's goal of reducing incidents of safety breaker disconnections caused by vehicle movement during the filling process due to incorrect filling procedures.

A WORD OF APPRECIATION

Soor Fuel Marketing Company extends its sincere appreciation and gratitude to everyone who contributed to the company's success during the 2025 financial year.

On this occasion, we express our deepest gratitude to His Highness Sheikh Meshal Al-Ahmad Al-Jaber Al Sabah, Amir of the State of Kuwait, for his wise leadership and his continued support in strengthening the national economy and advancing development.

We also wish to convey our appreciation to Kuwait Petroleum Corporation, Kuwait National Petroleum Company, and the Ministry of Finance for their valuable support and ongoing guidance. Special thanks are extended to the Environment Public Authority, the General Directorate of Fire, and Kuwait Municipality.

Soor Fuel Marketing Company proudly recognizes all its employees for their dedication and hard work, which played a key role in achieving last year's accomplishments. Through their commitment and strong collaboration with one another and with the company, our success has been built and will continue to grow, expand, and thrive.

Thank you all for your efforts and your continued support. Together, we grow, evolve, and move forward.

SOOR FUEL MARKETING COMPANY

DISCLOSURE

OUR EXTERNAL AUDITOR OF THE GROUP IS ERNST & YOUNG (EY). IN ADDITION TO THE AUDIT AND REVIEW OF OUR FINANCIAL REPORTS, EY PROVIDES OTHER SERVICES THROUGHOUT THE YEAR. THIS NOTE DETAILS THE TOTAL FEES TO OUR EXTERNAL AUDITORS.

Description	2025	2024
	KD	KD
Audit for Group financials statements	24,000	24,000
Other assurance and non-assurance services to the Group	4,810	4,935
Other fee to other related entities (when applicable)	-	-
Total	28,810	28,935



SOOR السور

شركة السور لتسويق الوقود شركة مساهمة
Soor Fuel Marketing Company K.S.C.P

التاريخ: 2026/03/18

السادة / مساهمي شركة السور لتسويق الوقود ش.م.ك.ع

تنفيذاً لمتطلبات المادة (5-3) من الفصل الخامس "القاعدة الرابعة: ضمان نزاهة التقارير المالية" - بالكتاب الخامس عشر " حوكمة الشركات " من اللائحة التنفيذية لقانون هيئة أسواق المال رقم 7 لسنة 2010 وتعديلاتها - التي توجب على مجلس إدارة الشركة تقديم تعهدات كتابية بشأن نزاهة التقارير المالية المعدة عن الشركة.

أتعهد أنا/ طريف محمد باقر العوضي - بصفتي رئيس مجلس إدارة شركة السور لتسويق الوقود بسلامة ونزاهة البيانات المالية للشركة للسنة المالية المنتهية في 2025/12/31، وكذلك التقارير ذات الصلة بنشاط الشركة - وهذا الإقرار بصفتي من خلال متابعة ورقابة المجلس وإقرارات نائب رئيس قطاع المالية والحسابات وكذلك الرئيس التنفيذي للشركة بسلامة ونزاهة تقارير البيانات المالية للشركة والالتزام بإعدادها وفق معايير المحاسبة الدولية المعتمدة من قبل الهيئة.

وهذا الإقرار مني بذلك بصفتي التزاماً بقواعد الحوكمة المشار إليها أعلاه.

طريف محمد باقر العوضي

رئيس مجلس الادارة

A decorative graphic consisting of multiple thin, light gray wavy lines that flow from the left side of the page towards the right, creating a sense of movement and depth.

SOOR FUEL MARKETING COMPANY K.S.C.P
AND IT'S SUBSIDIARY
CONSOLIDATED FINANCIAL STATEMENT
31 DECEMBER 2025 disclosure

INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF AL SOOR FUEL MARKETING COMPANY K.S.C.P.

Report on the Audit of Consolidated Financial Statements

Opinion

We have audited the consolidated financial statements of Al Soor Fuel Marketing Company K.S.C.P. (the “Parent Company”) and its subsidiary (collectively the “Group”), which comprise the consolidated statement of financial position as at 31 December 2025 and the consolidated statement of profit or loss, consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including material accounting policy information.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as at 31 December 2025, and its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board (IASB).

Basis for Opinion

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

Emphasis of Matter

We draw attention to Note 13 in the consolidated financial statements which states that the Group is the ultimate beneficiary of certain investment properties with a carrying value of KD 890,000 (2024: KD 898,000) registered in the name of a related party on behalf of the Group, which is a wealth management company by its nature of operations. Our opinion is not modified in respect of this matter.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current year. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF AL SOOR FUEL MARKETING COMPANY K.S.C.P. (continued)

Report on the Audit of Consolidated Financial Statements (continued)

Key Audit Matters (continued)

We have fulfilled the responsibilities described in the *Auditor's Responsibilities for the Audit of the Consolidated Financial Statements* section of our reports, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond our assessment of the risks of material misstatement of the consolidated financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis of our audit opinion on the accompanying consolidated financial statements.

We identified the following key audit matter:

Valuation of financial assets at fair value through other comprehensive income

As at 31 December 2025, the Group had financial assets at fair value through other comprehensive income amounting to KD 60,507,943. These financial assets are measured at fair value with the corresponding fair value change recognised in consolidated statement of comprehensive income. The valuation of the financial assets at fair value through other comprehensive income is inherently subjective - most predominantly for Level 3 of fair value hierarchy which amounts to KD 21,104,980, since these are valued using inputs other than quoted prices in an active market. Fair value can be subjective in nature and involve various assumptions regarding pricing factors.

The use of different valuation techniques and assumptions could produce significantly different estimates of the values of these financial assets at fair value through other comprehensive income.

Due to the significance of estimation uncertainty associated with the fair valuation of the financial assets at fair value through other comprehensive income, this is considered a key audit matter.

We performed audit procedures to assess the methodology, and the appropriateness of the valuation models and inputs used to value financial assets fair value through other comprehensive income. As part of these audit procedures, we assessed the accuracy of key inputs used in the valuation such as quoted market prices, market multiples, and discount rates for lack of marketability and lack of control, the expected cash flows, risk free rates and credit spreads by benchmarking them with external data, investigated significant differences. Finally, we assessed the adequacy of the disclosures relating to financial assets in Notes 9 and 25 to the consolidated financial statements.

Other information included in the Group's 2025 Annual Report

Management is responsible for the other information. Other information consists of the information included in the Group's 2025 Annual Report, other than the consolidated financial statements and our auditor's report thereon. We obtained the report of the Parent Company's Board of Directors, prior to the date of our auditor's report, and we expect to obtain the remaining sections of the Annual Report after the date of our auditor's report.

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



Shape the future
with confidence

INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF AL SOOR FUEL MARKETING COMPANY K.S.C.P. (continued)

Report on the Audit of Consolidated Financial Statements (continued)

Other information included in the Group's 2025 Annual Report (continued)

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements, or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed on the other information that we obtained prior to the date of this auditor's report, 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 Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance IFRS Accounting Standards as issued by the IASB, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Group'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 Group or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Group's financial reporting process.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated 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 ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated 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.

INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF AL SOOR FUEL MARKETING COMPANY K.S.C.P. (continued)

Report on the Audit of Consolidated Financial Statements (continued)

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements (continued)

- ▶ 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 expressing an opinion on the effectiveness of the Group'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 Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated 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 Group to cease to continue as a going concern.
- ▶ Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- ▶ Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the Group as a basis for forming an opinion on the consolidated financial statements. We are responsible for the direction, supervision and review of the audit work performed for the purposes of the group audit. We remain solely responsible for our audit opinion.

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.

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

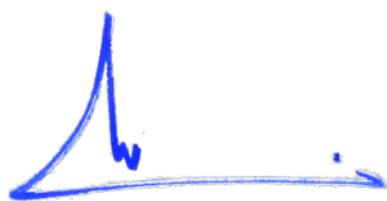
From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law 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.

INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF AL SOOR FUEL MARKETING COMPANY K.S.C.P. (continued)

Report on Other Legal and Regulatory Requirements

Furthermore, in our opinion proper books of account have been kept by the Parent Company and the consolidated financial statements, together with the contents of the report of the Parent Company's Board of Directors relating to these consolidated financial statements, are in accordance therewith. We further report that, we obtained all the information and explanations that we required for the purpose of our audit and that the consolidated financial statements incorporate all information that is required by the Companies Law No.1 of 2016, as amended, and its executive regulations, as amended, and by the Parent Company's Memorandum of Incorporation and Articles of Association, that an inventory was duly carried out and that, to the best of our knowledge and belief, no violations of the Companies Law No.1 of 2016, as amended, and its executive regulations, as amended, nor of the Parent Company's Memorandum of Incorporation and Articles of Association have occurred during the year ended 31 December 2025 that might have had a material effect on the business of the Parent Company or on its financial position.

We further report that, during the course of our audit, we have not become aware of any violations of the provisions of Law No. 7 of 2010 concerning establishment of Capital Markets Authority "CMA" and organization of security activity and its executive regulations, as amended, during the year ended 31 December 2025 that might have had a material effect on the business of the Parent Company or on its financial position, except for the matter disclosed in Note 5 to the consolidated financial statement.



BADER AL ABDULJADER
LICENCE NO. 207-A
EY
AL AIBAN, AL OSAIMI & PARTNERS

18 March 2026
Kuwait

Al Soor Fuel Marketing Company K.S.C.P. and its Subsidiary

CONSOLIDATED STATEMENT OF PROFIT OR LOSS

For the year ended 31 December 2025

	Notes	2025 KD	2024 KD
Sales	20	158,570,442	153,220,269
Cost of sales	3	(145,722,394)	(140,654,595)
Operating expenses	3	(10,710,472)	(10,761,811)
GROSS PROFIT		2,137,576	1,803,863
Other income		3,533,447	3,719,998
Rental income		289,370	282,790
Net investment income	4	4,230,667	3,103,150
Administrative expenses		(4,025,804)	(3,761,859)
Other expenses	5	(565,400)	-
Allowance for expected credit losses on trade receivables	8	-	(23,681)
PROFIT FOR THE YEAR BEFORE TAX AND DIRECTORS' REMUNERATION		5,599,856	5,124,261
Contribution to Kuwait Foundation for the Advancement of Sciences (KFAS)		(50,363)	(46,118)
National Labour Support Tax (NLST)		(168,964)	(128,107)
Zakat		(59,959)	(51,243)
Directors' remuneration	14	(61,000)	(61,000)
PROFIT FOR THE YEAR	3	5,259,570	4,837,793
BASIC AND DILUTED EARNINGS PER SHARE (EPS)	6	12.50 Fils	11.50 Fils

Al Soor Fuel Marketing Company K.S.C.P. and its Subsidiary

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the year ended 31 December 2025

	2025 KD	2024 KD
Profit for the year	5,259,570	4,837,793
Other comprehensive income:		
<i>Items that will not be reclassified subsequently to consolidated statement of profit or loss</i>		
Net fair value gain on financial assets at fair value through other comprehensive income	13,349,998	9,632,103
Other comprehensive income for the year	13,349,998	9,632,103
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	18,609,568	14,469,896

Al Soor Fuel Marketing Company K.S.C.P. and its Subsidiary

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 31 December 2025

	Notes	2025 KD	2024 KD
ASSETS			
Cash and short-term deposits	7	35,091,707	33,326,830
Accounts receivable and prepayments	8	2,607,366	1,797,513
Inventories		698,844	804,986
Investment securities	9	64,059,979	45,303,207
Property and equipment	10	14,030,088	16,322,977
Intangible assets	11	7,168,901	7,862,958
Right-of-use assets	12	4,379,108	4,983,122
Investment properties	13	890,000	898,000
TOTAL ASSETS		128,925,993	111,299,593
EQUITY AND LIABILITIES			
Equity			
Share capital	14	42,089,588	40,470,758
Statutory reserve	15	7,866,323	7,306,337
Voluntary reserve	15	7,866,323	7,306,337
Treasury shares	16	(23,683)	(23,683)
Treasury shares reserve		(293,796)	(293,796)
Cumulative changes in fair value reserve	15	16,780,734	4,557,747
Retained earnings		24,686,486	23,870,475
Total equity		98,971,975	83,194,175
Liabilities			
Employees' end of service benefits		962,769	1,506,683
Accounts payable and accruals	17	22,903,018	20,788,684
Lease liabilities	12	6,088,231	5,810,051
Total liabilities		29,954,018	28,105,418
TOTAL EQUITY AND LIABILITIES		128,925,993	111,299,593

Turaif Mohammad Baqer Al Awadhi
Chairman

Talal Ahmad AlKhars
Vice Chairman & CEO



Al Soor Fuel Marketing Company K.S.C.P. and its Subsidiary

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the year ended 31 December 2025

	Share capital KD	Statutory reserve KD	Voluntary reserve KD	Treasury shares KD	Treasury shares reserve KD	Cumulative change in fair value reserve KD	Retained earnings KD	Total equity KD
As at 1 January 2025	40,470,758	7,306,337	7,306,337	(23,683)	(293,796)	4,557,747	23,870,475	83,194,175
Profit for the year	-	-	-	-	-	-	5,259,570	5,259,570
Other comprehensive income for the year	-	-	-	-	-	13,349,998	-	13,349,998
Total comprehensive income for the year	-	-	-	-	-	13,349,998	5,259,570	18,609,568
Issue of bonus shares (Note 14)	1,618,830	-	-	-	-	-	(1,618,830)	-
Transfer of gain on disposal of equity investments at FVOCI to retained earnings	-	-	-	-	-	(1,127,011)	1,127,011	-
Transfer to reserves (Note 15)	-	559,986	559,986	-	-	-	(1,119,972)	-
Dividend declared (Note 14)	-	-	-	-	-	-	(2,831,768)	(2,831,768)
At 31 December 2025	42,089,588	7,866,323	7,866,323	(23,683)	(293,796)	16,780,734	24,686,486	98,971,975
As at 1 January 2024	40,470,758	6,793,911	6,793,911	(23,683)	(293,796)	(4,891,863)	21,897,732	70,746,970
Profit for the year	-	-	-	-	-	-	4,837,793	4,837,793
Other comprehensive income for the year	-	-	-	-	-	9,632,103	-	9,632,103
Total comprehensive income for the year	-	-	-	-	-	9,632,103	4,837,793	14,469,896
Transfer of gain on disposal of equity investments at FVOCI to retained earnings	-	-	-	-	-	(182,493)	182,493	-
Transfer to reserves (Note 15)	-	512,426	512,426	-	-	-	(1,024,852)	-
Dividend declared (Note 14)	-	-	-	-	-	-	(2,022,691)	(2,022,691)
At 31 December 2024	40,470,758	7,306,337	7,306,337	(23,683)	(293,796)	4,557,747	23,870,475	83,194,175

Al Soor Fuel Marketing Company K.S.C.P. and its Subsidiary

CONSOLIDATED STATEMENT OF CASH FLOWS

For the year ended 31 December 2025

	Notes	2025 KD	2024 KD
OPERATING ACTIVITIES			
Profit for the year before tax and directors' remuneration		5,599,856	5,124,261
<i>Adjustments to reconcile profit for the year before tax and directors' remuneration to net cash flows:</i>			
Net investment income	4	(4,230,667)	(3,103,150)
Depreciation and impairment of property and equipment	10	2,984,862	2,154,979
Depreciation of investment properties	13	8,000	8,000
Depreciation on right-of-use assets	12	604,014	604,015
Amortisation of intangible assets	11	694,057	696,452
Provision for employees' end of service benefits		199,856	180,466
Allowance for expected credit losses on trade receivables	8	-	23,681
Write-off of capital work in progress	10	-	186,671
Finance cost on lease liabilities	12	278,180	307,509
		6,138,158	6,182,884
<i>Working capital changes:</i>			
Inventories		106,142	75,996
Accounts receivable and prepayments		(596,168)	374,536
Accounts payable and accruals		2,008,676	595,215
		7,656,808	7,228,631
Cash flows from operations		(743,770)	(43,980)
Employees' end of service benefits paid		(213,190)	(232,930)
Taxes paid		(61,000)	(61,000)
Director's remuneration paid			
Net cash flows from operating activities		6,638,848	6,890,721
INVESTING ACTIVITIES			
Purchase of property and equipment	10	(706,293)	(1,154,085)
Proceeds from sale of property and equipment		14,320	-
Purchase of investment securities		(7,676,478)	(2,083,887)
Proceeds from sale of investment securities		2,726,785	1,600,784
Net movement in short-term deposits		(7,750,000)	500,000
Interest income received		1,036,462	888,168
Dividend income received		2,523,439	1,684,718
Net cash (used in) from investing activities		(9,831,765)	1,435,698
FINANCING ACTIVITY			
Dividend paid		(2,792,206)	(2,090,673)
Net cash used in financing activity		(2,792,206)	(2,090,673)
NET (DECREASE) INCREASE IN CASH AND CASH EQUIVALENTS		(5,985,123)	6,235,746
Cash and cash equivalents at 1 January		30,826,830	24,591,084
CASH AND CASH EQUIVALENTS AT 31 DECEMBER	7	24,841,707	30,826,830

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

As at and for the year ended 31 December 2025

1 CORPORATE INFORMATION

The consolidated financial statements of Al Soor Fuel Marketing Company K.S.C.P (the “Parent Company”) and its subsidiary (collectively the “Group”) for the year ended 31 December 2025 were authorised for issue in accordance with a resolution of the Parent’s Company’s Board of Directors on 18 March 2026 and the shareholders have the power to amend these consolidated financial statements at the Annual General Assembly Meeting (“AGM”).

The consolidated financial statements of the Group for the year ended 31 December 2024 were approved in AGM of the shareholders of the Parent Company held on 20 April 2025. Dividends declared by the Parent Company for the year then ended are provided in Note 14.

The Parent Company is a Kuwaiti shareholding company incorporated on 20 March 2006 and commenced its operations on 9 May 2006. The Parent Company’s shares were listed on Boursa Kuwait on 30 June 2008.

The Group conducts the following activities as set forth in Article No. 5 of the Parent Company’s Articles of Association:

- ▶ Acquisition, establishment, leasing, operating, and maintenance of petrol stations;
- ▶ Establishing, developing, operating and maintaining customer service centers at petrol stations, to provide all automobile services including the changing of oil, car wash, maintenance workshop services and technical check-ups;
- ▶ The ability to fill and store fuel;
- ▶ To ship and trade in petroleum products in bulk or retail;
- ▶ The purchase, lease, acquisition, and sale of land and real estate in different locations for the purpose of compliance with the Parent Company’s activities;

The head office of the Parent Company is P.O. Box 28396, Safat 13144, State of Kuwait.

The Parent Company is a subsidiary of Alfa Energy Company K.S.C. (Closed) (the “Intermediate Parent Company”). The Ultimate Parent Company is Al Tafawoq United Holding Company K.S.C. (Closed).

Information on the Group’s structure is provided in Note 2.4.

2.1 BASIS OF PREPARATION

The consolidated financial statements of the Group have been prepared in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board (IASB).

The consolidated financial statements of the Group are prepared on a historical cost basis except for investment securities that have been measured at fair value.

The consolidated financial statements of the Group are presented in Kuwaiti Dinars (“KD”), which is the functional currency of the Parent Company.

The Group has prepared the consolidated financial statements on the basis that it will continue to operate as a going concern.

2.2 CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES

New standards, interpretations and amendments

The Group applied for the first-time certain standards and amendments, which are effective for annual periods beginning on or after 1 January 2025 (unless otherwise stated). The Group has not early adopted any other standard, interpretation or amendment that has been issued but is not yet effective.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

As at and for the year ended 31 December 2025

2.2 CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES (continued)

Lack of exchangeability - Amendments to IAS-21 The Effects of Changes in Foreign Exchange Rates

For annual reporting periods beginning on or after 1 January 2025, Lack of Exchangeability – Amendments to IAS 21 The Effects of Changes in Foreign Exchange Rates specifies how an entity should assess whether a currency is exchangeable and how it should determine a spot exchange rate when exchangeability is lacking. The amendments also require disclosure of information that enables users of its financial statements to understand how the currency not being exchangeable into the other currency affects, or is expected to affect, the entity's financial performance, financial position and cash flows.

