

Oula Local Fuel Marketing Company K.S.C.P

ANNUAL REPORT 2025



**Oula Fuel Supports the "Al-Arfaj Flower"
Initiative To Back Our Frontliners**



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



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



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| About Oula

Oula is always the first to encompass the services that meet different consumer needs. It is not just a fuel company that builds stations, but also it seeks to constantly improving them to meet today's demands that are reflected in its continuous efforts. Since the company was founded in 2004 until today, it is continuously developing. Because Oula's major objective is to satisfy its customers by providing the best possible services with highest quality, it always aims to study the local and international markets to find out what is new in the world of fuel and station services thus, improvements will be achieved through applying the results of these researches and studies in reality.

| Our Mission

To make Oula stations part of the daily Life, we strive to offer the highest standards of products and services through a network of state-of-the-art service stations. To maintain our status as the industry leaders, we are dedicated to continually improving products and services for our customers in a clean and safe environment. We are committed to the well being of our staff and delivering value for our shareholders.

| Our Vision

To be the leading fuel marketing company in the region, and maintaining the highest industry standards of health, safety, environmental protection and quality control. While, maximizing value to the shareholders.

Board of Directors Report

M/S Shareholders, Greetings,

I would first like to thank all of you on behalf of the Board of Directors, the Executive Management of Oula Fuel Company, and myself. I am also pleased to you the annual report of the Board of Directors, which includes a brief presentation of the most important performance indicators, financial results, and the most important achievements of “Al-Oula” for the fiscal year ending in 2025 compared to the results achieved in the year 2024. Which reflects our determination to continue achieving good results that will enhance the company's value and maximize the benefits for our valued shareholders. We also affirm our determination to continue moving steadily towards achieving the company's strategic plans and objectives.



Abdulhussain Saleh Al-Sultan
(Chairman)

Oula Fuel Company witnessed several developments as detailed in the annual report. The management has worked with the value of one team spirit, one of the modern methods that lead to excellence, success and the achievement of goals, as it is based on cooperation, job satisfaction, quality, transparency, trust, safety, inclusiveness, diversity, creativity, innovation, social responsibility and many pillars that lead to reaping success. Social responsibility is also considered one of the fundamental pillars of Oula Fuel Marketing Company's strategy, as the company is committed to integrating it into its operational practices in a way that contributes to achieving sustainability and enhancing its positive impact on society.

Health, Safety, Security, and Environment (HSSE):

Since the establishment of Oula Fuel Marketing Company, “security and safety” have been among its top priorities. From the outset, the company has been committed to implementing the highest standards and systems of health and safety in the development and operation of its service stations.

Maintaining a healthy and safe working environment for both our employees and customers is one of our key commitments and strategic objectives. We therefore strive to foster a positive safety culture and adopt a proactive approach to minimizing incidents and losses both within and outside our operational sites. This is achieved through an advanced system for managing and monitoring Health, Safety, Security, and Environmental performance. The system is designed to accurately track key performance indicators, ensuring adherence to the highest safety standards, providing an optimal work environment, and achieving the highest levels of environmental protection.

Oula Fuel Marketing Company has received numerous local and international awards, most notably recognition for service station management in accordance with the highest quality and environmental safety standards, in addition to achieving a 6-star rating from Kuwait National Petroleum Company. These achievements reflect the collective efforts and collaboration of all departments within the company, translating the vision of the Board of Directors and executive management, and demonstrating its ongoing commitment to excellence in performance, quality, and safety.

Development and Sustainable Project Management

Oula has worked to incorporate sustainability concepts into all its operational processes and ensure that it operates in accordance with the best environmental technical standards. This begins with the establishment of

innovatively designed fuel stations, and extends to providing services through its modern, smart dispensers that recover vapors from fueling, reducing carbon emissions and global warming, and supporting sustainable transportation. It also utilizes smart energy generation methods at its facilities, which save and rationalize electricity consumption.

Oula is committed to the Kuwaiti community and market by developing and improving its products and services to meet customer expectations, with the goal of adding value to their daily experience at its stations, while simultaneously developing services and intensifying environmental and social activities.

Environmental Sustainability:

Since its establishment, Oula has played a pivotal role in achieving sustainability in all areas of work, focusing on supporting environmental sustainability issues through innovative solutions that contribute to achieving efficiency and clean energy, as well as preventing environmental impacts and accidents. Oula continually assesses the environmental impact of its operations and proactively seeks to mitigate all negative environmental impacts and its natural resources to ensure the availability of these resources for current and future generations.

Our partnerships with various sectors in Kuwait represent a model for effective cooperation between the public and private sectors to achieve a shared vision that contributes to developing infrastructure while preserving our environmental resources.

In 2025, Oula participated in numerous conferences supporting sustainable development and project management. Participating in these conferences represents a great opportunity to exchange ideas and experiences that contribute to charting a clear roadmap toward a sustainable future and working to address the environmental challenges facing our region.