The amendments did not have any impact on the Group's consolidated financial statements.

2.3 STANDARDS ISSUED BUT NOT YET EFFECTIVE

Standards issued but not yet effective up to the date of issuance of the Group's consolidated financial statements are listed below. This listing of standards issued is those that the Group reasonably expects to have an impact on disclosures, financial position or performance when applied at a future date. The Group intends to adopt these standards when they become effective.

IFRS 18 Presentation and Disclosure in Financial Statements

In April 2024, the IASB issued IFRS 18, which replaces IAS 1 Presentation of Financial Statements. IFRS 18 introduces new requirements for presentation within the statement of profit or loss, including specified totals and subtotals. Furthermore, entities are required to classify all income and expenses within the statement of profit or loss into one of five categories: operating, investing, financing, income taxes and discontinued operations, whereof the first three are new.

It also requires disclosure of newly defined management-defined performance measures, subtotals of income and expenses, and includes new requirements for aggregation and disaggregation of financial information based on the identified 'roles' of the primary financial statements (PFS) and the notes.

In addition, narrow-scope amendments have been made to IAS 7 Statement of Cash Flows, which include changing the starting point for determining cash flows from operations under the indirect method, from 'profit or loss' to 'operating profit or loss' and removing the optionality around classification of cash flows from dividends and interest. In addition, there are consequential amendments to several other standards.

IFRS 18, and the amendments to the other standards, is effective for reporting periods beginning on or after 1 January 2027, but earlier application is permitted and must be disclosed. IFRS 18 will apply retrospectively.

The Group is currently working to identify all impacts the amendments will have on the primary consolidated financial statements and notes to the consolidated financial statements.

IFRS 19 Subsidiaries without Public Accountability: Disclosures

In May 2024, the IASB issued IFRS 19, which allows eligible entities to elect to apply its reduced disclosure requirements while still applying the recognition, measurement and presentation requirements in other IFRS accounting standards. To be eligible, at the end of the reporting period, an entity must be a subsidiary as defined in IFRS 10, cannot have public accountability and must have a parent (ultimate or intermediate) that prepares consolidated financial statements, available for public use, which comply with IFRS accounting standards.

IFRS 19 will become effective for reporting periods beginning on or after 1 January 2027, with early application permitted.

As the Group's equity instruments are publicly traded, it is not eligible to elect to apply IFRS 19.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

As at and for the year ended 31 December 2025

2.3 STANDARDS ISSUED BUT NOT YET EFFECTIVE (continued)

Amendments to the Classification and Measurement of Financial Instruments - Amendments to IFRS-9 and IFRS-7

In May 2024, the IASB issued Amendments to IFRS-9 and IFRS-7, Amendments to the Classification and Measurement of Financial Instruments (the Amendments). The Amendments include:

- ▶ A clarification that a financial liability is derecognised on the 'settlement date' and the introduction of an accounting policy choice (if specific conditions are met) to derecognise financial liabilities settled using an electronic payment system before the settlement date.
- ▶ Additional guidance on how the contractual cash flows for financial assets with Environmental, Social and Governance ("ESG") and similar features should be assessed.
- ▶ Clarifications on what constitute 'non-recourse features' and what are the characteristics of contractually linked instruments.
- ▶ The introduction of disclosures of financial instruments with contingent features and additional disclosure requirements for equity instruments classified at fair value through other comprehensive income ("FVOCI").

The Amendments are effective for annual periods beginning on or after 1 January 2026 with early adoption permitted for classification of financial assets and related disclosures only. The Group does not anticipate that the amendments will have a material effect on the Group's consolidated financial statements.

2.4 BASIS OF CONSOLIDATION

The consolidated financial statements comprise the financial statements of the Parent Company and its subsidiary as at 31 December 2025. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Specifically, the Group controls an investee if, and only if, the Group has:

- ▶ Power over the investee (i.e., existing rights that give it the current ability to direct the relevant activities of the investee);
- ▶ Exposure, or rights, to variable returns from its involvement with the investee; and
- ▶ The ability to use its power over the investee to affect its returns.

Generally, there is a presumption that a majority of voting rights results in control. To support this presumption and when the Group has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- ▶ The contractual arrangement(s) with the other vote holders of the investee;
- ▶ Rights arising from other contractual arrangements; and
- ▶ The Group's voting rights and potential voting rights.

The Group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary.

Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated financial statements from the date the Group gains control until the date the Group ceases to control the subsidiary.

Profit or loss and each component of OCI are attributed to the equity holders of the Parent Company of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance. The financial statements of the subsidiaries are prepared for the same reporting period as the Parent Company reporting date using consistent accounting policies. When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with the Group's accounting policies. All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation. A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction.

If the Group loses control over a subsidiary, it derecognises the related assets (including goodwill), liabilities, non-controlling interest and other components of equity, while any resultant gain or loss is recognised in consolidated statement of profit or loss. Any investment retained is recognised at fair value.

Al Soor Fuel Marketing Company K.S.C.P. and its Subsidiary

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

As at and for the year ended 31 December 2025

2.4 BASIS OF CONSOLIDATION (continued)

The subsidiary of the Group is as follows:

<i>Name of the company</i>	<i>Country of incorporation</i>	<i>Principal activities</i>	<i>Equity interest %</i>	
			<i>2025</i>	<i>2024</i>
Advantage Holding Company K.S.C. (Closed)	Kuwait	Investments	96%	96%

The remaining shares in this subsidiary is held by other related parties on behalf of the Parent Company. Therefore, the effective holding of the Group in this subsidiary is 100%. These nominees have confirmed in writing that the Parent Company is the beneficial owner of these shares.

2.5 MATERIAL ACCOUNTING POLICY INFORMATION

2.5.1 Revenue recognition

The Group recognises revenue from the following major sources:

- ▶ Sale of fuel
- ▶ Rendering of services

Revenue is measured based on the consideration to which the Group expects to be entitled in a contract with a customer and excludes amounts collected on behalf of third parties. The Group recognises revenue when it transfers control of goods and services to a customer. The Group follows a 5-step process:

- ▶ Identifying the contract with a customer
- ▶ Identifying the performance obligations
- ▶ Determining the transaction price
- ▶ Allocating the transaction price to the performance obligations
- ▶ Recognising revenue when/as performance obligation(s) are satisfied

Revenue is recognised either at point in time or over time, when (or as) the Group satisfies performance obligations by transferring the promised goods or services to its customers.

The Group recognises contract liabilities for consideration received in respect of unsatisfied performance obligations and reports these amounts, if any, as other liabilities in the consolidated statement of financial position. Similarly, if the Group satisfies a performance obligation before it receives the consideration, the Group recognises either a contract asset or receivable, if any, in its consolidated statement of financial position, depending on whether something other than the passage of time is required before the consideration is due.

The following specific recognition criteria described below must also be met before revenue is recognised.

Sale of fuel

Sale of fuel income is recognised when the Group satisfies performance obligations by transferring the controlled promised goods or services to its customers at an agreed rate.

Rendering of services

The Group earns service income from diverse range of services provided to its customers and is recognised at pre-agreed rates in accordance with the contractual terms.

Interest income

Interest revenue is recognised as the interest accrues using the effective interest method, under which the rate used exactly discounts, estimated future cash receipts through the expected life of the financial asset to the net carrying amount of the financial asset.

Dividend income

Dividend income is recognised when the Group's right to receive the payment is established, which is generally when shareholders approve the dividend.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

As at and for the year ended 31 December 2025

2.5 MATERIAL ACCOUNTING POLICY INFORMATION (continued)

2.5.2 Taxation

National Labour Support Tax (NLST)

NLST is calculated at 2.5% of the profit for the year attributable to the Parent Company in accordance with Law No. 19 of 2000 and the Ministry of Finance resolutions No. 24 of 2006. As per the law, income from associates and subsidiaries, cash dividends from listed companies which are subjected to NLST are deducted from the profit for the year.

Kuwait Foundation for the Advancement of Sciences (KFAS)

The contribution to KFAS is calculated at 1% of the profit for the year attributable to the Parent Company in accordance with the modified calculation based on the Foundation's Board of Directors' resolution, which states that income from associates and subsidiaries and transfer to statutory reserve until the reserve reaches 50% of share capital should be excluded from the profit base when determining the contribution. The contribution to KFAS is payable in full before the AGM is held in accordance with the Ministerial Resolution (184/2022).

Zakat

Contribution to Zakat is calculated at 1% of the profit for the year attributable to Parent Company in accordance with the Ministry of Finance resolution No. 58/2007 effective from 10 December 2007.

2.5.3 Property and equipment

Property and equipment is stated at cost, net of accumulated depreciation and/or accumulated impairment losses, if any.

Depreciation is calculated on a straight-line basis over the estimated useful lives of the assets as follows:

▶ Buildings on leasehold land	15 years
▶ Installations and equipment	5-15 years
▶ Furniture and fixtures	1-5 years
▶ Motor vehicles	5 years

The carrying values of property and equipment are reviewed for impairment when events or changes in circumstances indicate the carrying value may not be recoverable. If any such indication exists and where the carrying values exceed the estimated recoverable amount, the assets are written down to their recoverable amount, being the higher of their fair value less costs to sell and their value in use.

Expenditure incurred to replace a component of an item of property and equipment that is accounted for separately is capitalised and the carrying amount of the component that is replaced is written off. Other subsequent expenditure is capitalised only when it increases future economic benefits of the related item of property and equipment. All other expenditure is recognised in the consolidated statement of profit or loss as the expense is incurred.

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

The assets' residual values, useful lives and methods of depreciation are reviewed at each financial year end and adjusted prospectively, if appropriate.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

As at and for the year ended 31 December 2025

2.5 MATERIAL ACCOUNTING POLICY INFORMATION (continued)

2.5.4 Intangible assets

Intangible assets acquired separately are measured on initial recognition at cost. The cost of intangible assets acquired in a business combination is its fair value as at the date of acquisition. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses, if any. Internally generated intangible assets, excluding capitalised development costs, are not capitalised and expenditure is reflected in the consolidated statement of profit or loss in the year in which the expenditure is incurred.

The useful lives of intangible assets are assessed as either finite or indefinite. Intangible assets with finite lives are amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life is reviewed at least at each reporting date.

Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset is accounted for by changing the amortisation period or method, as appropriate, and are treated as changes in accounting estimates. The amortisation expense on intangible assets with finite lives is recognised in the consolidated statement of profit or loss in the expense category consistent with the function of the intangible assets.

Intangible assets with indefinite useful lives are not amortised, but are tested for impairment annually, either individually or at the cash-generating unit level. The assessment of indefinite life is reviewed annually to determine whether the indefinite life continues to be supportable. If not, the change in useful life from indefinite to finite is made on a prospective basis.

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

Contracts backlog

Contracts backlog acquired separately are measured at cost on initial recognition. Contracts backlog acquired in business combination have a finite useful life and are carried at cost less accumulated amortisation and accumulated impairment losses. Amortisation is calculated using the straight-line method to allocate the cost of Contracts backlog over their estimated useful lives (3 years).

The carrying amount of contracts backlog is reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, an impairment loss is recognised in the consolidated statement of profit or loss, being the difference between carrying value and the asset's recoverable amount.

Leasehold right

Leasehold right acquired is measured on initial recognition at cost. Following initial recognition, leasehold rights are carried at cost less any accumulated amortisation and any accumulated impairment losses.

Leasehold right is amortised over their useful economic life (30 years) and assessed for impairment whenever there is an indication that the leasehold right may be impaired. The amortisation period and the amortisation method for leasehold right is reviewed at least at each financial year end. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset is accounted for by changing the amortisation period or method, as appropriate, and are treated as changes in accounting estimates. The amortisation expense on leasehold rights is recognised in the consolidated statement of profit or loss.

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

License

License acquired separately is measured at cost on initial recognition. License acquired in business combination have a finite useful life and are carried at cost less accumulated amortisation and accumulated impairment losses. Amortisation is calculated using the straight line method to allocate the cost of license over their estimated useful lives (30 years).

The carrying amount of license is reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, an impairment loss is recognised in the consolidated statement of profit or loss, being the difference between carrying value and the asset's recoverable amount.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

As at and for the year ended 31 December 2025

2.5 MATERIAL ACCOUNTING POLICY INFORMATION (continued)

2.5.4 Intangible assets (continued)

Software

Software acquired separately is measured at cost on initial recognition. The software has finite useful life and is carried at cost less accumulated amortisation and accumulated impairment losses.

Amortisation is calculated using straight line method to allocate the cost of software over its estimated useful life of 3 years. The carrying amount software is assessed and adjusted for impairment whenever there is an indication that it may be impaired.

For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows.

2.5.5 Investment properties

Investment properties are measured initially at cost, including transaction costs. The carrying amount includes the cost of replacing part of an existing investment property at the time that cost is incurred if the recognition criteria are met; and excludes the costs of day to day servicing of an investment property.

Subsequent to initial recognition, investment properties are stated at cost less accumulated depreciation and any impairment. The estimated life of the buildings is 40 years and is depreciated on a straight-line basis. Land on which the property is constructed is not depreciated.

Investment properties are derecognised when either they have been disposed of or when the investment property is permanently withdrawn from use and no future economic benefit is expected from its disposal. The difference between the net disposal proceeds and the carrying amount of the asset is recognised in the consolidated statement of profit or loss in the period of derecognition.

Transfers are made to or from investment property only when there is a change in use. For a transfer from investment property to owner occupied property, the deemed cost for subsequent accounting is the cost at the date of change in use.

2.5.6 Inventories

Inventories are valued at the lower of cost and net realisable value. Cost includes the purchase price, import duties, transportation, handling and other direct costs. Cost is calculated using the weighted average method. Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale.

2.5.7 Leases

Group as a lessee

The Group applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Group recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

i) Right-of-use assets

The Group recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at, or before the commencement date less any lease incentives received.

Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets.

If ownership of the leased asset transfers to the Group at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset.

The right-of-use assets are also subject to impairment. Refer to the accounting policies 2.5.8 *Impairment of non-financial assets*.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

As at and for the year ended 31 December 2025

2.5 MATERIAL ACCOUNTING POLICY INFORMATION (continued)

2.5.7 Leases (continued)

ii) *Lease liabilities*

At the commencement date of the lease, the Group recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Group and payments of penalties for terminating the lease, if the lease term reflects the Group exercising the option to terminate. The variable lease payments that do not depend on an index or a rate are recognised as expense in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Group uses the incremental borrowing rate at the lease commencement date if the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the in-substance fixed lease payments or a change in the assessment to purchase the underlying asset.

iii) *Short-term leases and leases of low-value assets*

The Group applies the short-term lease recognition exemption to its short-term leases (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases of office equipment that are considered to be low value. Lease payments on short-term leases and leases of low-value assets are recognised as expense on a straight-line basis over the lease term.

Group as a lessor

Leases in which the Group does not transfer substantially all the risks and rewards incidental to ownership of an asset are classified as operating leases. Rental income arising is accounted for on a straight-line basis over the lease terms and is included in revenue in the consolidated statement of profit or loss due to its operating nature. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income. Contingent rents are recognised as revenue in the period in which they are earned.

2.5.8 Impairment of non-financial assets

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

In assessing value in use, the estimated future cash flows are discounted to their present value using a discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used.

For assets excluding goodwill, an assessment is made at each reporting date to determine whether there is an indication that previously recognised impairment losses no longer exist or have decreased. If such indication exists, the Group estimates the asset's or CGU's recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognized in the consolidated statement of profit or loss unless the asset is carried at a revalued amount, in which case, the reversal is treated as a revaluation increase.

2.5.9 Cash and cash equivalents

Cash and cash equivalents in the consolidated statement of financial position comprise cash at banks and on hand and short-term deposits with an original maturity of three months or less and subject to insignificant risk change in value.

For the purpose of the consolidated statement of cash flows, Cash and cash equivalents consist of cash, bank balances and short-term deposits, as defined above.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

As at and for the year ended 31 December 2025

2.5 MATERIAL ACCOUNTING POLICY INFORMATION (continued)

2.5.10 Financial instruments

Financial assets and financial liabilities are recognised when the Group becomes a party to the contractual provisions of the instrument. Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition of financial assets or issue of financial liabilities (other than on financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or issue of financial liabilities at fair value through profit or loss are recognised immediately in consolidated statement of profit or loss.

(i) Financial assets

All regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace.

All recognised financial assets are subsequently measured in their entirety at either amortised cost or fair value, depending on the classification of the financial assets.

Classification of financial assets

Financial assets at amortised cost

Financial assets such as accounts receivable and cash and short-term deposits that meet the following conditions are subsequently measured at amortised cost:

- ▶ the financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows; and
- ▶ the 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.

All other financial assets are subsequently measured at fair value through profit or loss except for equity instruments when the Group may make an irrevocable election/designation at initial recognition to recognize fair value in other comprehensive income.

Amortised cost and effective interest method

The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest income over the relevant period.

For financial instruments at amortised cost, the effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) excluding expected credit losses, through the expected life of the debt instrument, or, where appropriate, a shorter period, to the gross carrying amount of the debt instrument on initial recognition.

The amortised cost of a financial asset is the amount at which the financial asset is measured at initial recognition minus the principal repayments, plus the cumulative amortisation using the effective interest method of any difference between that initial amount and the maturity amount, adjusted for any loss allowance. On the other hand, the gross carrying amount of a financial asset is the amortised cost of a financial asset before adjusting for any loss allowance.

Financial assets at FVOCI

On initial recognition, the Group may make an irrevocable election (on an instrument-by-instrument basis) to designate investments in equity instruments as at FVOCI. Designation at FVOCI is not permitted if the equity investment is held for trading or if it is contingent consideration recognised by an acquirer in a business combination to which IFRS 3 applies.

Investments in equity instruments at FVOCI are initially measured at fair value plus transaction costs. Subsequently, they are measured at fair value with gains and losses arising from changes in fair value recognised in other comprehensive income and accumulated in the cumulative changes in fair values reserve. The cumulative gain or loss will not be reclassified to consolidated statement of profit or loss on disposal of the equity investments, instead, they will be transferred to retained earnings.

The Group has designated all investments in equity instruments that are not held for trading as at FVOCI on initial application of IFRS 9.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

As at and for the year ended 31 December 2025

2.5 MATERIAL ACCOUNTING POLICY INFORMATION (continued)

2.5.10 Financial instruments (continued)

(i) Financial assets (continued)

Dividends on these investments in equity instruments are recognised in consolidated statement of profit or loss when the Group's right to receive the dividends is established, unless the dividends clearly represent a recovery of part of the cost of the investment.

Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss are carried in the consolidated statement of financial position at fair value with net changes in fair value recognised in the consolidated statement of profit or loss.

This category includes certain equity investments which the Group had not irrevocably elected to classify at fair value through OCI. Net gains and losses, including any interest or dividend income, are recognised in profit or loss.

Impairment of financial assets

The Group recognises a loss allowance for expected credit losses on financial assets that are measured at amortised cost. No impairment loss is recognised for equity instruments that are classified as financial assets at FVOCI. The amount of expected credit losses is updated at each reporting date.

The Group always recognises lifetime ECL for trade receivables which generally do not have a significant financing component. The expected credit losses on these financial assets are estimated using a provision matrix based on the Group's historical credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of both the current as well as the forecast direction of conditions at the reporting date, including time value of money where appropriate. Lifetime ECL represents the expected credit losses that will result from all possible default events over the expected life of a trade receivables.

Credit-impaired financial assets at amortised cost

A financial asset is credit-impaired when one or more events, constituting an event of default for internal credit risk management purposes as historical experience indicates, that have a detrimental impact on the estimated future cash flows of that financial asset have occurred that meet below criteria. Evidence that a financial asset is credit-impaired includes observable data about the following events:

- ▶ significant financial difficulty of the issuer or the borrower;
- ▶ a breach of contract, such as a default or past due event;
- ▶ 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;
- ▶ it is becoming probable that the borrower will enter bankruptcy or other financial reorganisation; or
- ▶ the disappearance of an active market for that financial asset because of financial difficulties.

Write-off of financial assets at amortised cost

The Group writes off a financial asset at amortised cost when there is information indicating that the counterparty is in severe financial difficulty and there is no realistic prospect of recovery, e.g. when the counterparty has been placed under liquidation or has entered into bankruptcy proceedings. Financial assets written off may still be subject to enforcement activities under the Group's recovery procedures, taking into account legal advice where appropriate. Any recoveries made are recognised in consolidated statement of profit or loss.

Measurement and recognition of expected credit losses

The measurement of expected credit losses is a function of the probability of default, loss given default (i.e. the magnitude of the loss if there is a default) and the exposure at default. The assessment of the probability of default and loss given default is based on historical data adjusted by forward-looking information as described above. As for the exposure at default, for financial assets, this is represented by the assets' gross carrying amount at the reporting date; for loan commitments and financial guarantee contracts, the exposure includes the amount drawn down as at the reporting date.

For financial assets, the expected credit loss is estimated as the difference between all contractual cash flows that are due to the Group in accordance with the contract and all the cash flows that the Group expects to receive, discounted at the original effective interest rate.

The Group recognises an impairment loss in consolidated statement of profit or loss for all financial assets at amortised cost with a corresponding adjustment to their carrying amount through a loss allowance account.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

As at and for the year ended 31 December 2025

2.5 MATERIAL ACCOUNTING POLICY INFORMATION (continued)

2.5.10 Financial instruments (continued)

(i) Financial assets (continued)

Derecognition

The Group derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Group neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset.

Any cumulative gain/loss recognised in other comprehensive income in respect of equity investment securities designated as at FVOCI is not recognised in consolidated statement of profit or loss on derecognition of such securities. Any interest in transferred financial assets that qualify for derecognition that is created or retained by the Group is recognised as a separate asset or liability.

If the terms of a financial asset are modified, the Group evaluates whether the cash flows of the modified asset are substantially different. If the cash flows are substantially different, then the contractual rights to cash flows from the original financial asset are deemed to have expired. In this case, the original financial asset is derecognised and a new financial asset is recognised at fair value.

(ii) Financial liabilities

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

The Group's financial liabilities include accounts payable and accruals and lease liabilities.

Subsequent measurement

The subsequent measurement of financial liabilities depends on their classification as described below:

Accounts payable and accruals

Liabilities are recognised for amounts to be paid in the future for goods or services received, whether billed by the supplier or not.

Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires.

When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognised in the consolidated statement of profit or loss.

(iii) Offsetting of financial instruments

Financial assets and financial liabilities are offset, and the net amount is reported in the consolidated statement of financial position if, and only if, there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, or to realise the assets and settle the liabilities simultaneously.

2.5.11 Fair values of financial instruments

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

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

The principal or the most advantageous market must be accessible to by the Group.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimizing the use of unobservable inputs.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

As at and for the year ended 31 December 2025

2.5 MATERIAL ACCOUNTING POLICY INFORMATION (continued)

2.5.11 Fair values of financial instruments (continued)

When the fair values of financial assets and financial liabilities recorded in the consolidated statement of financial position cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques including the DCF model and price to book model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgement is required in establishing fair values. Judgements include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments. See Note 25 for further disclosures.

All assets and liabilities for which fair value is measured or disclosed in the consolidated financial statements are categorized within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

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

For assets and liabilities that are recognised in the consolidated financial statements on a recurring basis, the Group determines whether transfers have occurred between Levels in the hierarchy by re-assessing categorization (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

An analysis of fair value of financial instruments and further details as to how they are measured are provided in note 25.

2.5.12 Treasury shares

Treasury shares consist of the Parent Company's own issued shares that have been reacquired by the Group and not yet reissued or cancelled. The treasury shares are accounted for using the cost method. Under this method, the weighted average cost of the shares reacquired is charged to a contra account in equity. When the treasury shares are reissued, gains are credited to a separate account in equity, "treasury shares reserve", which is not distributable. Any realised losses are charged to the same account to the extent of the credit balance on that account. Any excess losses are charged to retained earnings and then to the statutory and voluntary reserves. Gains realised subsequently on the sale of treasury shares are first used to offset any previously recorded losses in the order of reserves, retained earnings and the treasury shares reserve account. No cash dividends are paid on these shares. The issue of stock dividend increases the number of treasury shares proportionately and reduces the average cost per share without affecting the total cost of treasury shares.

2.5.13 Employees' end of service benefits

The Group provides end of service benefits to its employees under the Kuwait Labour Law. The entitlement to these benefits is based upon the employees' final salary and length of service, subject to the completion of a minimum service period. The expected costs of these benefits are accrued over the period of employment.

In addition to the above, with respect to its Kuwaiti national employees, the Group also makes contributions to Public Institution for Social Security scheme, calculated as a percentage of the employees' salaries. The Group's obligations are limited to these contributions, which are expensed when due.

2.5.14 Provisions

Provisions are recognised when the Group 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.

2.5.15 Segment reporting

A segment is a distinguishable component of the Group that engages in business activities from which it earns revenues and incurs costs. The operating segments are used by the management of the Group to allocate resources and assess performance is consistent with the internal reports provided to the chief executive operation and the board of directors. Operating segments exhibiting similar economic characteristics, product and services, class of customers where appropriate are aggregated and reported as reportable segments.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

As at and for the year ended 31 December 2025

2.5 MATERIAL ACCOUNTING POLICY INFORMATION (continued)

2.5.16 Foreign currencies

The Group's consolidated financial statements are presented in KD, which is also the Parent Company's functional currency. For each entity, the Group determines the functional currency and items included in the financial statements of each entity are measured using that functional currency. The Group uses the direct method of consolidation and has elected to recycle the gain or loss that arises from using this method.

Transactions and balances

Transactions in foreign currencies are initially recorded by the Group's entities at their respective functional currency spot rates at the date the transaction first qualifies for recognition.

Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rates of exchange at the reporting date.

Differences arising on settlement or translation of monetary items are recognised in the consolidated statement of profit or loss with the exception of monetary items that are designated as part of the hedge of the Group's net investment of a foreign operation. These are recognised in other comprehensive income until the net investment is disposed of, at which time, the cumulative amount is reclassified to the consolidated statement of profit or loss.

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

In determining the spot exchange rate to use on initial recognition of the related asset, expense or income (or part of it) on the derecognition of a non-monetary asset or non-monetary liability relating to advance consideration, the date of the transaction is the date on which the Group initially recognises the non-monetary asset or non-monetary liability arising from the advance consideration. If there are multiple payments or receipts in advance, the Group determines the transaction date for each payment or receipt of advance consideration.

Any goodwill arising on the acquisition of a foreign operation and any fair value adjustments to the carrying amounts of assets and liabilities arising on the acquisition are treated as assets and liabilities of the foreign operation and translated at the spot rate of exchange at the reporting date.

2.5.17 Contingencies

Contingent liabilities are not recognised in the consolidated financial statements but are disclosed unless the possibility of an outflow of resources embodying economic benefits is remote.

2.5.18 Events after the reporting period

If the Group receives information after the reporting period, but prior to the date of authorisation for issue, about conditions that existed at the end of the reporting period, the Group will assess if the information affects the amounts that it recognises in the Group's consolidated financial statements. The Group will adjust the amounts recognised in its consolidated financial statements to reflect any adjusting events after the reporting period and update the disclosures that relate to those conditions in the light of the new information. For non-adjusting events after the reporting period, the Group will not change the amounts recognised in its consolidated financial statements but will disclose the nature of the non-adjusting event and an estimate of its financial effect, or a statement that such an estimate cannot be made, if applicable.

2.6 SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS

The preparation of the Group's consolidated financial statements in conformity with IFRS requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent assets and liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

As at and for the year ended 31 December 2025

2.6 SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS (continued)

2.6.1 Significant judgements

In the process of applying the Group's accounting policies, management has made the following judgements, apart from those involving estimations, which have the most significant effect in the amounts recognised in the consolidated financial statements:

Classification of financial assets

The Group determines the classification of financial assets based on the assessment of the business model within which the assets are held and assessment of whether the contractual terms of the financial asset are solely payments of principal and interest on the principal amount outstanding. Refer note *financial instruments- classification of financial assets* for more information.

Going concern

The management makes assessment of the Group's ability to continue as a going concern and is satisfied that it has the resources to continue in business for the foreseeable future. Furthermore, the management is not aware of any material uncertainties that may cast significant doubt upon the Group's ability to continue as a going concern.

Determining the lease term of contracts with renewal and termination options – Group as lessee

The Group determines the lease term as the non-cancellable term of the lease, together with any periods covered by an option to extend the lease if it is reasonably certain to be exercised, or any periods covered by an option to terminate the lease, if it is reasonably certain not to be exercised.

The Group has the option, under some of its leases to lease the assets for additional terms. The Group applies judgement in evaluating whether it is reasonably certain to exercise the option to renew. That is, it considers all relevant factors that create an economic incentive for it to exercise either the renewal or termination. After the commencement date, the Group reassesses the lease term if there is a significant event or change in circumstances that is within its control and affects its ability to exercise (or not to exercise) the option to renew (e.g., a change in business strategy).

The Group included the renewal period as part of the lease term due to the significance of these assets to its operations. These leases have a short non-cancellable period and there will be a significant negative effect on operations if a replacement is not readily available.

2.6.2 Estimates and assumptions

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 Group based its assumptions and estimates on parameters available when the consolidated financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising beyond the control of the Group. Such changes are reflected in the assumptions when they occur.

Provision for expected credit losses of trade and other receivables

The Group assesses, on a forward-looking basis, the ECLs associated with its debt instruments carried at amortised cost. The Group uses judgement in making these assumptions and selecting the inputs to the impairment calculation, based on the Group's past history, existing market conditions as well as forward looking estimates at the end of each reporting period.

For trade receivables, the Group applies a simplified approach in calculating ECL. Therefore, the Group does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECL at each reporting date. The Group has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment. Actual results may differ from these estimates.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

As at and for the year ended 31 December 2025

2.6 SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS (continued)

2.6.2 Estimates and assumptions (continued)

Net realizable value of inventories

Inventories are held at the lower of cost and net realisable value. When inventories become old or obsolete, an estimate is made of their net realisable value. For individually significant amounts this estimation is performed on an individual basis. Amounts which are not individually significant, but which are old or obsolete, are assessed collectively and a provision applied according to the inventory type and the degree of ageing or obsolescence, based on historical selling prices.

Impairment of non-financial assets

An asset is impaired if its carrying amount exceeds its estimated recoverable amount. The recoverable amount of an asset is the higher of an asset's net selling price and value in use. Net selling price is the amount obtainable from the sale of an asset in an arm's length transaction. Value in use is the present value of estimated future cash flows expected to arise from the continuing use of an asset and from its disposal at the end of its useful life. An assessment is made at each statement of financial position date to determine whether there is objective evidence that an asset may be impaired. If such evidence exists, any impairment loss is recognised in the consolidated statement of profit or loss.

Fair value of investments properties

The determination of fair value of investment properties requires the use of estimates such as future cash flows from assets (such as lettings, tenants' profiles, future revenue stream, capital value of fixtures and fittings, plant and machinery, any environmental matters and the overall repair and condition of the property) and discount rates applicable to those assets. In additions, development risks (such as construction and letting risks) are also taken consideration when determining the fair value of investment properties under construction. These estimates are based on local market conditions existing at reporting date.

Useful lives of property and equipment

The Group's management determines the estimated useful lives of its equipment for calculating depreciation. This estimate is determined after considering the expected usage of the asset or physical wear and tear. Management reviews the residual value and useful lives annually and future depreciation charge would be adjusted where the management believes the useful lives differ from previous estimates.

Impairment of goodwill and intangible assets with finite and indefinite useful life

Intangible assets with finite lives are amortised over their useful economic life and assessed for impairment whenever there is an indication that an intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life is reviewed at least at each financial year end. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset is accounted for by changing the amortisation period or method, as appropriate, and are treated as changes in accounting estimates. The amortisation expense on intangible assets with finite lives is recognised in the consolidated statement of profit or loss as the expense category that is consistent with the function of the intangible assets.

The Group determines whether goodwill and intangible assets with indefinite useful life are impaired at least on an annual basis. This requires an estimation of the value in use of the cash-generating units. Estimating the value in use requires the Group to make an estimate of the expected future cash flows from the cash-generating unit and also to choose a suitable discount rate in order to calculate the present value of those cash flows.

Fair value measurement

Management uses valuation techniques to determine the fair value of financial instruments (where active market quotes are not available). This involves developing estimates and assumptions consistent with how market participants would price the instrument. Management bases its assumptions on observable data as far as possible but this is not always available. In that case, management uses the best information available. Estimated fair values may vary from the actual prices that would be achieved in an arm's length transaction at the reporting date.

Leases - Estimating the incremental borrowing rate

The Group cannot readily determine the interest rate implicit in the lease, therefore, it uses its incremental borrowing rate (IBR) to measure lease liabilities. The IBR is the rate of interest that the Group would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment. The IBR therefore reflects what the Group 'would have to pay', which requires estimation when no observable rates are available or when they need to be adjusted to reflect the terms and conditions of the lease. The Group estimates the IBR using observable inputs when available and is required to make certain entity-specific estimates.

Al Soor Fuel Marketing Company K.S.C.P. and its Subsidiary

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

As at and for the year ended 31 December 2025

3 PROFIT FOR THE YEAR

Profit for the year is stated after charging:

	<i>2025</i> <i>KD</i>	<i>2024</i> <i>KD</i>
Staff costs:		
included in operating expenses	1,506,208	1,470,630
included in administrative expenses	905,218	895,521
	<u>2,411,426</u>	<u>2,366,151</u>
Depreciation and impairment of property and equipment (Note 10):		
included in operating expenses	2,970,532	2,142,402
included in administrative expenses	14,330	12,577
	<u>2,984,862</u>	<u>2,154,979</u>
Operating expense includes:		
Depreciation and impairment of property and equipment (Note 10)	2,970,532	2,142,402
Manpower expenses	2,449,626	2,993,540
Staff costs	1,506,208	1,470,630
Logistic expenses	1,006,301	976,877
Premise expenses	475,445	837,003
Administrative expenses includes:		
Staff costs	905,218	895,521
Advertising and promotion expenses	934,562	875,752
Depreciation of right-of-use asset (Note 12)	604,014	604,015
Inventory recognised as an expense upon sale of goods	<u>145,722,394</u>	<u>140,654,595</u>

4 NET INVESTMENT INCOME

	<i>2025</i> <i>KD</i>	<i>2024</i> <i>KD</i>
Dividend income	2,523,439	1,684,718
Interest income	1,250,147	1,125,930
Unrealised gain from financial assets at fair value through profit or loss	457,081	262,097
Realised gain on sale of financial assets at fair value through profit or loss	-	30,405
	<u>4,230,667</u>	<u>3,103,150</u>

5 OTHER EXPENSES

During the year, the Group's subsidiary, Advantage Holding Company K.S.C. (Closed) was subject to a penalty imposed by the Capital Markets Authority (CMA). The full amount of KD 565,400 has been recognized and settled during the year.

6 BASIC AND DILUTED EARNINGS PER SHARE

Basic earnings per share are calculated by dividing the profit for the year by the weighted average number of ordinary shares outstanding during the year (excluding treasury shares). Diluted earnings per share is calculated by dividing the profit for the year by the weighted average number of ordinary shares outstanding during the year (excluding treasury shares) plus the weighted average number of ordinary shares that would be issued on the conversion of all the dilutive potential ordinary shares into ordinary shares. The Parent Company did not have any diluted shares as at 31 December.

Al Soor Fuel Marketing Company K.S.C.P. and its Subsidiary

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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6 BASIC AND DILUTED EARNINGS PER SHARE (continued)

The information necessary to calculate basic and diluted earnings per share based on the weighted average number of shares outstanding, less treasury shares, during the year is as follows:

	2025	2024 (Restated)*
Profit for the year (KD)	<u>5,259,570</u>	<u>4,837,793</u>
Weighted average number of ordinary shares outstanding during the year (excluding treasury shares) **	<u>420,780,136</u>	<u>420,780,136</u>
Basic and diluted earnings per share	<u>12.50 fils</u>	<u>11.50 fils</u>

* Basic and diluted EPS for the comparative period presented have been restated to reflect the adjustment of bonus shares following the bonus issue relating to year ended 31 December 2024 (Note 14).

** The weighted average number of shares takes into account the weighted average effect of changes in treasury shares during the year.

7 CASH AND CASH EQUIVALENTS

	2025 KD	2024 KD
Cash in hand	3,881	3,303
Cash held through portfolios	408,925	39,355
Cash held through fund manager	6,264,702	-
Bank balances	5,664,199	3,730,897
Short-term deposits	<u>22,750,000</u>	<u>29,553,275</u>
Cash and short-term deposits	35,091,707	33,326,830
Less:		
Short-term deposits with original maturity of more than three months	<u>(10,250,000)</u>	<u>(2,500,000)</u>
Cash and cash equivalents for the purpose of consolidated statement of cash flows	<u>24,841,707</u>	<u>30,826,830</u>

Term deposits are placed with local banks denominated in KD and carry an effective interest rate of 4.75% (2024: 4.2%) per annum.

The Group has bank overdraft facilities up to KD 6,000,000 (2024: KD 8,000,000) that is unsecured. Interest would be payable at the CBK discount rate plus 125 basis points (2024: CBK discount rate plus 125 basis points). As at 31 December 2025, the Group had available KD 6,000,000 (2024: KD 7,500,000) of undrawn committed borrowing facilities that may be drawn at any time and may be terminated by the bank without notice. As at 31 December 2025 and 2024, bank overdraft facilities were unutilised.

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8 ACCOUNTS RECEIVABLE AND PREPAYMENTS

	2025 KD	2024 KD
Gross trade receivables	4,744,151	3,901,636
Less: allowance for expected credit losses	(3,098,181)	(3,098,181)
	<u>1,645,970</u>	<u>803,455</u>
Advance payment	214,844	220,989
Prepaid expenses	30,008	39,766
Staff receivables	368,423	375,303
Bank interest receivables	213,685	237,762
Other receivables, net	134,436	120,238
	<u>2,607,366</u>	<u>1,797,513</u>

Trade receivables are non-interest bearing and are generally on terms of 30 to 90 days. The maximum exposure to credit risk at the reporting date is the carrying value of each class of receivables mentioned above.

Movements in the allowance for expected credit losses on trade receivables were as follows:

	2025 KD	2024 KD
As at 1 January	3,098,181	3,074,500
Charge for the year	-	23,681
As at 31 December	<u>3,098,181</u>	<u>3,098,181</u>

As at 31 December 2025, trade receivables of KD 3,098,181 (2024: KD 3,098,181) were impaired and fully provided for.

Note 22.1 includes disclosures relating to credit risk exposure and on analysis relating to the allowance for expected credit losses on trade receivables.

9 INVESTMENT SECURITIES

	2025 KD	2024 KD
<i>Financial assets at fair value through other comprehensive income (FVTOCI)</i>		
Quoted equity securities (held through portfolio)	39,402,963	29,943,325
Unquoted equity securities (held through portfolio)	19,080,880	11,336,047
Unquoted equity securities	2,024,100	1,702,674
	<u>60,507,943</u>	<u>42,982,046</u>
<i>Financial assets at fair value profit or loss (FVTPL)</i>		
Quoted equity securities (held through portfolio)	1,368,089	1,136,224
Unquoted equity securities (held through portfolio)	751,807	525,456
Managed funds (held through portfolio)	152,535	153,670
Managed funds	1,279,605	505,811
	<u>3,552,036</u>	<u>2,321,161</u>
Investment securities	<u>64,059,979</u>	<u>45,303,207</u>

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9 INVESTMENT SECURITIES (continued)

As at 31 December 2025, investment securities amounting to KD 57,820,273 (2024: KD 42,699,533) are managed by a related party (Note 19). As at 31 December 2025, financial assets at FVOCI amounting to KD 15,912,649 (2024: KD 8,289,229) are in related party entities (Note 19). Hierarchy for determining and disclosing the fair values of financial instruments by valuation techniques are presented in Note 25.