Sales Volume:

During 2025, Oula Fuel Marketing Company recorded a positive performance in sales volume, supported by increased demand for services, strengthened customer relationships, expansion of distribution channels, and improved operational efficiency.

These factors contributed to achieving sustainable growth and enhanced revenues, reflecting the strength of the company's commercial performance and its ability to keep pace with market developments. The generated revenues further confirm the success of the adopted strategy in delivering added value to both customers and the company alike.

"oulae" tag continues to be a leading offering, widely well-received in the local market, and remains the preferred and optimal solution for customers.

Stations Renovation:

The Business Development and Projects Department have continued to monitor activities related to streamlining the operations of the new station facilities, as part of its plan to meticulously develop all its stations. The department looks forward to exploring various cooperation models with its strategic partners to enhance the growth and development of its business.

Oula reopened Al-Adan Station No. "85" and developing all services that comply with international standards, such as a car wash station, c-store and car service.

Service development and non-fuel products:

Opening of the following services:

- Adding a car wash service to Al-Adan Station No. "85".
- Adding a c-store in Al- Adan Station No. "85".
- Adding a car service in Al-Adan Station No. "85".
- Adding a car service in Al-Adaami Station No. "60".
- Adding a car service in Salmiya Station No. "71".
- Re-opening carwash service in Al-Daiya Station No. "23".
- Opening a car wash station at Al Adami Station No. "60".

Digital Transformation and Innovation:

“Oula” continues to move forward in implementing digital and innovative initiatives, with a focus on enhancing operational efficiency, developing services, and elevating the customer experience, thereby contributing to the achievement of the organization’s strategic objectives.

Technical and Products Development Projects:

This year witnessed a significant increase in the number of users for Oula Mobile Application, with additional and new features to facilitate its use.

Several projects have been completed, including:

Accelerating digital transformation and achieving tangible improvements in efficiency and quality.

Enhancing response times, end-user experience, and the quality of services provided.

Improving technical security infrastructure by 80%.

Launching a customer satisfaction survey through a Chatbot.

Reducing the time required to perform preventive maintenance for all technical equipment across all stations, ensuring continuous operational efficiency and 24/7 service availability for customers.

Integrating surveillance camera systems with Ministry of Interior, where the installation and connection of CCTV systems across all company-operated stations were successfully completed. This has contributed to enhancing security levels, enabling real-time monitoring, ensuring compliance with regulatory requirements, improving incident response times, strengthening operational transparency, and elevating safety standards across all locations.

Operational and Logistics Achievements:

“Oula” is considered one of the leading companies in providing specialized logistics services in the fuel sector. It offers integrated solutions that include fuel transportation and distribution, supply chain management, and storage, all in accordance with the highest approved standards of safety and quality.

The company relies on a modern fleet equipped with the latest technologies, advanced operational and monitoring systems, and a qualified workforce that ensures operational efficiency and continuity of supply across various sectors. Oula is also committed to complying with regulatory requirements and implementing best operational practices, enhancing service reliability and supporting business sustainability.

The company has made significant efforts to achieve success and accomplishments during 2025, which were highlighted by the following achievements:

Ultra-Logistics Company obtained the following ISO certifications: Quality Management System ISO 9001:2015, Environmental Management System ISO 14001:2015, and Occupational Health and Safety Management System ISO 45001:2018.

Signing of 25 fuel transportation and distribution contracts with major companies, in addition to the contract with Oula.

Growth and Excellence:

“Oula” looks toward the future with a clear determination to achieve growth and excellence, through innovation, the adoption of the latest digital solutions, and the continuous development of its workforce capabilities.

The company also focuses on building strong strategic partnerships that support business expansion and ensure the delivery of high-quality services that meet customer expectations. Sustainability and the creation of added value for shareholders and society remain integral components of its future strategy.

Social Responsibility:

“Oula” believes in the importance of its role in serving the community and is committed to applying the principles of social responsibility in a way that achieves its objectives and strengthens its relationships with both the community and customers.

The company is keen to maintain a strong Kuwaitization ratio across its head office and service stations, while continuing to support various segments of society through the launch and implementation of numerous community initiatives and activities, with particular attention given to supporting people with special needs.

Governance, Transparency, and Maximizing Shareholder Value:

Within the framework of governance and transparency, Oula Fuel Marketing Company is committed to applying the highest standards of disclosure and oversight, ensuring the optimal utilization of resources, effective cost control, and enhanced operational efficiency. The clarity of policies and procedures, along with compliance with regulations and directives issued by regulatory authorities, strengthens trust between the Board of Directors, shareholders, and stakeholders.