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10 PROPERTY AND EQUIPMENT

	<i>Buildings on leasehold land KD</i>	<i>Installations and equipment KD</i>	<i>Furniture and fixtures KD</i>	<i>Motor vehicles KD</i>	<i>Capital work in progress KD</i>	<i>Other assets KD</i>	<i>Total KD</i>
Cost:							
At 1 January 2025	26,728,100	9,046,787	1,707,469	286,644	1,068,550	222,477	39,060,027
Additions	-	176,218	5,352	-	524,723	-	706,293
Disposals	-	-	-	(24,150)	-	-	(24,150)
At 31 December 2025	26,728,100	9,223,005	1,712,821	262,494	1,593,273	222,477	39,742,170
Depreciation and impairment:							
At 1 January 2025	11,820,493	8,840,196	1,692,925	160,959	-	222,477	22,737,050
Charged for the year	2,854,595	89,226	6,785	34,256	-	-	2,984,862
Related to disposals	-	-	-	(9,830)	-	-	(9,830)
At 31 December 2025	14,675,088	8,929,422	1,699,710	185,385	-	222,477	25,712,082
Net carrying amount:							
At 31 December 2025	12,053,012	293,583	13,111	77,109	1,593,273	-	14,030,088
Cost:							
At 1 January 2024	26,728,100	9,010,515	1,700,878	237,262	193,381	222,477	38,092,613
Additions	-	36,272	6,591	49,382	1,061,840	-	1,154,085
Write-offs	-	-	-	-	(186,671)	-	(186,671)
At 31 December 2024	26,728,100	9,046,787	1,707,469	286,644	1,068,550	222,477	39,060,027
Depreciation and impairment:							
At 1 January 2024	9,788,620	8,755,535	1,685,775	129,664	-	222,477	20,582,071
Charged for the year	2,031,873	84,661	7,150	31,295	-	-	2,154,979
At 31 December 2024	11,820,493	8,840,196	1,692,925	160,959	-	222,477	22,737,050
Net carrying amount:							
At 31 December 2024	14,907,607	206,591	14,544	125,685	1,068,550	-	16,322,977

Fuel stations and buildings on leasehold land are constructed on land leased from the Government of Kuwait. Notwithstanding the contractual term of the lease for leasehold land, these are amortised over 30 years based on common practice in Kuwait for similar lands. Depreciation and impairment expense is allocated between operating expenses of KD 2,970,532 (2024: KD 2,142,402) and administrative expenses of KD 14,330 (2024: KD 12,577) in the consolidated statement of profit or loss.

Capital work in progress represents major renovations and significant improvements being carried out at the fuel stations

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11 INTANGIBLE ASSETS

	<i>Leasehold rights KD</i>	<i>Licenses KD</i>	<i>Software KD</i>	<i>Total KD</i>
Cost:				
At 1 January 2025 and 31 December 2025	19,087,811	1,725,128	449,327	22,028,626
Amortisation:				
At 1 January 2025	11,876,862	1,073,412	449,034	14,165,668
Charged for the year	636,260	57,504	293	694,057
At 31 December 2025	12,513,122	1,130,916	449,327	14,859,725
Net carrying amount:				
At 31 December 2025	6,574,689	594,212	-	7,168,901
Cost:				
At 1 January 2024 and 31 December 2024	19,087,811	1,725,128	449,327	22,028,626
Amortisation:				
At 1 January 2024	11,240,602	1,015,908	446,346	13,469,216
Charged for the year	636,260	57,504	2,688	696,452
At 31 December 2024	11,876,862	1,073,412	449,034	14,165,668
Net carrying amount:				
At 31 December 2024	7,210,949	651,716	293	7,862,958

Amortisation expense is allocated between operating expenses of KD 693,764 (2024: KD 693,764) and administrative expenses of KD 293 (2024: KD 2,688) in the consolidated statement of profit or loss.

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12 LEASES

The Group has lease contracts for various premises which are used in its operations. Leases of fuel station generally have lease terms of 10 years. The Group's obligations under its leases are secured by the lessor's title to the leased assets. Generally, the Group's leases also include restrictions on assigning and subleasing the leased assets.

The Group also has certain leases of office premise and vehicles with lease terms of 12 months or less and leases of office equipment with low value. The Group applies the 'short-term lease' and 'lease of low-value assets' recognition exemptions for these leases.

Set out below are the carrying amounts of right-of-use assets recognised and the movements during the year:

	2025 KD	2024 KD
As at 1 January	4,983,122	5,587,137
Depreciation expense	(604,014)	(604,015)
As at 31 December	4,379,108	4,983,122

Set out below are the carrying amounts of lease liabilities recognised and the movements during the year:

	2025 KD	2024 KD
As at 1 January	5,810,051	5,502,542
Finance cost on lease liabilities	278,180	307,509
As at 31 December	6,088,231	5,810,051
Represented by:		
Non-current	3,986,157	4,522,154
Current	2,102,074	1,287,897
	6,088,231	5,810,051

The Group has discounted its future lease obligations using an incremental borrowing rate which is determined at 6% (2024: 6%) at the reporting date.

The following are the amounts recognised in profit or loss:

	2025 KD	2024 KD
Depreciation expense of right-of-use assets	604,014	604,015
Finance cost on lease liabilities	278,180	307,509
Short-term leases	462,828	448,698
Total amount recognised in profit or loss	1,345,022	1,360,222

The Group had total cash outflows for leases of KD 462,828 in 2025 (2024: KD 448,698).

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13 INVESTMENT PROPERTIES

	<i>Freehold land KD</i>	<i>Buildings KD</i>	<i>Total KD</i>
Cost:			
At 1 January 2025 and 31 December 2025	867,201	520,000	1,387,201
Depreciation:			
At 1 January 2025	-	489,201	489,201
Charge for the year	-	8,000	8,000
At 31 December 2025	-	497,201	497,201
Net carrying amount:			
At 31 December 2025	867,201	22,799	890,000
Cost:			
At 1 January 2024 and 31 December 2024	867,201	520,000	1,387,201
Depreciation:			
At 1 January 2024	-	481,201	481,201
Charge for the year	-	8,000	8,000
At 31 December 2024	-	489,201	489,201
Net carrying amount:			
At 31 December 2024	867,201	30,799	898,000

As at 31 December 2025, the fair value of the investment properties amounted to KD 1,426,000 (2024: KD 1,385,000), accordingly, no impairment loss (2024: KD same) has been recorded in the consolidated statement of profit or loss against these investment properties.

The fair value of the investment properties has been determined based on valuations obtained from two independent valuers, who are an industry specialised in valuing these types of investment properties, one of these valuers is a local bank.

Both valuers have used the income capitalisation approach assuming full capacity of the property. Fair value using the income capitalisation method is estimated based on the normalised net operating income generated by the property, which is divided by the capitalisation (discount) rate.

All investment properties are considered under level 3 for the fair value hierarchy, and there were no transfers between level 1 and level 2 fair value measurements and no transfer into and out of level 3 fair value measurements.

Investment properties with total amount of KD 890,000 (2024: KD 898,000) are registered in the name of a related party (Note 19), which confirmed in writing that the Group has the beneficial ownership of those properties.

14 SHARE CAPITAL, CASH DIVIDEND AND DIRECTORS' REMUNERATION

	<i>Authorised, issued and fully paid</i>	
	<i>2025 KD</i>	<i>2024 KD</i>
420,895,880 shares (2024: 404,707,580) of 100 fils paid in cash	42,089,588	40,470,758

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14 SHARE CAPITAL, CASH DIVIDEND AND DIRECTORS' REMUNERATION (continued)

Cash dividend and Directors' remuneration

The Board of Directors of the Group has proposed directors' remuneration of KD 61,000, which is within the amount permissible under local regulations and are subject to approval by AGM of the Group's shareholders.

The Board of Directors of the Parent Company has proposed a distribution of cash dividends of 7 fils per share for the year ended 31 December 2025 (2024: cash dividend of 7 fils per share and bonus shares of 4% of paid-up share capital) as at 31 December 2025. This proposal is subject to the approval by AGM of the Parent Company's shareholders.

The Annual General Assembly Meeting held on 20 April 2025, approved the Board of Director's proposal for director's remuneration of KD 61,000 and also approved the distribution of cash dividend of 7 fils per share amounting to KD 2,831,768 for the year ended 31 December 2024 (2023: 5 fils per share amounting to KD 2,022,691) and bonus shares of 4% paid-up share capital amounting to KD 1,618,830 (2023: Nil) for the year ended 31 December 2024. The aforementioned changes were authenticated in the commercial register on 07 May 2025.

15 RESERVES

15.1 Statutory reserves

In accordance with the Companies' Law, and the Parent Company's Memorandum of Incorporation and Articles of Association, a minimum of 10% of the profit for the year before contribution to KFAS, NLST, Zakat and Directors' remuneration shall be transferred to the statutory reserve based on the recommendation of the Parent Company's board of directors. The annual general assembly of the Parent Company may resolve to discontinue such transfer when the reserve exceeds 50% of the issued share capital. The reserve may only be used to offset losses or enable the payment of a dividend up to 5% of paid-up share capital in years when profit is not sufficient for the payment of such dividend due to absence of distributable reserves. Any amounts deducted from the reserve shall be refunded when the profits in the following years suffice, unless such reserve exceeds 50% of the issued share capital.

As recommended by Board of directors, an amount of KD 559,986 has been transferred to statutory reserve.

15.2 Voluntary Reserve

In accordance with the Companies' Law, and the Parent Company's Memorandum of Incorporation and Articles of Association, a maximum of 10% of the profit for the year before contribution to KFAS, NLST, Zakat and Directors' remuneration is transferred to voluntary reserve. The Annual General Assembly of shareholders may, upon a recommendation by the Board of Directors, resolve to discontinue such annual transfers.

As recommended by Board of directors, an amount of KD 559,986 has been transferred to voluntary reserve.

15.3 Cumulative changes in fair value reserve

The Group has elected to recognise changes in the fair value of certain investments in equity securities in other comprehensive income. These changes are accumulated within the FVOCI reserve within equity. The Group transfers amounts from this reserve to retained earnings when the relevant equity securities are derecognised.

16 TREASURY SHARES

	2025	2024
Number of treasury shares	115,747	115,747
Percentage of ownership	0.03%	0.03%
Market value (KD)	31,715	26,275

Reserves equivalent to the cost of the treasury shares held are not available for distribution during the holding period of such shares as per Capital Market Authority guidelines.

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17 ACCOUNTS PAYABLE AND ACCRUALS

	2025 KD	2024 KD
Trade payables	2,322,851	1,614,608
Amounts due to related parties (Note 19)	13,815,944	12,399,169
Accrued expenses and other payables	3,444,980	3,385,257
Dividend payables	2,220,441	2,180,880
Advances from customers	1,026,874	1,142,141
KFAS payable	71,928	66,629
	<u>22,903,018</u>	<u>20,788,684</u>

Terms and conditions of the above financial liabilities are:

- ▶ Trade payables are non-interest bearing and are normally settled on 60-day terms.
- ▶ Other payables are non-interest bearing and have average term of six months

For explanation on the Group's liquidity risk management process, refer to Note 22.2

18 CONTINGENCIES AND COMMITMENTS

	2025 KD	2024 KD
Letters of guarantee*	8,377,323	8,529,369
Capital commitments	1,454,916	646,348

* The Group has entered into several lease arrangements, mainly for renting of land over which fuel stations are constructed.

As at the reporting date, the management of the Parent Company does not anticipate any material liabilities to arise from those letters of guarantee.

19 RELATED PARTY BALANCES AND TRANSACTIONS

Related parties represent i.e. major shareholders, associates, directors and key management personnel of the Group, and entities controlled, jointly controlled or significantly influenced by such parties. Pricing policies and terms of these transactions are approved by the management and board of directors.

Transactions with related parties included in the consolidated statement of profit or loss are as follows:

	Ultimate Parent Company KD	Intermediate Parent Company KD	Entities under common control KD	Other related parties* KD	Total 2025 KD	Total 2024 KD
Sales	-	-	-	2,092,470	2,092,470	1,728,698
Cost of sales (purchase of fuel)	-	-	-	(145,531,156)	(145,531,156)	(140,530,373)
Dividend income	94,166	57,091	63,261	-	214,518	7,604
Operating expenses	-	-	-	900,000	900,000	(1,100,000)
Administrative expenses	-	-	158,336	-	158,336	(92,000)

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19 RELATED PARTY BALANCES AND TRANSACTIONS (continued)

Balances with related parties included in the consolidated statement of financial position are as follows:

	<i>Ultimate Parent Company KD</i>	<i>Intermediate Parent Company KD</i>	<i>Entities under common control KD</i>	<i>Other related parties KD</i>	<i>Total 2025 KD</i>	<i>Total 2024 KD</i>
Accounts receivable and prepayments (note 8)	-	-	-	576,069	576,069	687,158
Accounts payable and accruals (note 17)	(144,134)	-	-	(13,671,810)	(13,815,944)	(12,399,169)
Investment securities (note 9)	6,905,493	2,359,764	6,647,393	-	15,912,650	8,289,229

Investment properties with a carrying value of KD 890,000 (2024: KD 898,000) is registered in the name of related party (Note 13), who has confirmed in writing that the Group has the beneficial ownership of those properties.

Investment securities amounting to KD 57,820,273 (2024: KD 42,699,533) are managed by a related party (Note 9). Investment securities of KD 15,912,650 (2024: KD 8,289,229) are in related party entities (Note 9).

Amounts due to/from entities under common control that are interest free and due within one year from the reporting date.

Compensation of key management personnel

Key management personnel comprise of the Board of Directors and key member of the management having authority and responsibility for planning, directing and controlling the activities of the Group. The aggregate value of transactions relating to key management personnel were as follows:

	<i>2025 KD</i>	<i>2024 KD</i>
Key management compensation		
Short-term benefits	421,176	420,918
Employees' end of service benefits	36,177	36,177
	<u>457,353</u>	<u>457,095</u>
	<i>Balance outstanding as at</i>	<i>Balance outstanding as at</i>
	<i>2025</i>	<i>2024</i>
	<i>KD</i>	<i>KD</i>
Assets		
Staff receivables	<u>322,430</u>	<u>281,630</u>
Liabilities		
Salaries and short-term benefits	66,025	83,202
Employees' end of service benefits	127,976	487,948
	<u>194,001</u>	<u>571,150</u>

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20 REVENUE FROM CONTRACTS WITH CUSTOMERS

Disaggregated revenue information

Set out below is the disaggregation of the Group's revenue from contracts with customers:

	<i>2025</i> <i>KD</i>	<i>2024</i> <i>KD</i>
<i>Type of goods and services</i>		
Sale of goods	<u>158,570,442</u>	<u>153,220,269</u>
<i>Geographical markets:</i>		
Kuwait	<u>158,570,442</u>	<u>153,220,269</u>
<i>Timing of revenue recognition:</i>		
Revenue recognised at a point in time	<u>158,570,442</u>	<u>153,220,269</u>

21 SEGMENTAL INFORMATION

For management purposes, the Group is organized into business units based on their products and services, and has two reportable operating segments as follows:

- ▶ Fuel marketing and other related services – represents the sale of fuel and other related services arising from fuel stations.
- ▶ Investment operations – represents investment in managed portfolio, short-term money market placements and real estate.

	<i>Fuel marketing and other related services KD</i>	<i>Investment operations KD</i>	<i>Unallocated KD</i>	<i>Total KD</i>
<i>31 December 2025</i>				
Segment revenue	<u>162,103,889</u>	<u>4,520,037</u>	<u>-</u>	<u>166,623,926</u>
Depreciation and amortisation	<u>4,241,599</u>	<u>42,549</u>	<u>6,785</u>	<u>4,290,933</u>
Segment results	<u>1,645,219</u>	<u>4,520,037</u>	<u>(905,686)</u>	<u>5,259,570</u>
<i>31 December 2024</i>				
Segment revenue	<u>156,940,267</u>	<u>3,385,940</u>	<u>-</u>	<u>160,326,207</u>
Depreciation and amortisation	<u>3,414,313</u>	<u>41,983</u>	<u>7,150</u>	<u>3,463,446</u>
Segment results	<u>1,762,002</u>	<u>3,385,940</u>	<u>(310,149)</u>	<u>4,837,793</u>

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21 SEGMENTAL INFORMATION (continued)

	<i>Fuel marketing and other related services KD</i>	<i>Investment operations KD</i>	<i>Unallocated KD</i>	<i>Total KD</i>
Segment assets as at 31 December 2025	49,502,466	79,423,527	-	128,925,993
Segment liabilities as at 31 December 2025	28,991,249	-	962,769	29,954,018
Segment assets as at 31 December 2024	50,950,482	60,349,111	-	111,299,593
Segment liabilities as at 31 December 2024	26,598,735	-	1,506,683	28,105,418
<i>Other disclosures as at 31 December 2025</i>				
Capital expenditure	706,293	-	-	706,293
Investment securities	-	64,059,979	-	64,059,979
<i>Other disclosures as at 31 December 2024</i>				
Capital expenditure	1,136,485	17,600	-	1,154,085
Investment securities	-	45,303,207	-	45,303,207

22 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

Risk is inherent in the Group's activities but it is managed through a process of ongoing identification, measurement and monitoring, subject to risk limits and other controls. This process of risk management is critical to the Group's continuing profitability and each individual within the Group is accountable for the risk exposures relating to his or her responsibilities. The Group is exposed to credit risk, liquidity risk and market risk, which is further sub-divided into interest rate risk, foreign currency risk and equity price risk. The independent risk control process does not include business risks such as changes in the environment, technology and industry. The Group's policy is to monitor those business risks through Group's strategic planning process. No changes were made in the risk management objectives, policies or processes during the years ended 31 December 2025 and 2024.

22.1 Credit risk

Credit risk is the risk that a counter party will not meet its obligations under a financial instrument leading to a financial loss. Financial assets subject to credit risk consist principally of bank balances, fixed deposits and accounts receivable.

The Group has adopted a policy of only dealing with creditworthy counterparties. The Group's exposure is continuously monitored and the aggregate value of transactions concluded is spread amongst approved counterparties.

Risk concentration of maximum exposure to credit risk

The Group's exposure to credit risk from bank balances, cash held through portfolio, term deposits and accounts receivable arises from default of the counterparty, with a maximum exposure equal to the carrying amount of these instruments.

Concentrations arise when a number of counterparties are engaged in similar business activities, or activities in the same geographic region, or have similar economic features that would cause their ability to meet contractual obligations to be similarly affected by changes in economic, political or other conditions. Concentrations indicate the relative sensitivity of the Group's performance to developments affecting a particular industry or geographic location.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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22 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

22.1 Credit risk (continued)

Risk concentration of maximum exposure to credit risk (continued)

The maximum exposure to credit risk at the reporting date was:

	2025	2024
	KD	KD
Cash and short-term deposits (excluding cash in hand)	35,087,826	33,323,527
Trade receivables	1,645,970	803,455
Other receivables and staff receivables	716,544	733,303
	37,450,340	34,860,285

Cash and short-term deposits

Credit risk from balances with banks is limited because the counterparties are reputable financial institutions with appropriate credit-ratings assigned by international credit-rating agencies. The Group considers that its cash and short-term deposits have low credit risk based on the external credit ratings of the counterparties.

Trade receivables

The Group's exposure to credit risk is influenced mainly by the individual characteristics of each customer. However, management also considers the factors that may influence the credit risk of its customer base, including the default risk associated with the industry and country in which customers operate. The Group limits its exposure to credit risk from trade receivables by establishing a maximum payment period of three months. The credit concentration risk arising out of large receivables from few customers is minimal due to the nature of the industry in which the Group operates where majority of the sales affected are on cash basis.

Trade receivables consist of a large number of customers, spread across diverse industries. Ongoing credit evaluation is performed on the financial condition of accounts receivable. Concentration of credit risk is represented by one major customer representing 18% (2024: 18%) of the trade receivables balance.

An impairment analysis is performed at each reporting date using a provision matrix to measure expected credit losses. The provision rates are based on days past due for groupings of various customer segments with similar loss patterns. The calculation reflects the probability-weighted outcome, the time value of money and reasonable and supportable information that is available at the reporting date about past events, current conditions and forecasts of future economic conditions.

Generally, trade receivables are written off if past due for more than three months and are not subject to enforcement activity. The maximum exposure to credit risk at the reporting date is the carrying value of each class of financial assets disclosed below. The Group does not require collateral in respect of trade and other receivables. The Group does not have trade receivables for which no loss allowance is recognised because of collateral.

Set out below is the information about the credit risk exposure on the Group's trade receivables using a provision matrix:

31 December 2025	Trade receivables		
	Days past due		
	0-90 days	More than 90 days	Total
	KD	KD	KD
Total gross carrying amount at default	2,133,905	2,610,246	4,744,151
Estimated credit loss	487,935	2,610,246	3,098,181
Expected credit loss rate	23%	100%	65%

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

As at and for the year ended 31 December 2025

22 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

22.1 Credit risk (continued)

Trade receivables (continued)

31 December 2024

	Trade receivables		
	Days past due		Total KD
	0-90 days KD	More than 90 days KD	
Total gross carrying amount at default	1,950,243	1,951,393	3,901,636
Estimated credit loss	1,146,788	1,951,393	3,098,181
Expected credit loss rate	59%	100%	79%

Other receivables, staff receivables and due from related parties

Those are considered to have a low risk of default and management believes that the counterparties have a strong capacity to meet contractual cash flow obligations in the near term. As a result, the impact of applying the expected credit risk model at the reporting date was immaterial.

22.2 Liquidity risk

Liquidity risk is the risk that the Group will encounter difficulty in raising funds to meet commitments associated with financial instruments. To manage this risk, the Group periodically assess the financial viability of the receivables and ensures that adequate bank facilities are available.

The management has built an appropriate liquidity risk management framework for the management of the Group's short and medium funding and liquidity management requirements. The Group manages liquidity risk by maintaining adequate cash and cash equivalents and by continuously monitoring forecast and actual cash flows and matching the maturity profiles of financial assets.

All the financial liabilities of the Group are due within one year from the consolidated statement of financial position date.

The Group maintains the following lines of credit as at 31 December 2024:

- ▶ Non-cash facilities of KD 26,000,000 for which the Group has utilised KD 8,377,323 as at 31 December 2025 (2024: KD 33,000,000).
- ▶ KD 6,000,000 overdraft facility that is unsecured. Interest is payable at the rate of CBK discount rate plus 125 basis points on any drawn amounts. The Group has not drawn any amounts under this facility at 31 December 2025.
- ▶ KD 6,000,000 short term revolving loan facility provided by a local bank. Interest is payable at a rate of CBK discount rate plus 125 basis points on any drawn amounts. The Group has not drawn any amounts under this facility at 31 December 2025.

The table below summarises the maturity profile of the Group's financial liabilities based on contractual undiscounted payments:

	Within 3 months KD	3 to 12 months KD	More than 1 year KD	Total KD
2025				
Accounts payable and accruals*	19,626,635	2,220,441	-	21,847,076
Lease liabilities	-	2,349,115	4,698,231	7,047,346
	<u>19,626,635</u>	<u>4,569,556</u>	<u>4,698,231</u>	<u>28,894,422</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

As at and for the year ended 31 December 2025

22 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

22.2 Liquidity risk (continued)

	<i>Within 3 months KD</i>	<i>3 to 12 months KD</i>	<i>More than 1 year KD</i>	<i>Total KD</i>
<i>2024</i>				
Accounts payable and accruals*	17,465,663	2,180,880	-	19,646,543
Lease liabilities	-	1,566,076	5,481,269	7,047,345
	<u>17,465,663</u>	<u>3,746,956</u>	<u>5,481,269</u>	<u>26,693,888</u>

**excluding advances from customers*

22.3 Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises of foreign currency risk, interest rate risk and equity price risk. The sensitivity analyses in the following sections relate to the position as at 31 December in 2025 and 2024.

22.3.1 Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

Financial instruments, which potentially subject the Group to interest rate risk, consist principally of cash and short-term deposits.

The Group is exposed to interest rate risk on its variable interest-bearing assets and the Group does not hold variable interest-bearing liabilities.

The sensitivity of the consolidated statement of income is the effect of the assumed changes in interest rates on the Group's profit, based on fixed interest rates and financial liabilities held at 31 December. The following table demonstrates the sensitivity of the consolidated statement of income to reasonably possible changes in interest rates, with all other variables held constant.

	<i>Increase in basis points</i>	<i>Effect on profit for the year KD</i>
<i>2025</i>	+100	227,500
<i>2024</i>	+100	295,533

22.3.2 Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Group's exposure to the risk of changes in foreign exchange rates relates primarily to the Group's operating activities (when revenue or expense is denominated in a different currency from the Group's presentation currency).

At the reporting date, the Group is not exposed to foreign currency risk as majority of the assets and liabilities are denominated in Kuwaiti Dinars.

22.3.3 Equity price risk

Equity price risk is the risk that the fair values of equities decrease as a result of changes in the levels of equity indices and the value of individual stocks. The Group is exposed to equity price risk on its quoted investment securities. The Group manages this risk through diversification of investments in terms of industry concentration.

The table below summarises the impact of increases/decreases of the respective price indices in the relevant market on the Group equity and profit for the year. The analysis is based on the assumption that the equity index has increased or decreased by 5% respectively, after adjusting for beta with all other variables held constant, and that all the Group's equity instruments moved in line with the index.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

As at and for the year ended 31 December 2025

22 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

22.3 Market risk (continued)

22.3.3 Equity price risk (continued)

	<i>Market index</i>	<i>Change in stock prices by</i>	<i>Effect on OCI KD</i>	<i>Effect on profit for the year KD</i>
2025				
Quoted securities	Boursa Kuwait	± 5%	± 1,970,148	± 68,404
2024				
Quoted securities	Boursa Kuwait	± 5%	± 1,497,166	± 56,811

23 CAPITAL MANAGEMENT

The primary objective of the Group's capital management is to ensure that it maintains healthy capital ratios in order to support its business and maximise shareholders' value.

The Group manages its capital structure and makes adjustments to it in light of changes in economic conditions. To maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders, or issue new shares. No changes were made in the objectives, policies or processes during the years ended 31 December 2025 and 2024.

Capital comprises of share capital, statutory reserve, voluntary reserve, treasury shares, treasury share reserves, cumulative change in fair value reserve and retained earnings and is measured at KD 99,001,043 as at 31 December 2025 (2024: KD 83,194,175).

24 MATURITY ANALYSIS OF ASSETS AND LIABILITIES

The table below summarises the maturity profile of the Group's assets and liabilities. The maturity profile of accounts receivable and prepayments, accounts payable and accruals at the year-end is based on contractual repayment arrangements. The maturity profile for the remaining assets and liabilities is determined based on the management estimate of liquidation of those assets.

	<i>Within 3 months KD</i>	<i>3 to 12 months KD</i>	<i>More than 1 year KD</i>	<i>Total KD</i>
31 December 2025				
Assets				
Cash and short-term deposits	24,841,707	10,250,000	-	35,091,707
Accounts receivable and prepayments	-	2,607,366	-	2,607,366
Inventories	698,844	-	-	698,844
Investment securities	-	-	64,059,979	64,059,979
Property and equipment	-	-	14,030,088	14,030,088
Intangible assets	-	-	7,168,901	7,168,901
Right-of-use assets	151,004	453,010	3,775,094	4,379,108
Investment properties	-	-	890,000	890,000
TOTAL ASSETS	25,691,555	13,310,376	89,924,062	128,925,993
Liabilities				
Employees end of service benefits	-	-	962,769	962,769
Accounts payable and accruals	20,682,577	2,220,441	-	22,903,018
Lease liabilities	-	1,287,897	4,800,334	6,088,231
TOTAL LIABILITIES	20,682,577	3,508,338	5,763,103	29,954,018

Al Soor Fuel Marketing Company K.S.C.P. and its Subsidiary

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

As at and for the year ended 31 December 2025

24 MATURITY ANALYSIS OF ASSETS AND LIABILITIES (continued)

<i>31 December 2024</i>	<i>Within 3 months KD</i>	<i>3 to 12 months KD</i>	<i>More than 1 year KD</i>	<i>Total KD</i>
Assets				
Cash, bank balances and term deposits	30,826,830	2,500,000	-	33,326,830
Accounts receivable and prepayments	-	1,797,513	-	1,797,513
Inventories	804,986	-	-	804,986
Investment securities	-	-	45,303,207	45,303,207
Property and equipment	-	-	16,322,977	16,322,977
Intangible assets	-	-	7,862,958	7,862,958
Right-of-use assets	151,004	453,011	4,379,107	4,983,122
Investment properties	-	-	898,000	898,000
TOTAL ASSETS	31,782,820	4,750,524	74,766,249	111,299,593
Liabilities				
Employees end of service benefits	-	-	1,506,683	1,506,683
Accounts payable and accruals	18,607,804	2,180,880	-	20,788,684
Lease liabilities	-	1,287,897	4,522,154	5,810,051
TOTAL LIABILITIES	18,607,804	3,468,777	6,028,837	28,105,418

25 FAIR VALUE OF FINANCIAL INSTRUMENTS

Financial instruments comprise of financial assets and financial liabilities.

Financial assets consist of investment securities, accounts receivable, cash, bank balances and term deposits. Financial liabilities consist of accounts payable and accruals and lease liabilities.

The Group uses the following hierarchy for determining and disclosing the fair values of financial instruments by valuation technique:

Level 1: quoted (unadjusted) prices in an active market for identical assets and liabilities;

Level 2: other techniques for which all inputs which have a significant effect on the recorded fair value are observable, either directly or indirectly;

Level 3: other techniques which use inputs which have a significant effect on the recorded fair value are not based on observable market data.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

As at and for the year ended 31 December 2025

a) **Financial assets**

The following table shows an analysis of financial instruments recorded at fair value by level of the fair value hierarchy:

2025	Fair value KD	Level of hierarchy	Valuation technique	Significant unobservable inputs
<i>Financial assets at fair value through other comprehensive income:</i>				
Quoted equity securities	39,402,963	Level 1	Bid price	Not applicable DLOM and Sector PBV multiple
Unquoted equity securities*	21,104,980	Level 3	Market multiples approach	
	60,507,943			
<i>Financial assets at fair value through profit or loss:</i>				
Quoted equity securities	1,368,089	Level 1	Bid price	Not applicable DLOM and Sector PBV multiple
Unquoted securities*	751,807	Level 3	Market multiples approach	
Managed funds**	1,432,140	Level 3	Net asset value	
	3,552,036			
2024	Fair value KD	Level of hierarchy	Valuation technique	Significant unobservable inputs
<i>Financial assets at fair value through other comprehensive income:</i>				
Quoted equity securities	29,943,325	Level 1	Bid price	Not applicable DLOM and Sector PBV multiple
Unquoted equity securities*	13,038,721	Level 3	Market multiples approach	
	42,982,046			
<i>Financial assets at fair value through profit or loss:</i>				
Quoted equity securities	1,136,224	Level 1	Bid price	Not applicable DLOM and Sector PBV multiple
Unquoted securities*	525,456	Level 3	Market multiples approach	
Managed funds**	659,481	Level 3	Net asset value	
	2,321,161			

* Unquoted equity securities, classified as Level 3, are valued based on market multiples such as price to book value multiple and price earnings multiple, using latest financial statements available of the investee entities and they are discounted for lack of marketability (DLOM) of 30%-40%. The Group has determined that market participants would take into account these discounts when pricing the investments.

**Managed funds have been valued based on Net Asset Value (NAV) of the fund provided by the custodian of the manager fund and they are discounted for lack of marketability (DLOM) of 30%-40%.

Al Soor Fuel Marketing Company K.S.C.P. and its Subsidiary

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

As at and for the year ended 31 December 2025

25 FAIR VALUE OF FINANCIAL INSTRUMENTS (continued)

a) Financial assets (continued)

Reconciliation of Level 3 fair values

The following table shows a reconciliation of the opening and closing amount of level 3 financial assets which are recorded at fair value.

	<i>Non-listed equity investments</i>		
	<i>Financial assets at FVOCI</i>	<i>Financial assets at FVTPL</i>	<i>Total</i>
	<i>KD</i>	<i>KD</i>	<i>KD</i>
2025			
As at 1 January	13,038,721	1,184,937	14,223,658
Fair value change recognised in profit or loss	-	225,215	225,215
Fair value change recognised in other comprehensive income	7,515,197	-	7,515,197
Net purchases	551,062	773,795	1,324,857
As at 31 December	21,104,980	2,183,947	23,288,927

	<i>Non-listed equity investments</i>		
	<i>Financial assets at FVOCI</i>	<i>Financial assets at FVTPL</i>	<i>Total</i>
	<i>KD</i>	<i>KD</i>	<i>KD</i>
2024			
As at 1 January	7,989,696	715,276	8,704,972
Fair value change recognised in profit or loss	-	97,477	97,477
Fair value change recognised in other comprehensive income	4,740,725	-	4,740,725
Net sales	308,300	372,184	680,484
As at 31 December	13,038,721	1,184,937	14,223,658

Sensitivity analysis

Set out below is the impact on profit for the year and other comprehensive income due to reasonable change in significant unobservable inputs:

	<i>Change by</i>	2025		2024	
		<i>Effect on profit</i>	<i>Effect on other comprehensive income</i>	<i>Effect on profit</i>	<i>Effect on other comprehensive income</i>
		<i>KD</i>	<i>KD</i>	<i>KD</i>	<i>KD</i>
Unquoted securities	2%	43,679	422,100	23,699	260,774

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

As at and for the year ended 31 December 2025

25 FAIR VALUE OF FINANCIAL INSTRUMENTS (continued)

a) Financial assets (continued)

Description of significant unobservable inputs to valuation of financial assets:

The significant unobservable inputs used in the fair value measurement categorised within Level 3 of the fair value hierarchy together with a quantitative sensitivity analysis are as shown below:

	<i>Valuation technique</i>	<i>Significant unobservable inputs</i>	<i>Range (weighted average)</i>	<i>Sensitivity of the input to fair value</i>
FVOCI				
Unquoted securities	Market multiple approach	Sector PBV multiple	1.264 – 1.83	2% increase (decrease) in the Sector PBV multiple would result in an increase (decrease) in fair value by KD 436,370 (2024: KD 301,832)
		DLOM	30-40%	10% increase (decrease) in the DLOM would result in a (decrease) increase in fair value by KD 3,164,955 (2024: KD 1,946,427)

b) Non-financial assets

The fair value hierarchy and basis of valuation is disclosed in Note 13.

26 EVENTS AFTER THE REPORTING DATE

Subsequent to the reporting date, significant geopolitical tension escalated in Middle east, impacting GCC countries, including State of Kuwait. In late February 2026, the conflict has caused regional disruption including airspace closure, flight cancellations, supply-chain disturbances, and heightened geopolitical uncertainty due to which business and economic uncertainties have arisen. The existing and anticipated effects of the Geopolitical conflict is expected to continue to evolve.

These developments arose after the Group's reporting date of 31 December 2025. In accordance with IAS 10 – Events after the Reporting period, these events are considered non-adjusting subsequent events, as they relate to conditions that did not exist as at the reporting date. Although the Group's 31 December 2025 financial position is not impacted, it has created significant uncertainty regarding the Group's future operations, supply chain, customer demand, and overall economic conditions in the region.

Management is continuing to assess the potential effects on future trading conditions, including potential impact on logistics, customer activity and regional demand patterns. As of the date of authorization of these consolidated financial statements, it is not possible to provide a reliable estimate of the financial effect of this event as the situation is still evolving. The Group is continuing to monitor situation and development closely in 2026.

Management has also considered the impact of these events on the Group's ability to continue as a going concern and has concluded that the going concern basis of preparation remains appropriate.

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CORPORATE GOVERNANCE REPORT 2025
SOOR FUEL MARKETING CO. K.S.C.P



INTRODUCTION

Corporate governance refers to the systems and practices that guide and regulate the management and operation of companies. The aim of corporate governance is to ensure the effective and transparent achievement of the company's strategic objectives while protecting the interests of all stakeholders, including shareholders, employees, customers, and the community.

Corporate governance systems consist of a set of principles and practices, including:

1. **Board of Directors:** The Board of Directors is a central body in the corporate governance system. It monitors the performance of the executive management and makes important decisions in line with the interests of the company and shareholders.
2. **Transparency and Disclosure:** Companies must adhere to high levels of transparency and disclosure to allow all stakeholders to understand the company's performance and make informed decisions.
3. **Distribution of Responsibilities:** Responsibilities must be clearly distributed among different board members and executive management to ensure a balance in decision-making and performance monitoring.
4. **Performance Evaluation:** Corporate governance systems require regular evaluation of the board's role and management performance to improve operations and achieve effectiveness.
5. **Shareholder Engagement:** Companies should actively engage with all stakeholders and listen to various perspectives to achieve a balance in interests.
6. **Compliance with Laws and Regulations:** Companies must comply with applicable laws and regulations, ensuring adherence to ethical and social standards.

Corporate governance plays a crucial role in building trust between companies and stakeholders, contributing to the sustainability of businesses and achieving long-term success.

EXECUTIVE SUMMARY

This report aims to present the level of compliance of SOOR Fuel Marketing Company (K.S.C.P) with the Corporate Governance Rules issued by the Capital Markets Authority (CMA) of the State of Kuwait, and to reinforce the principles of transparency, accountability, and sound governance practices in managing the Company. The preparation of this report reflects the Company's commitment to protecting shareholders' and stakeholders' rights and ensuring effective management based on integrity, impartiality, and institutional oversight.

During the year 2025, the Company continued to enhance its corporate governance framework by strengthening the role of the Board of Directors and its affiliated committees, ensuring proper segregation between executive and supervisory responsibilities, and applying approved policies governing the Board and executive management's activities. In addition, the Company updated its internal policies and procedures in line with regulatory requirements and modern governance standards.

The Board of Directors held regular meetings throughout the year to ensure effective oversight of the Company's operational and financial performance. This included reviewing and approving financial statements and business plans, as well as evaluating the performance of Board committees and executive management based on objective performance indicators. Furthermore, the Company enhanced its disclosure and transparency mechanisms by providing accurate information to shareholders in a timely manner, updating disclosure registers, and enabling access to information through official communication channels.

As part of strengthening internal control, the Audit Committee continued to oversee internal and external audit activities, while the Risk Management Committee reviewed and updated the Risk Management Framework and related documentation in accordance with ISO 31000 standards. The Committee also monitored the performance of operational departments from a risk and compliance perspective.

With regard to human capital, social responsibility, and ethical governance, the Company reinforced adherence to the Code of Professional Conduct, transparency principles, and conflict of interest policies, in addition to implementing social and community initiatives that support the Company's role and responsibility toward society.

This report reflects the Company's commitment to applying corporate governance principles and ensuring continuous improvement of control systems and organizational practices. Such efforts support the Company's strategic vision and operational objectives, enhance the confidence of shareholders, investors, and stakeholders, and contribute to ensuring the Company's long-term sustainability and growth.