“Oula” also plays a significant role in maximizing shareholder value by improving profit margins, enhancing operational performance, and reducing financial and operational risks. The company emphasizes that transparency in presenting data and indicators related to fuel consumption and associated costs is a fundamental pillar for supporting decision-making and achieving sustainable long-term growth.

Risk Management and Business Continuity:

“Oula” adopts an integrated approach to identifying and assessing risks across all sectors of the company, whether operational, financial, regulatory, or related to price fluctuations. The company also ensures the periodic review of its risk matrix to safeguard business continuity.

As part of strengthening the risk management culture within the organization, an awareness initiative was launched through an internal competition aimed at increasing employees’ understanding of both internal and external risks. This initiative has contributed to reinforcing the concept of shared responsibility in identifying operational, financial, and regulatory risks.

Furthermore, involving employees in this process reflects the company’s belief that risk management is not solely the responsibility of senior management, but rather an integrated organizational culture that supports business sustainability and enhances the company’s readiness to effectively and professionally address challenges.

National Human Resource Investment:

“Oula” places the development of national human resources at the forefront of its priorities by attracting qualified Kuwaiti talent, enhancing their capabilities, and creating a motivating work environment that promotes job satisfaction and improves performance levels.

The company is also committed to achieving a 100% Kuwaitization rate across all supervisory positions at its fuel stations.

■ Hiring & Kuwaitization:

During 2025, 78 Kuwaitis were appointed as managers in the stations. We also worked to restructure some departments by adding national cadres to them, which solidifies the board's message of interest in national human investment and increases production capacity.

■ Talent Development:

The human resources team also continued to focus on the skills development plan, and employee growth by holding courses in various fields through which their knowledge and capabilities were developed and their productivity at work increased.

Marketing and Public Relations:

Oula always strives to provide the best services, products and offers to all customer segments, and has launched many promotional campaigns and partnerships with various governmental and private sectors that focus on customers. Oula signed several cooperation agreements with major banks and companies in Kuwait with the aim of customer satisfaction. In addition to offering incentive gifts and raffles throughout the year to customers.

From a public relations standpoint, “Oula” continues to strengthen its corporate presence within the fuel sector through consistent, strategic engagement with key stakeholders and the cultivation of partnerships grounded in trust and mutual respect.

The company ensures that its communications remain clear, purposeful, and aligned with its commitments to governance, compliance, and social responsibility, while maintaining agility in responding to evolving market developments and challenges. This integrated public relations approach reinforces the company’s market position, supports operational stability, and enhances shareholder confidence in its sustainable growth trajectory.

Customer Engagement:

Customer feedback is a top priority for Oula Fuel Marketing Company, as it serves as a key source of insights for understanding customer needs and expectations regarding products and services.

The company has implemented a comprehensive and effective system to capture and address customer feedback in the best possible manner. In addition, recurring complaints are analyzed on a monthly basis, with appropriate corrective actions taken to minimize their occurrence and continuously enhance customer satisfaction levels.

Future Provision:

We are confident that "Oula" holds a strong market position that enables it to achieve success across various domains. This is supported by a clear strategy that balances ambition with the ability to navigate challenges, while placing the customer at its core. The company also seeks to leverage its competitive advantages within the market to deliver more distinguished services to its customers and create added value for its shareholders.

Financial Statement:

During the year 2025, the total fuel income of the company amounted to (175.5) Million Kuwaiti Dinars, with an increase ratio of 2% in comparison with the year 2024.

The overall profit increased by (709) Thousand Kuwaiti Dinars in comparison to 2024.

Oula's consolidated net profit amounted to 6.9 Million Kuwaiti Dinars with an increase of 12% in comparison with 2024 this is mainly due to the increase in fuel sales and alternative sources of income other than fuel.

Dear shareholders, in light of what we have shared with you, we request your approval for distributing Cash Dividends of 8% of the paid up capital to the shareholders with a record date, which shall be determined to be at least one month after the general assembly meeting.

In conclusion, the Board of Directors extends its sincere appreciation and gratitude to the valued shareholders for their trust and loyalty to Oula Fuel Marketing Company, as well as to the company's employees for their continuous efforts and dedication to its operations and activities.



Eng. Abdulhussain S. Al-Sultan
Chairman

Board of Directors



Abdulhussain Saleh Al-Sultan
Chairman



Adel Mohammad Al-Awadi
Vice Chairman & CEO



Masoud Gholum Akbar
Board Member



Dr. Ali Hussein Abdullah
Board Member



Ali Abdullah Al-Baghli
Independent Member



Mohammad Aqab Al-Khatib
Asst. CEO & Board Member



Hashem Sameer Behbehani
Independent Member



Fatima Ahmed Al-Humaidan
Board Member



Waleed Khaled Al-Rubaian
Board Member



Abdulhussain Saleh Al-Sultan
Chairman

Civil engineering graduate from the University of TRI

State University In Andayana - America 1980

Experience:

- A civil engineer in the Ministry of Works from 1980 to 1986.
- Civil engineer in the private sector from 1986 to 2008.
- Advisor to the editor of the Kuwaiti newspaper Al-Nahar in 2007.
- Editor of Kuwaiti newspaper Al-Dar from 2007 to 2012.
- Chairman of the Board of Directors of the OULA Fuel Marketing from 2010 until now.
- CEO of Ultra Holding.
- Starter in multiple Kuwaiti newspaper.