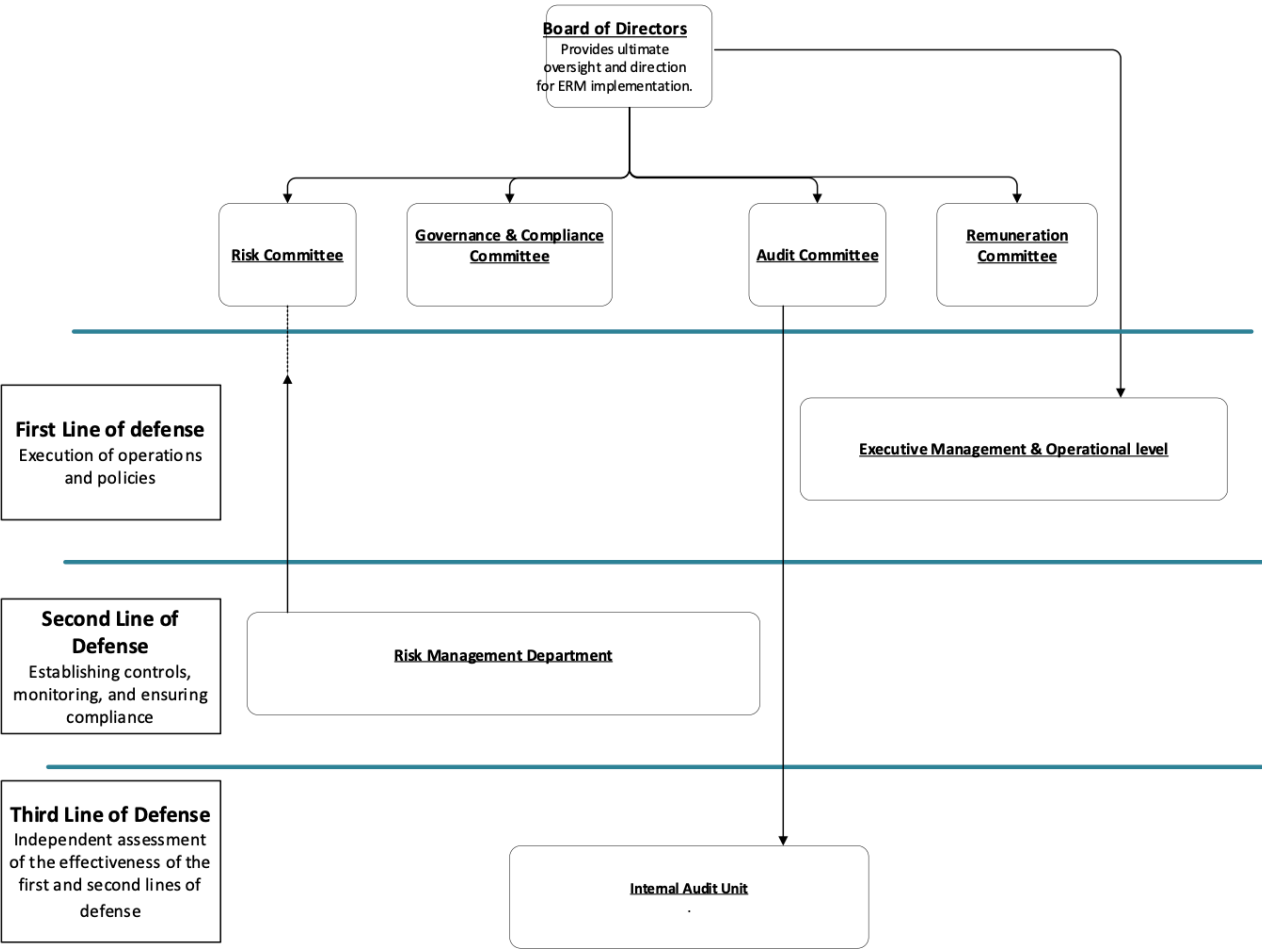
Governance Compliance Scorecard – 2025

Rule No. (Module 15)	Rule Subject	Compliance Status	Remarks
1	Building a Balanced Structure of the Board of Directors	Fully Compliant	The Board of Directors has been formed in accordance with regulatory requirements, including two independent members and specialized committees.
2	Establish Appropriate Roles and Responsibilities	Fully Compliant	Internal regulations have been approved, ensuring proper segregation between executive and supervisory authorities.
3	Recruit Highly Qualified Candidates for Board and Executive Management	Fully Compliant	A Nominations and Remuneration Committee is in place, applying a competency-based institutional selection mechanism.
4	Ensure Integrity of Financial Reports	Fully Compliant	Financial statements are prepared in accordance with International Financial Reporting Standards (IFRS) and reviewed by an independent external auditor.
5	Applying Proper Systems of Risk Management and Internal Audit	Fully Compliant	The Risk Management Framework has been updated in accordance with ISO 31000 standards, with active internal audit functions.
6	Promote Code of Conduct and Ethical Standards	Fully Compliant	An approved Code of Professional Conduct is in place, along with conflict of interest policies.
7	Accurate Disclosure and Transparency in a Timely Manner	Fully Compliant	A disclosure policy is implemented, and insiders' disclosure registers are updated in compliance with regulations.
8	Respect of Shareholders' Rights	Fully Compliant	Shareholders are enabled to exercise their rights in accordance with the Company's Articles of Association and regulatory channels.
9	Recognition of Stakeholders' Role	Fully Compliant	Clear stakeholders' policies are in place, including reporting channels and whistleblower protection mechanisms.
10	Encourage and Enhance Performance	Fully Compliant	Annual evaluation of the Board of Directors and executive management is conducted based on objective performance indicators.
11	Corporate Social Responsibility	Fully Compliant	A corporate social responsibility plan and annual initiatives are implemented in cooperation with local entities.

Overall Compliance Level:

100% – Full Compliance with Corporate Governance Rules

The Governance Framework Diagram illustrates the hierarchy of oversight and supervision, as well as the flow of decisions and information within the Company. The framework ensures proper segregation of authorities, transparency, accountability, and effective communication between the Board of Directors, its committees, executive management, and relevant stakeholders.



scope of application

The provisions of corporate governance rules are based on the principle of "comply or explain," which stipulates that companies must disclose the extent of their commitment to these rules. If a company fails to comply with any of the rules, it is required to specify the rule and the article that has not been adhered to, providing detailed information in the governance report along with an explanation of the reasons.

Corporate Governance Framework

First Rule: Building a Balanced Structure of the Board of Directors

Board of Directors' decisions have a remarkable effect on the company's performance and proper financial position. Hence, SOOR's Board of Directors comprises a sufficient number of members (9 members) for the constitution of the required number of the Board committees as per corporate governance principles and regulations. When the Board of Directors was constituted, various experiences and competent skills have been taken into consideration in a manner which optimizes decision making. In addition, non-executive members represent the Board of Directors majority. Also, the Board of Directors includes two independent members.

1 – Board of Directors Composition:

Name	Member Ranking	Academic Degrees	Practical Expertise	Nomination/ Election Date
Mr. Turaif Mohammed AlAwadhi	Non-executive	Bachelor of Business Administration	28 years, Business Administration	20/04/2025
Mr. Talal Ahmed AlKhars	Executive	Bachelor of Science	28 years, Business Administration and Development	20/04/2025
Mr. Abdulaziz Malek AlAli	Non-executive	Bachelor of Law	17 years, Field of Law	20/04/2025
Mr. Ashraf Alhaj Mahmoud	Non-executive	Bachelor of Accounting PhD in Healthcare Management	28 years, Business Administration & Development	20/04/2025
Mrs. Nour Mahdi Mahmoud	Non-executive	Bachelors of Public Relations and Advertising Masters in Business Administration	5 years in Healthcare field	20/04/2025
Mr. Jaber Mohammed Ashkanani	Independent	Bachelor of Accounting	25 years in Business Administration	20/04/2025
Mr. Mubarak AlSahli	Independent	Bachelor's Degree in Arts and Media	33 years in Media Field	20/04/2025
Mr. Mohammad Al AbdulKarim	Non-Executive	Bachelor of Chemical Engineering	28 years in Marketing at oil sector	24/2/2025
Mr. Shaker Al Otaibi	Non- Executive	Bachelor of Chemical Engineering	24 years of professional experience in petroleum engineering	24/2/2025
Mr. Salem AlHasawi	Board Secretary	Bachelor of Management and Marketing	36 years in Business Administration and Marketing	20/04/2025

Mr. Shaker Al-Otaibi and Mr. Mohammed Abdulkarim were appointed as representatives of Kuwait Petroleum Corporation on the Board of Directors of Soor Fuel Marketing Company, pursuant to the letter received from Kuwait Petroleum Corporation dated 24/02/2025.

2- Board of Directors' Meetings:

Name	Title	M1 dated 27/01/2025	M2 dated 10/02/2025	M3 dated 19/03/2025	M4 dated 23/04/2025	M5 dated 30/04/2025	M6 dated 12/05/2025	M7 dated 1/6/2025	M8 dated 12/8/2025	M9 dated 12/11/2025	No. Of meetings
Mr. Turaif Mohammed AlAwadhi	Chairman	✓	✓	✓	✓	✓	✓	✓	✓	✓	9
Mr. Talal Ahmed AlKhars	Executive member	✓	✓	✓	✓	✓	✓	✓	✓	✓	9
Mr. Ashraf Al-Haj Mahmoud	Non-executive member	✓	✓	✓	✓	✓	✓	✓	✓	✓	9
Mr. Jaber Mohammed Ashknani	Independent member	✓	✓	✓	✓	✓	✓	✓	✓	✓	9
Mr. Jaafar Ali Rajab	Independent member	✓	✓	✓							3
Mr. Abdulaziz Malek AlAli	Non-executive member	✓	✓	✓	✓	✓	✓	✓	✓	✓	9
Mr. Ali Hussain AlKandari	Non-executive member	✓									1
Dr. Fadheel Mubarak AlBasman	Non-executive member	x	✓	x							1
Mrs. Nour Mahdi Mahmoud	Non-executive member	✓	✓	✓	✓	✓	✓	✓	✓	✓	9
Mr. Youssef Yaqoub AlSaqr	Non-executive member	✓									1
Mr. Salem AlHasawi	Board Secretary	✓	✓	✓	✓	✓	✓	✓	✓	✓	9
Mr. Mubarak Al Sahli	Independent Member				✓	✓	✓	✓	x	✓	5
Mr. Abdul Karim AL Abdulkarim	Non- Executive member		✓	✓	✓	✓	x	✓	✓	✓	7
Mr. Shaker Al Otaibi	Non- Executive member		✓	✓	✓	✓	✓	✓	✓	✓	8

- A new Board of Directors was elected for the upcoming term at the Ordinary General Assembly meeting held on 20/04/2025.
- Ordinary meetings were conducted as scheduled, convened by the Chairman of the Board.
- The company's bylaws and articles of association outline the organization of the Board of Directors' meeting attendance process, as well as procedures for handling instances of irregular attendance by members.
- Throughout the year, Board members were provided with meeting agendas specifying topics, accompanied by relevant documents and necessary information, at least three working days prior to the meeting. This practice enables Board members to study the proposed matters and make informed decisions.

3- Recording, Coordination and retaining Board of Directors' Minutes of meetings.

- The company maintains an annual record, in connection with Board of Directors meetings, comprising minutes under serial numbers during the year in which the meeting was held as well as the meeting's venue, date, starting time and ending time. In addition, copies of all documents, which have been discussed during the meeting, are attached.
- Secretary of the Board namely Mr. Salem Al-Hasawi – Vice President of Sales, Marketing & PR Department – undertakes the duties entrusted to him in accordance with the executive regulations of the Capital Market Authority - Module 15 (First Rule / Article 2-7). Such duties are outlined in preparation for Board of Directors meetings and sending necessary documents and invitations within 3 days prior to the Board of Directors' meeting. Moreover, the Board Secretary registers all decrees and discussions made among members, records members' voting results on decrees, coordinates, and maintains all documents which have been discussed during meetings.

4. Independent Members' Commitment

The Board of Directors of SOOR Fuel Marketing Company includes two independent members who are entrusted with advisory tasks related to the company's various activities, in a way that helps the Board of Directors to take sound decisions that contribute to achieving the company's interests.

Each of the two independent members of the SOOR Fuel Marketing Company has committed that they have the following independence controls as stated in Article (2-3) of Chapter Three of Module Fifteen (Corporate Governance) of the Executive Bylaws of Law No. (7) of 2010 regarding the establishment of The Capital Markets Authority and the Regulation of Securities Activity and its Amendments (Appendix 1):

- That he does not own five percent or more of the shares of SOOR Fuel Marketing Company.
- That he is not related to the first degree with any of the members of the Board of Directors of the company or the executive management in the company or in any company of its group, or the main related parties.
- That he is not a member of the board of directors of any of its group companies.
- That he is not an employee of the company or any of its group companies or any of the stakeholders.
- That he is not an employee of the legal persons who own controlling shares in the company.
- The independent member has the qualifications, experience, and technical skills corresponding with the company's activity.

Second Rule: Establish Appropriate Roles & Responsibilities

- SOOR's Board of Directors has approved the Board of Directors' Charter. The charter regulates the details of all roles, powers and authorities assigned to both the Board of Directors and the Executive management noting that this regulation reflects separation between the duties and powers entrusted to the Board of Directors and those assigned to the executive management in a manner which ensures entire independence and efficiency for all parties. Further, the Board of Directors' liabilities are clearly indicated in SOOR's articles of association with observation of the general assembly's roles.

1 - Board of Directors Roles & Responsibilities: -

- Approves the company's important strategies, plans and policies.
- Approves the company's capital structure and financial targets.
- Sets the company's overall strategies as well as the main business plans, reviews and directs the same.
- Participates in achieving SOOR's profits.
- Supervises SOOR's main capital expenditures, possession of assets and disposal thereof.
- Ensures compliance with policies and procedures in respect of adherence to applicable rules and regulations through support by both Audit Committee and Risk Committee affiliated to the Board of Directors.
- Assumes liability toward shareholders and bears responsibility before the relevant stakeholders.
- Monitors and supervises the executive management's performance.
- Monitors performance of each member at the Board of Directors and the executive management based on the key performance indicators determined by support from Nomination & Remunerating Committee.
- Approves SOOR's governance report which shall be recited at the general assembly. Such report shall include company's full governance requirements and procedures and compliance therewith.
- Determines SOOR's governance framework without contradiction to CMA's corporate provisions and principles. Supervises such framework in general, monitors its efficiency and modifies it when necessary.
- Ensures accuracy and authenticity of the data and information which shall be disclosed in conformity to disclosure and transparency policies and bylaws.

Corporate governance framework, approved by the Board of Directors, reflects the Chairman's roles and responsibilities pursuant to Corporate Governance principles as outlined hereunder:

- Ensures effective discussion of all principal issues by the Board of Directors in a timely manner.
- Supports and assists the executive management.
- Represents SOOR towards other parties as contemplated in SOOR's articles of association.
- Encourages all Board of Directors members to participate fully and effectively in running the Board of Directors' affairs so that the Board of Directors can take actions in favor of SOOR.
- Ensures actual communication with shareholders and forwards their opinions to the Board of Directors.
- Promotes positive relations and effective participation among both the Board of Directors and the executive management.
- Creates positive criticism attitudes regarding the issues which are exposed to different points of view among Board of Directors members.

SOOR has a competent Executive management team. Corporate Governance framework reflects the Executive management`s roles and liabilities to which it shall adhere in view of the authorities and powers vested and approved by the Board of Directors as summarized herein below:

- Implements SOOR policies, regulations and internal systems approved by the Board of Directors.
- Executes the annual strategies and plans approved by the Board of Directors.
- Prepares the periodical reports related to the progress accomplished in company`s activities in view of SOOR`s strategic plans and targets.
- Administers the daily tasks and run activity in addition to optimal management of SOOR`s resources, profit maximization and expenditure reduction as per company`s goals and strategies.
- Participates effectively in promoting and developing ethical value attitudes at SOOR.
- Prepares Internal Control Review & Risk Management System to ensure the effectiveness as well as adequacy of such systems and abide by risk tolerance approved by the Board of Directors.
- Upgrade the IT infrastructure to generate data and necessary information required for decision making pursuant to SOOR`s expansion strategy and needs.
- Prepares key performance indicators for SOOR`s employees and periodically evaluates the duties accomplished by them.
- Formulates a clear action mechanism in respect of monitoring the regulatory rules and regulations pertaining to SOOR activities in order to ensure implementation and compliance therewith.

2 - Board of Directors Achievements During 2025:

- Approval of the annual estimated budget and adoption of the interim and annual financial statements for the year 2025.
- Follow-up on the activities of the Board committees and affirmation of the roles, responsibilities, and authorities of those committees.
- Holding periodic meetings between the Board and the committees to ensure the proper execution of their duties and to evaluate the performance and work of the committees and their key members.
- Monitoring the performance of each Board member in accordance with objective Key Performance Indicators (KPIs), with the support of the Nomination and Remuneration Committee.
- Reviewing the risk report related to observations stated in the internal audit reports of Soor Fuel Marketing Company.
- Reviewing the Internal Control Review Report.
- Reviewing and approving the Corporate Governance Report, the Audit Committee Report, and the Compliance and Adherence Report for the year 2024.
- Discussing the remuneration report for the Board of Directors and executive management for the financial year ended 31/12/2024.
- Discussing the preparation and updating of certain risk management documents in accordance with the requirements of the regulatory authority's rules and practices (Code of Practice).
- Reviewing and approving certain internal policies and procedures of Soor Fuel Marketing Company, in addition to updating the corporate governance policies.
- Reviewing the Company's Integrated Report for the year 2024.
- Discussing the recommendation of the Nomination and Remuneration Committee regarding applications submitted by candidates wishing to run for membership of the Board of Directors of Soor Fuel Marketing Company for the upcoming term (2025–2027).
- Discussing the update of the Authority Matrix of Soor Fuel Marketing Company.
- Forming the new Board committees and approving their charters.
- Approving updates to certain internal Company documents, such as the salary scale, succession plan, and the Company's organizational structure.
- Discussing the Internal Audit Office Performance Evaluation Report (Quality Assurance) for the period from January 2022 to December 2024.
- Recommending the appointment of the External Auditor, Mr. Bader Al-Abduljader / Al-Aiban & Al-Oseimi – Ernst & Young, for the financial year ended 31/12/2025.
- Establishing the foundations of strategic planning and approving the Strategic Planning Statement for the years (2026–2028).

3 – Board of Directors’ Main Committees

The main committees of the Board of Directors are internal structures comprised of board members assigned specific tasks that reflect their respective competencies. The company has three main committees: Audit Committee, Risk Committee, and the Nominations and Remuneration Committee.

Audit Committee

- Formation Date: 30/04/2025.
- Committee Tenure: Expires when the Board of Directors’ term comes to its end.

Committee Members	Title	Ranking
Mr. Ashraf Al-Haj	Committee Chairman	Non-executive member
Mr. Abdulaziz Al-Ali	Vice Chairman	Non-executive member
Mr. Jaber Mohammed Ashknani	Committee Member	Independent member
Mrs. Rana Alkhateeb	Committee Secretary	

Number of meetings held in 2025: 12 meetings

Audit Committee’s Assignments & Achievements during year 2025:

- The Committee held four meetings with the External Auditor to review the interim and annual financial statements prior to their submission to the Board of Directors, expressing its opinion and submitting recommendations to the Board with the aim of ensuring fairness and transparency in financial reporting, as well as the integrity and soundness of the Company’s financial reports and internal control systems. During these periodic meetings, the financial reports were reviewed and the Committee’s recommendations were submitted to the Board of Directors for approval.
- Monitoring the performance of the External Auditor and ensuring that no services are provided to the Company other than those required in accordance with the auditing profession.
- Reviewing the External Auditor’s observations on the Company’s financial statements and following up on the actions taken in this regard.
- Reviewing audit and governance reports prior to their submission to the General Assembly.
- Providing technical oversight of the Internal Audit Unit at the Company, outsourced to (Moore Global), to verify its efficiency in carrying out the tasks and responsibilities assigned by the Board of Directors.
- Submitting the necessary recommendations to the Board of Directors regarding the appointment of the External Auditor, Badr Abduljader / Al-Aiban & Al-Osaimi – Ernst & Young, for the financial year ended 31/12/2025.
- Reviewing the results of internal audit reports and ensuring that appropriate corrective actions are taken in respect of the observations contained therein.
- Reviewing the Internal Control Review (ICR) report.
- The Committee held four meetings with the Internal Auditor to follow up on internal audit activities and to review audit reports covering the Company’s various departments.
- The Committee conducted an evaluation of the performance of the Internal Audit function, including the Internal Auditor and internal audit firms.

Risk Management Committee

- Constitution Date: 30/04/2025
- Committee Tenure: Expires when the Board of Directors' term comes to its end.

Member Name	Title	Ranking
Mrs. Nour Mahdi Mahmoud	Committee Chairman	Non-executive member
Mr. Ashraf Alhajj	Vice Chairman	Executive member
Mr. Jaber Mohammed Ashknani	Committee Member	Independent member
Mrs. Rana Alkhateeb	Committee Secretary	

Number of meetings held in 2025: 6 meetings

Risk Management Committee's Assignments & Achievements during the year 2025:

- Reviewing the Risk Management documents in compliance with ISO 31000 standards.
- Reviewing the Strategic Risk Analysis and Assessment Report of Soor Fuel Marketing Company.
- Updating the Risk Register of Soor Fuel Marketing Company (Risk Register / Review 2025).
- Discussing the Risk Treatment Register (Risk Treatment Register V1.2/2025).
- Annual renewal of the ISO 31000 Risk Management Certification for Soor Fuel Marketing Company following the successful completion of the audit.
- Establishing the Strategic Planning Framework and approving the Strategic Planning Statement for the years (2026–2028).

Nomination & Remuneration Committee

- Formation Date: 30/04/2025
- Committee Tenure: Expires when the Board of Directors' term comes to its end.

Committee Member	Title	Ranking
Mr. Ashraf Al-Haj	Committee Chairman	Non-executive member
Mr. Mubarah Al Sahli	Vice Chairman	Independent member
Mr. Talal Ahmad AlKhars	Committee Member	Executive member
Mrs. Rana Alkhateeb	Committee Secretary	

Number of meetings held in 2025: 7 meeting

Nomination & Remuneration Committee's Assignments & Achievements during year 2025:

- Recommending the opening of the nomination process for membership of the Board of Directors of Soor Fuel Marketing Company for the upcoming term (2025–2027).
- Discussing the Key Performance Indicators (KPIs) Report for the year 2024.
- Discussing the Board of Directors and Executive Management Remuneration Report for the year 2024.
- Reviewing applications submitted by candidates seeking nomination for membership of the Board of Directors of Soor Fuel Marketing Company for the three-year term (2025–2027).
- Discussing updates to the job descriptions of the Board of Directors' members and the Board Secretary.
- Reviewing the Nomination and Remuneration Committee Charter approved by the Board of Directors.
- Discussing updates to the Board of Directors and Executive Management Remuneration Policy.

4 . Additional Board Committees

Governance & Compliance Committee

- Formation Date: 06/09/2023
- Committee Tenure: Expires when the Board of Directors' term comes to its end.

Committee Member	Title
Mr. Abdulaziz Malek Al-Ali	Committee Chairman
Mr. Talal Ahmad Al Khars	Vice Chairman
Mrs. Rana Mazen Al-Khatib	Committee Member
Mr. Emad Habib Makar	Committee Member
Mr. Salem Al Hasawi	Committee Secretary

Number of meetings held in 2025: 4 meetings

Governance & Compliance Committee's Assignments & Achievements during year 2025:

- Preparing the Compliance Report for the year 2024.
- Preparing the Monthly Compliance Plan for the year 2025.
- Updating the dedicated register for meetings of the Board of Directors and its committees.
- Periodically updating the disclosure register of Board members and Executive Management, as well as the register of insiders' transactions.

5 -Requirements' Application Method which allows Board of Directors members to obtain information and data accurately and in a timely manner: -

- Vice Chairman and Chief Executive Officer periodically forwards SOOR's latest achievements to the Board of Directors.
- Further, SOOR, through the Board's Secretary, provides to the board members accurate and clear information and data in order to be able to undertake and take over their assignments and duties effectively and actively.
- SOOR ensures that all prepared reports are extremely valid and precise and that they are furnished to board members at the proper time for facilitating the process through which decisions are timely made.

Third Rule: Recruit Highly Qualified Candidates for Members of a board of Directors and the Executive management.

1 – Nomination & Remuneration Committee

- SOOR has a Nomination & Remuneration Committee affiliated to Board of Directors. The committee comprises of three board members including one independent member. Further, its chairman is a board non-executive member. The board has determined its membership tenure and operation method in addition to its powers and responsibilities in the committee's charter approved by the board.
- The nomination mechanism includes progressive selection of competent board and executive management members. Also, SOOR has approved a remuneration mechanism for maintaining efficient employees and attraction of new competent persons in addition to assistance for achieving SOOR goals and progress. The remuneration system – pertaining to executive management - is based on key performance indicators.
- Moreover, the committee has prepared KPI Report for overall evaluation of the Board of Directors as well as participation by each board member and each of the board ad hoc committees in addition to appraisal of executive management performance.

2 – Report on remunerations granted to Board Members & Executive Management

- An annual detailed report – on all remunerations – either as sums or benefits - granted to board members and executive managements – has been prepared for year 2025 in addition to making sure that the report will be forwarded to SOOR general assembly for approval and recitation by the Board's Chairman.

A summary of the remuneration and incentives policy followed by SOOR Fuel Marketing Company, what is related to the members of the Board of Directors and the Executive Management.

Under the framework of the remuneration system of SOOR Fuel Marketing Company, bonus decisions are taken based on the results of the company's performance, performance against set goals, evaluation of overall individual performance and commitment to the values of SOOR Fuel Marketing Company, work principles, policies and procedures of the company. To evaluate the performance of the members of the Board of Directors, the Remuneration Committee considers the commitment to attend the meetings of the Board of Directors and the nature and effectiveness of participation by each member of the Board in addition to carrying out the tasks and responsibilities entrusted to them.

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Details of remuneration and benefits of members of the Board of Directors

Total Number of Board Members	Remuneration and Benefits from the parent company				Remuneration and Benefits from subsidiary companies			
	Fixed Remuneration and Benefits (Kuwaiti Dinar)		Variable Remuneration and Benefits (Kuwaiti Dinar)		Fixed Remuneration and Benefits (Kuwaiti Dinar)		Variable Remuneration and Benefits (Kuwaiti Dinar)	
	Health Insurance	Monthly Salary (Annual Total)	Annual Remuneration	Committee's Remuneration	Health Insurance	Monthly Salary (Annual Total)	Annual Remuneration	Committee's Remuneration
9	None	None	55,000	6,000	None	None	None	None

Details of remuneration and benefits of members of the Executive Management

Total Number of Executive Positions	Remuneration and Benefits from the parent company							Remuneration and Benefits from subsidiary companies				
	Fixed Remuneration and Benefits (Kuwaiti Dinar)			Variable Remuneration and Benefits (Kuwaiti Dinar)				Fixed Remuneration and Benefits (Kuwaiti Dinar)	Variable Remuneration and Benefits (Kuwaiti Dinar)			
	Annual Salaries	Total Medical Insurance	Total Ticket Allowance	Total PISS co. Share	Total Life Insurance	Annual Educational Allowance	Annual Bonus	Annual Salaries	Total Medical Insurance	Total Ticket Allowance	Housing Allowance	Annual Bonus
7	331,200	13,200	15,000	18,975	2,963	18,000	81,000	-	-	-	-	-

Any material deviations from the remuneration policy approved by the Board of Directors:

There are no material deviations from the remuneration policy approved by the Board of Directors

Fourth Rule: Ensured Integrity of Financial Reports

1 –Written Undertakings by Board of Directors & Executive Management on Soundness & Integrity of Prepared Financial Reports

- Integrity and fairness of SOOR`s financial statements are regarded as an important indicator to the company`s truthfulness and credibility in presenting its financial position, a matter which makes shareholders and investors more confident in the statements and information provided and disclosed by the company to its stakeholders. Executive management undertakes in writing to Board of Directors that the company`s financial reports are validly and fairly presented and to approach all financial sides related to SOOR including operational statements and outcomes. Besides, such reports are prepared as the recognized IFRSs. In addition, the annual report – provided to shareholders by SOOR Board of Directors – includes a written undertaking of soundness and integrity of all financial statements as well as the reports related to SOOR`s business noting that the foregoing reports participate in enhancing accountability of the executive management by the Board of Directors or of the board by shareholders.

2 – Audit Committee Formation

- SOOR has an audit committee that comprises of two non-executive board members and one independent member. The committee enjoys absolute independence. It includes one member holding academic qualifications and practical expertise in accounting and financial fields. The board has determined the Audit committee`s tenure and operation method. Moreover, its powers and responsibilities specified in the committee charter approved by the board. The committee held nine meetings in 2024 where it discussed multiple subject matters within its powers and assignments. It further met periodically with SOOR`s external and internal auditors.

3- Conflict between Audit Committee`s Recommendations & Board of Directors Decisions

- In the event there is a conflict between the audit committee`s recommendations and Board of Directors` decisions including – when the Board of Directors rejects the committee`s recommendations, in connection with the external auditor and/or internal auditor, there shall be a detailed statement reflecting the recommendations and the reason or reasons for the board`s deviation from adherence to them. In 2025, there was no contradiction between the committee`s recommendations and Board of Directors` decisions.

4 - Independence & Neutrality of External Auditor

- SOOR`s general ordinary assembly reappointed the company`s external auditor (Al-Aiban and Al-Osaimi – Ernst & Young/ Badr Al Abdul Jader) for the year ending on 31/12/2025 as per Board of Directors` decision. This decision was based on the audit committee`s recommendations taking into consideration that the external auditor is listed in the Authority`s external Auditors register and meets all necessary requirements in this regard. Moreover, the external auditor is independent from SOOR and its Board of Directors and he neither undertakes additional works for SOOR nor works included under audit processes nor tasks which affect neutrality and independence.
- Moreover, the external auditor attended SOOR annual general ordinary assembly meeting where he recited the report prepared by him to SOOR shareholders.

Fifth Rule: Applying Proper Systems of Risk Management and Internal Audit

1 – Risk Management

SOOR has an independent risk management department affiliated to the Risk Committee and Board of Directors. This department mainly measures, monitors and evaluates all risks surrounding SOOR and finds solutions to mitigate the adverse impacts of such risks.

2 – Risk Management Committee

The Risk Management Committee is comprised of three board members including one independent member. The board has determined its tenure and operation method. Moreover, the Risk Management Committee's powers and responsibilities are contemplated in the committee charter approved by the board. The Risk Management Committee held four meetings in 2024 where it discussed multiple subject matters within its powers and assignments.

3 – Internal Controls Review

SOOR's Internal controls include all systems which are adequate to maintain the company's financial integrity, statement accuracy and operation efficiency in all respects. Moreover, SOOR has taken into consideration the four eyes principles for internal control process which represented in sound determination of powers and liabilities, the entire separation between assignments, no conflict of interests, examination, double control and signature by the availability of an administrative and financial structure as well as the procedures pertinent to SOOR in addition to IT systems prepared and designed based on separation of assignments among the respective departments and positions.

4 - Application of Independent Internal Audit Unit/ Office/ Department Requirements

SOOR has signed a contract with an external firm to administer internal audit processes (Moore Global) which has full independence and expanded technical expertise in the auditing field. This firm has prepared audit reports for all activities and operations of SOOR including its various departments. Auditing reports include comments and recommendations in addition to departments' responses as well as business plans determined for taking necessary actions according to forwarded recommendations. Such reports have been presented to the Audit Committee.

The committee also appointed an independent internal auditor for Soor Fuel Marketing Company, who reports to the Audit Committee and the Board of Directors, to oversee and monitor the effectiveness of the internal auditing process and ensure continuous coordination between the company's various departments and the auditing office.

5. Three Lines of Defense

Within the corporate governance and internal control framework adopted by Soor Fuel Marketing Company, the Three Lines of Defense model is applied to ensure clear definition of roles and responsibilities related to risk management and internal control. The internal control system is considered a fundamental component of the governance framework, whereby operational departments act as the First Line of Defense through the execution of operations and adherence to approved policies and procedures.

The Risk Management function and Compliance activities fall under the Second Line of Defense, where they are responsible for developing control measures, monitoring risk exposure levels, and ensuring that the relevant departments comply with applicable internal and external laws, regulations, and instructions.

As for Internal Audit, it represents the Third Line of Defense, performing an independent assurance role by evaluating the effectiveness and efficiency of internal controls, risk management practices, and the level of compliance within the Company. Internal Audit reports are submitted directly to the Audit Committee to ensure independence and transparency in review and assessment.

In addition, both the Audit Committee and the Risk Management Committee, which are committees of the Board of Directors, perform an oversight and supervisory role without involvement in execution. Their role is limited to monitoring the performance of Executive Management, assessing the effectiveness of internal control and risk management systems, and ensuring that reports are escalated to the Board of Directors to support appropriate decision-making.

Classification of Roles within the Three Lines of Defense

Function	Classification	Part of Internal Control?	Responsible Entity
Risk assessment, development of controls and risk mitigation procedures, and support in building internal control systems	Second Line of Defense	✓ Yes	Risk Management
Monitoring compliance with laws, regulations, and internal policies	Second Line of Defense	✓ Yes	Compliance Department
Governance oversight (non-executive supervisory role)	Board Oversight	✗ No	Risk Committee (Board of Directors)
Independent evaluation of the effectiveness of internal controls	Third Line of Defense	✗ No (independent assurance)	Internal Audit
Evaluation of financial statements only, not operational controls	Independent external assurance	✗ No	External Audit

Sixth Rule: Promote Code of Conduct and Ethical Standards

Code of Conduct which includes professional as well as ethical standards and restrictions

SOOR has a code of conduct approved by the Board of Directors. This code of conduct includes standards and restrictions pertinent to professional conduct as well as ethical values. Through sound professional conduct and ethical values, we can enhance the investor's confidence in SOOR integrity and financial statements accuracy noting that all Board of Directors and Executive management adhere to internal policies and regulations as well as statutory and regulatory which optimize interests of all parties related to SOOR and shareholders with no conflict of interests and with high transparency. In other words, SOOR's governance framework includes compliance by all Board of Directors and executive management members with all laws and regulations in a manner which meets interest of SOOR, shareholders and all related parties and not only the interest of a certain group. Code of conduct stresses on each member and employee inside SOOR not to strive to achieve a persona interest to himself or to a third party in addition to not using job influence for achieving a personal goal or benefit; moreover, each member in SOOR shall avoid exploiting the company's resources and assets to a personal benefit. But he shall rather use them to optimize the company's targets. Above all, SOOR has determined a precise system which prohibits board members and employees from using the information, obtained by them by virtue of their positions, to their own personal advantage. Also, they are prohibited from disclosure of the company's information and data other than in the cases permitted by law. In brief, there shall be an obvious separation between the interest of a Board Member and the interest of the company.

2 - Proper Policies & Procedures for Limitation of Conflict of Interest:

SOOR's Board of Directors has determined the mechanism and policies required for limitation of interest conflict cases including their correction methods as a part of the company's governance framework with observation of Companies Law.

Seventh Rule: Accurate Disclosure and Transparency in the Right Time

1 - Mechanisms of Precise Transparent Presentation and Disclosure which determine disclosure's respects, fields and issues

Precise disclosure is deemed one of the main advantages and methods to monitor the company's operations and evaluate its performance. This leads shareholders and investors to be aware of the company's structures and activities as well as the policies adopted by the company in addition to appraisal of the company's performance in connection with ethical standards. Board of Directors has determined, within the company's governance framework, an approved policy for accurate and transparent presentation and disclosure which reflects the sides, fields, and issues pertinent to disclosure noting that the Board of Directors is concerned with periodical review of disclosure and transparency mechanisms and systems applicable at the company.

2 - Board of Directors & Executive Management's Disclosure Record

SOOR maintains a special record which includes disclosures by board members and the executive management of the ownership percentage of the company's shares in addition to declarations by insiders which are updated as per provisions of CMA regulation noting that such record is made available for perusal by all the company's shareholders without charge or consideration. Moreover, SOOR periodically updates this record in a manner which reflects the condition of the stakeholders.

3 – Investors Affairs Unit

The company has an independent Investor Affairs Unit, reporting to the Board of Directors, responsible for facilitating and providing the necessary data, information, and reports for potential investors. This is achieved through recognized disclosure channels, including the company's official website.

4 - Upgrade of IT Infrastructure & Strict Reliance thereon in Disclosure Processes

SOOR uses Information Technology at a large level by upgrading several systems adopted in the company's various operations.

Furthermore, SOOR possesses a substantial and effective website encompassing all information and data pertinent to the company's business together with the latest developments which help investors as well as current and potential investors to practice their rights and evaluate the company's performance in addition to a section related to corporate governance noting that SOOR periodically updates its website.

Eighth Rule: Respect of Shareholders' Rights

1 – Identification and protection of shareholders' general equities to ensure fairness and equality among shareholders

SOOR has a recognized policy belonging to shareholders' equity. Further, SOOR article of association include procedures and restrictions required for all shareholders to practice their rights in order to improve and protect shareholders' general equity for ensuring fairness and equality among all shareholders regardless of their levels. Under no circumstances, the company shall not conceal any information or any of shareholders' equity.

Herein below some of shareholders general equity guaranteed by SOOR:

- Entry of shareholding in the company's registers.
- Shareholders' rights to deal with shares including possession's registration and/ or acquisition.
- Shareholder right to obtain the prescribed share of dividends.
- Shareholders receive a share of the company's assets in case of liquidation.
- Shareholder right to obtain the details and information pertaining to the company's activity as well as operational and investment strategy in a regular and proper manner.
- Shareholder's right to participate in general assembly in addition to voting over its decisions.
- Shareholder's right to elect board members.
- Monitor the company's performance in general and the Board of Directors' assignments in particular.

2 –Accuracy and On-Going Monitoring of Shareholders' Data

For progressive monitoring of all matters related to shareholders' details, SOOR maintains a special register with Clearing Agency. This register contains shareholders' names, nationalities, addresses and number of shares held by each one of them. Any changes made to the details, set forth in such register, are updated in shareholders' register based on the details received by the company or clearance agency. Each concerned person is entitled to request the company or clearing agency to provide him with statements of such register.

3 - Method to Encourage Shareholders to Participate and Vote in SOOR General Assembly Meetings

- SOOR respects shareholders' right to participate in the company's general assembly meetings and vote over its decisions. This is deemed as an original right of shareholders irrespective of their different levels noting that participation and voting mechanism therein is contemplated in Shareholders' Equity Policy and governance framework applicable at SOOR in conformity to the company's articles of association. The company's articles of association clearly include the procedures and restrictions required for ensuring participation by all shareholders of their rights in a manner which establishes fairness and equality without inconsistency with the applicable laws and regulations as well as the orders and instructions issued in this regard.
- SOOR has approved shareholders' participation mechanism in the company's general assembly meetings based on an invitation by the Board of Directors for meeting within three months following the end of the fiscal year noting that convention by SOOR shall be through all notification channels including Kuwait Stock Exchange's website and daily newspapers. The Board of Directors invites the general assembly for meeting if required or at a justified request by a number of shareholders who hold not less than ten percent of the company's capital or at request of the auditor in the course of fifteen days of request.
- SOOR approves the voting mechanism as to shareholders' general meetings as set forth in the company's articles of association by allowing all shareholders to participate in voting right without placing any obstacles which may lead to voting restriction. This is because voting is an original right to shareholder. Hence, it cannot be terminated in any way.

Ninth Rule: Respect the Rights of Stakeholders

1- Regulations and policies which ensure protection and recognition stakeholders' rights

SOOR respects and protects the rights of stakeholders in all incoming and outgoing transactions. Therefore, it has prepared, within the company's governance framework, a policy approved by the Board of Directors including rules and procedures which ensures the protection of stakeholders' rights and allows them to obtain indemnifications if any of their rights are breached.

For no conflict of interests belonging to stakeholders, either in connection with contracts or spot transactions with the company, with those pertinent to shareholders, it is worth saying that stakeholders may not obtain privileges via their dealing in contracts and transactions which fall within the company's usual activities. Moreover, the company determines internal policies and regulations which ensure an obvious mechanism in respect of awarding all various types of contracts and transactions via tenders or different purchase orders.

2 - Encouraging stakeholders to participate in monitoring SOOR's different activities

The company allows stakeholders to obtain the information and data pertaining to their activities to be depended on in a timely and regular manner.

In addition, the company sets proper mechanisms to make it easier for stakeholders to forward a report to the company's Board of Directors on any unsound practices burdened on them by the company noting that proper protection shall be made available to reporting parties.

Tenth Rule: Encourage and Enhance Performance

1 - Board of Directors & Executive Management Members' Progressive Training Program & Course Mechanism

SOOR approves adequate training programs, workshops and conferences for the current board members and the executive management pertaining to the company's business and role of board members in order to elaborate their skills and expertise in addition to matching with developments in a manner which helps them to perform their duties.

2 - Overall Appraisal of Board of Directors Performance & Individual Performance of each Board member and Executive Management member

SOOR has applied systems and appraisals so as to evaluate the performance of board members as well as executive management members on a periodical basis. In this regard, evaluation relies on a series of key performance indicators related to the accomplishment of the company's strategic goals, effective risk management and adequate internal audit for appraisal of each of the aforementioned members as well as the relevant committees. In addition, there are performance indicators which evaluate the executive management's performance on an annual basis to reflect their points of strength and weakness and deal with them to the benefit of SOOR.