A member of the association:

- A member of the Kuwait Society of Engineers.
- Kuwaiti member of the Alumni Association.
- Member of the Association of Kuwaiti journalists.
- Member of Kuwait Human Rights Society.
- Member of the Kuwaiti Red Crescent Society.



Adel Mohammad Al-Awadi
Vice Chairman & CEO

Bachelor of Science, Double Major Computer Engineering & Computer Science

Miami University, USA 1993

Work Experience

Oula Fuel Marketing Company 2005 – till date

Joined the company as Marketing, Sales and PR Manager until 2007, then assigned as Deputy Managing Director of Marketing, Sales and Operations until 2010, later that same year promoted to Vice President of Marketing and Business Development.

In 2012 and for one year he was the Consultant of the MD.

In 2013 he was assigned by the BOD as the CEO of the company.

In 2017 he was appointed as a member of the Board of Directors of Oula Fuel Marketing Co., later in March 2019, he was nominated and appointed by the Board of Directors as Deputy Chairman of the Board of Directors.

Al-Wataniya Telecommunication Company (Ooredoo) 2000-2005

Joined the company as Assistant Manager of Marketing and Sales, then he was promoted to Marketing and Communication Manager.

Zain Communication Company (MTC) 1993-2000

Joined as a Programmer, then promoted to Senior Engineer, then Specialist IT Department.

"tranzE"

Certifying "tranzE" solution from the National Library of Kuwait, which is a future gateway for safer and faster payments in various fields to ensure safety, information security, tracking, and improving budget and logistical control.

"tranzEV"

Certifying "TranzEV" solution from the National Library of Kuwait, a new contactless payment system for electronic vehicles and charging dispensers



Mohammad Aqab Al-Khatib
Asst. CEO & Board Member

Education:

California State University at Sonoma 1976-1981
Masters of management, Capitalism and Islamic Banking
(with honor) 1981 BA, Management 1979

Board of Director Responsibility:

- Ultra Supermarkets Co. Chairman, 2015
- Kuwait Business Town Co. Deputy Chairman, Member of the Board 2014-2015
- Kuwait Airways Co. Member of the Board 2012
- Kuwait Investment Company. Member of the Board and Audit Committee 2005-2012
- Kuwait Asia Holding Company. Chairman of the board of Directors 2006
- Oula Fuel Marketing Company. Board Consultant for HR & Administration 2012-2017, Member of the Board and its Audit Committee 2005-2012, CEO Assistant 2017
- Council of Municipality of Kuwait 2003
- Al-Ahali Bank of Kuwait. Senior Manager – Head office 1984-2003



Ali Abdullah Al-Baghli
Independent Member

Bachelor of Commerce and Business Administration

- Halwan University Republic of Egypt 1979
- Assistant Undersecretary of Ministry of Commerce and Industry since 2004-2012
- Board of Directors Member of the Central Bank of Kuwait representing the Ministry of Commerce and Industry 2007 - 2012
- Accountant at the Supreme Court 1993.
- Accountant Arbitrator in the Judicial Arbitration Department at the Ministry of Justice
- Commercial arbitrator at the Kuwait Commercial Arbitration Center 2010.
- Judicial guard at the Supreme Court 1998
- Chartered Accountant in the United Arab Emirates Abu Dhabi 1989.
- An expert in the Chart of Experts at the Commercial Arbitration Center of the Gulf Cooperation Council since 2013
- Certified Arbitrator and Practitioner of the Commercial Arbitration Center of the GCC since 2009.
- Chairman of the Standing Technical Committee for the Development of Accounting Standards 2004 – 2007
- Chairman of the Registration and Discipline Committee for Auditors 2004 - 2007
- Chairman of the Committee on Classification of Commercial Activities 2004 - 2007



Dr. Ali Hussein Abdullah
Board Member

- B.S. industrial and System Engineering, Aug. 1982,** University of Southern California (U.S.C.), USA.
- M.S Operations Research, Aug. 1986, George Washington University (G.W),USA.
- PhD Operations Research in “The WEIGHTED Maximal planner Graph Mathematical Formulations and Solutions “.Nov. 2002 Kent University at Canterbury, UK.

Employment:

- Research Assistant, applied Systems Department, Techno-Economics Division, Kuwait institute for scientific research (KISR), Kuwait 1982-1984.
- Research Associate, Applied systems