3 - Corporate Value Creation

Board of Directors strives to establish short, medium and long-term values by determining and providing mechanism and procedures which can fulfill the company's strategic goals and improve performance rates in a manner that efficiently participates in motivating employees to work continually to maintain the company's financial integrity.

The company works hard on internal and integral reporting systems to become more comprehensive as this helps the board members as well as the executive management to make decisions effectively hence meeting shareholders' interests.

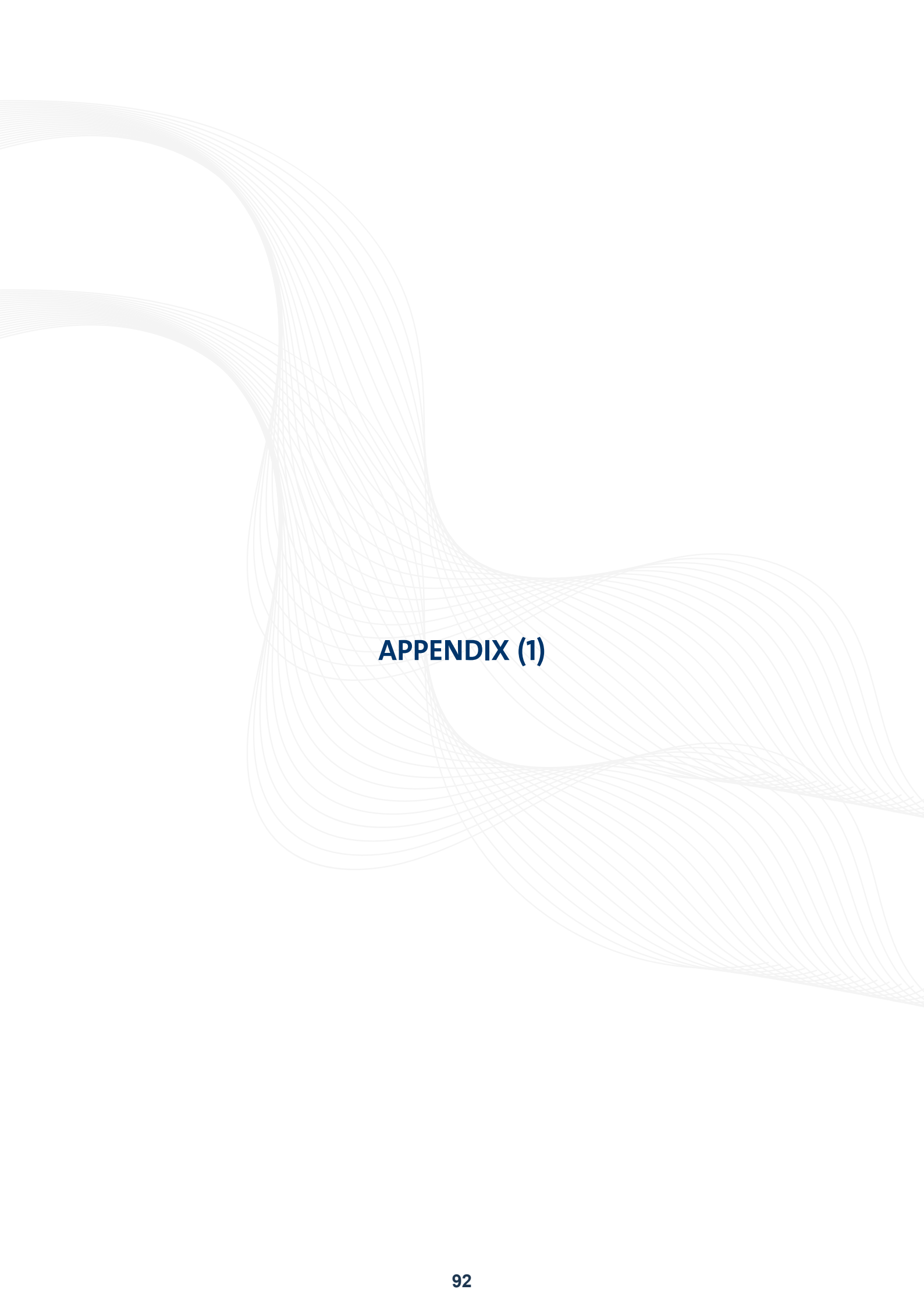
Eleventh Rule: Focus on the Importance of Corporate Social Responsibility

1 - Making balance between SOOR goals and society targets as well as programs and social responsibility work

SOOR has determined a policy to make a balance between the company's goals and society objectives represented in improving the living, social and economic conditions of society.

2 - Adopted programs and mechanisms which reflect the efforts exerted by SOOR at social work level

- Sponsorship was provided for the publication of campaign advertisements aimed at raising awareness of the Drug and Psychotropic Substances Law, in cooperation with the Ministry of Interior.(MOI)
- A sponsorship was provided to Kuwait Sports Club as support from Soor Fuel Marketing Company for the club sports and cultural activities .
- A sponsorship was provided for a graduation project for students at the College of Engineering and Petroleum on preparing an engineering model of marine operations in the oil and gas sector.



APPENDIX (1)



S00R السور

شركة السور لتسويق الوقود شركة مساهمة
Soor Fuel Marketing Company K.S.C.P

التاريخ : 2025/04/23

السيد/ طريف باقر العوضي
رئيس مجلس الإدارة

المحترم ،،،

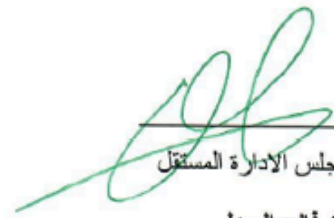
تحية طيبة و بعد،

الموضوع : إقرار عضو مجلس الإدارة (عضو مستقل)

أقر أنا مبارك فالح السهلي كويتي الجنسية ، رقم مدني (264031100759) عضو مجلس إدارة شركة السور لتسويق الوقود بصفتي عضو مجلس الإدارة المستقل ، بأنني أتمتع بكافة شروط الاستقلالية التالية :

- 1- أنني أتمتع بالاستقلالية على النحو الوارد في المادة (2-3) من الفصل الثالث من الكتاب الخامس عشر (حوكمة الشركات) من اللائحة التنفيذية للقانون (7) لسنة 2010 بشأن إنشاء هيئة أسواق المال وتنظيم نشاط الأوراق المالية وتعديلاتهما .
- 2- أنه يتوفر لدي المؤهلات والخبرات والمهارات الفنية التي تتناسب مع نشاط الشركة .

و تفضلوا بقبول فائق الاحترام ،،،


عضو مجلس الإدارة المستقل
مبارك فالح السهلي



SOOR السور

شركة السور لتسويق الوقود شركة
Soor Fuel Marketing Company K.S.C.P

التاريخ : 2025/04/23

المحترم ،،،

السيد/ طريف باقر العوضي
رئيس مجلس الإدارة

تحية طيبة و بعد،

الموضوع : إقرار عضو مجلس الإدارة (عضو مستقل)

أقر أنا جابر محمد عبدالله اشكناني كويتي الجنسية ، رقم منني (269032000533) عضو مجلس إدارة شركة السور لتسويق الوقود بصفتي عضو مجلس الإدارة المستقل ، بأنني أتمتع بكافة شروط الاستقلالية التالية :

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- 2- أنه يتوفر لدي المؤهلات والخبرات والمهارات الفنية التي تتناسب مع نشاط الشركة .

و تقبلوا بقبول فائق الاحترام ،،،

عضو مجلس الإدارة المستقل

جابر محمد عبدالله اشكناني

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فاكس
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برج مدينة الأعمال الكويتية العقارية
Al Mirqab - Bl. 3 Omer Bin Al Khatlab Street
KBT Tower

www.soor.com.kw



An ISO 9001:2008 14001 - 2004 OHSAS 18001:2007 Certified company



AUDIT COMMITTEE REPORT 2025

Formation of the Audit Committee

The Audit Committee was formed on 30-04-2025 based on the decision made by the Board of Directors of SOOR Fuel Marketing Company during its meeting No. (5/2025). The committee members and its chairman were appointed, and the committee's charter was adopted and approved by the Board of Directors. The membership duration of the committee was determined by the Board of Directors' term of office.

Audit Committee Members

The committee consists of three members: two non-executive members and one independent member.

- **Mr. Ashraf Al-Haj Mahmoud**

Chairman of the Audit Committee

Dr. Ashraf Al-Haj is an executive leader and financial expert in the healthcare sector, holding a PhD in Healthcare Management. He currently serves as the Chief Executive Officer of Al-Seef Hospital in Kuwait and has more than 25 years of experience in financial planning, budgeting, healthcare operations management, and strategic management. He previously worked as a Chief Financial Officer in major healthcare institutions in Kuwait and Egypt, and as a financial advisor to the Egyptian Minister of Health.

- **Mr. Abdulaziz Malik Al-Ali**

Audit Committee Member

Brief: Holds a Bachelor's degree in Law from Philadelphia University , Jordan. Mr. Abdulaziz Al-Ali has held several positions over 17 years in the field of law, working in various law firms and legal consulting offices. He also served as an "Execution Officer" in the Execution Department at the Ministry of Justice. Currently, he owns his private law firm.

- **Mr. Jaber Mohammed Ashkanani**

Audit Committee Member

Brief: Holds a Bachelor's degree in Accounting from the Modern Academy for Computer Science and Management Technology in Al-Maadi.

Mr. Jaber Ashkanani has held various managerial positions over 25 years in the field of business administration. He served as the Director of Administrative Affairs at Al-Dar Newspaper and the Director of Public Relations at United Media Company, among other positions.

- **Committee Secretary:**

Mrs. Rana Mazen Al-Khatib assumes the role of the Secretary of the Audit Committee. She was appointed by the Board of Directors during meeting No. (5/2025) held on 30/04/2025. Mrs. Rana Al-Khatib is responsible for recording and coordinating the committee meetings.

• Committee's Purpose

The primary purpose of forming the Audit Committee, which emanates from the Board of Directors of the company, is to support and assist the Board in fulfilling its oversight responsibilities related to the integrity and accuracy of financial reports and the internal control systems of the company. The committee also ensures the independence of internal audit operations and evaluates the performance of both external and internal auditors.

• Characteristics of the Audit Committee

1. Committee members possess the required academic qualifications, in addition to practical experience in the fields of accounting and finance, as indicated in the above-mentioned profiles of the committee members.
2. The Audit Committee may seek consultation from any independent advisory body at the company's expense.
3. Regarding the recommendations made by the Audit Committee to the Board of Directors during the year 2025, there were no conflicts between the committee's recommendations and the decisions of the Board of Directors.

• Meeting of the Committee:

The Audit Committee must convene regularly at least four times a year, on a quarterly basis. The Audit Committee held twelve meetings during the year 2025, including five meetings with the internal auditor and regular meetings with the external auditor. All members are notified of the committee's agenda at least three working days before the meeting date to allow sufficient time for review and discussion. The committee also documented the minutes of its meetings as follows:

MEETING NO.	DATE OF MEETING	ATTENDANCE RATE	MEETING VENUE
(1/2025)	27-01-2025	100%	Company Headquarters
(2/2025)	20-02-2025	100%	Company Headquarters
(3/2025)	02-03-2025	100%	Company Headquarters
(4/2025)	09-03-2025	100%	Company Headquarters
(5/2025)	25-03-2025	100%	Company Headquarters
(6/2025)	07-05-2025	100%	Company Headquarters
(7/2025)	11-05-2025	100%	Company Headquarters
(8/2025)	12-05-2025	100%	Company Headquarters
(9/2025)	23-7-2025	100%	Company Headquarters
(10/2025)	12-8-2025	100%	Company Headquarters
(11/2025)	12-11-2025	66.6%	Company Headquarters
(12/2025)	31-12-2025	100%	Company Headquarters

Roles and Responsibilities of the Audit Committee and Accomplished Tasks:

The Committee reviewed its Charter, approved the provisions contained therein, and evaluated the Committee's performance and the tasks accomplished during the year 2025. The Committee's key achievements and responsibilities during the year are summarized as follows:

1. The Committee reviewed the periodic financial statements prior to their submission to the Board of Directors, and provided its opinion and recommendations to the Board, with the objective of ensuring fairness and transparency in financial reporting and verifying the integrity and reliability of the Company's financial reports and internal control systems. The Committee held its regular (quarterly) meetings, during which it reviewed the financial reports issued by the Company's Finance Sector and the External Auditor, and accordingly submitted a recommendation to the Board of Directors for their approval.
2. Following up on the work of the External Auditor and ensuring that no services are provided to the Company other than those required for the audit profession.
3. Holding periodic meetings with the External Auditor to discuss observations on the Company's financial statements and to follow up on the related actions taken.
4. Evaluating the adequacy of the internal control systems applied within the Company and overseeing the preparation of the Internal Control Report (ICR) by Al-Qatami, Al-Aiban & Partners – a member of Grant Thornton International – including the Committee's opinion and recommendations in this regard.
5. Reviewing and approving the proposed internal audit plan for the year 2024 and providing observations thereon.
6. Providing technical oversight of the internal audit services rendered to the Company by Moore Global to verify their effectiveness in carrying out the assignments and tasks specified by the Board of Directors.
7. Discussing the estimated budget for the year 2025.
8. Reviewing the Corporate Governance Report and the Audit Report for the year 2024 prior to their submission to the General Assembly of Shareholders.
9. Recommending to the Board of Directors the appointment of Mr. Bader Al-Abduljader from Ernst & Young – Al-Aiban & Al-Oseimi & Partners as the External Auditor of Soor Fuel Marketing Company for the financial year ending 31/12/2025.
10. Discussing the internal audit reports for the year 2024 for the various departments of the Company, with emphasis on the necessity for Soor Fuel Marketing Company to comply with its commitments provided in response to the audit observations.
11. Evaluating the performance of the Audit Unit, including the Internal Auditor and the internal audit firms.

Based on the above with respect to the Audit Committee's activities for the year 2025, the members of the Audit Committee affirm their full commitment to carrying out the duties entrusted to them by the Board of Directors in line with leading best practices in this field and in compliance with the instructions and resolutions of the relevant regulatory authorities, in particular the Capital Markets Authority.

Financial Reports Review

External Auditor: Mr. Bader Al- Abdul Jader - Ernst & Young Al-Osaimi Al-Aiban & Partners Office.

During the fiscal year ended December 31, 2025, the external auditor reviewed the interim and annual financial statements, which were presented to the Audit Committee for discussion. The committee recommended them to the board for approval.

Assessment of Internal Control Systems

It is the responsibility of the Board of Directors to establish and implement sufficient internal control systems for the company, taking into account the suitability of these systems' elements with the expected benefits of their application.

SOOR Fuel Marketing Company contracted with Al-Qatami, Al-Aiban & Co. and their partners – a member of Grant Thornton International – to evaluate and review the company's internal control systems for the year ended December 31, 2024. The examination covered the general regulatory environment of the company, compliance with corporate governance rules issued by the Capital Markets Authority. Due to the inherent limitations of any internal control system, errors or violations may occur that are not detected or tracked. Additionally, evaluating these systems for future periods is subject to risks, as management information and control procedures may become inadequate due to changes in circumstances or a decrease in compliance with those procedures.

The Committee's Opinion on the Company's Internal Control Systems

After completing its tasks and duties during the year 2025, the committee believes that the fundamental internal control systems implemented by the company have been applied effectively and are sufficient for the company's current operations. The committee did not identify any significant gaps or violations in the company's internal control systems. We recommend the company to continue complying with the control procedures implemented.

رقم المحطة
Station No.

المنطقة
Station Name

- 2 Sheraton roundabout - دوار الشيراتون ●●●●●
- 5 AL-Mansouriya - المنصورية ●●●●● TROLLEY Ali Alghanim & Sons Automotive w.l.l. علي الغانم وأولاده MA-FRA
- 7 AL-Dhafer - الظهر ●●●●●
- 8 Abu Hulifa - أبو حليفة ●●●●● McDonald's TROLLEY SPLASH BE-LIN
- 9 AL Jahra - Express Way - الجهراء - الطريق السريع ●●●●● McDonald's TROLLEY MA-FRA
- 13 Salwa - سلوي ●●●●● TROLLEY SPLASH
- 19 Ras Al Zour - راس الزور ●●●●●
- 20 Failaka Island - جزيرة فيلكا ●●●●●
- 21 Al-Faiha - الفيحاء ●●●●●
- 22 Al-Qadisiya - القادسية ●●●●● SPLASH
- 25 Al-Salmiya - Blajat street - السالمية - شارع البلاجات ●●●●● SPLASH TROLLEY Ali Alghanim & Sons Automotive w.l.l. علي الغانم وأولاده
- 27 Al-Sulaibikhat - الصليبيخات ●●●●●
- 30 Al-Fahaheel - الفحيحيل ●●●●● TROLLEY SPLASH
- 32 Khaitan - خيطان ●●●●●
- 34 Hawally - Tunis Street - حولي - شارع تونس ●●●●● SPLASH TROLLEY Ali Alghanim & Sons Automotive w.l.l. علي الغانم وأولاده
- 43 Shuaiba Road - Al Ada'ama طريق الشعبة - الأدعمي ●●●●● SPLASH McDonald's TROLLEY
- 44 Jleeb Al-Shiyoukh - جليب الشيوخ ●●●●●
- 46 Jleeb Al-Shiyoukh - جليب الشيوخ ●●●●● SPLASH ALBA BSCO TROLLEY
- 48 Shaab Gulf Street - الشعب - شارع الخليج العربي ●●●●● SPLASH TROLLEY Ali Alghanim & Sons Automotive w.l.l. علي الغانم وأولاده
- 51 United Nations Roundabout - دوار الأمم المتحدة ●●●●●
- 53 Jahra-Water Station - محطة المياه - الجهراء ●●●●●
- 56 Rawda - الروضة ●●●●● SPLASH
- 61 Al-Moubarakiya - بيان - المباركية ●●●●● SPLASH TROLLEY Ali Alghanim & Sons Automotive w.l.l. علي الغانم وأولاده
- 63 Al-Sabahiya - الصباحية ●●●●●
- 66 Sabah Al Salem - صباح السالم ●●●●●
- 74 Mina Abdullah - ميناء عبدالله ●●●●●
- 76 Ardiya Co-op - العارضية ●●●●● SPLASH
- 80 Al-Farwaniya - الفروانية ●●●●●
- 81 Al-Sulaibiyah - الصليبية ●●●●● SPLASH TROLLEY
- 84 Jaber Al Ali - جابر العلي ●●●●●
- 91 Al-Rabiya - الرابية ●●●●● SPLASH TROLLEY BE-LIN
- 97 Al Andalous - Al Riqai - الأندلس - الرقعي ●●●●●
- 99 Al-Adan - العدان ●●●●●
- 106 Qairawan - القيروان ●●●●●
- 108 Saad Al-Abdullah - سعد العبدالله ●●●●● TROLLEY SPLASH
- 111 Magwa - المقوع ●●●●●
- 113 Shuwaikh - الشويخ ●●●●● SPLASH TROLLEY
- 115 Sabahiya - الصباحية ●●●●● TYRE PLUS TROLLEY SPLASH McDonald's
- 116 West Hadiya - غرب هدية ●●●●● TROLLEY SUBWAY
- 117 Hitteen - حطين ●●●●● SPLASH TROLLEY Ali Alghanim & Sons Automotive w.l.l. علي الغانم وأولاده
- 123 Al-Aquila - العقيلة ●●●●● SPLASH TROLLEY Ali Alghanim & Sons Automotive w.l.l. علي الغانم وأولاده
- 124 Massayal - المسایل ●●●●● SPLASH TROLLEY Ali Alghanim & Sons Automotive w.l.l. علي الغانم وأولاده

الخدمات المتوفرة في محطات شركة السور لتسويق الوقود ش.م.ك.ع

Services in Soor Fuel Marketing Co. Stations



Ali Alghanim & Sons
Automotive w.l.l.
A member of Ali Alghanim & Sons Group of Companies

علي الغانم وأولاده
للسيارات ذ.م.م.
إحدى الشركات المتخصصة علي الغانم وأولاده

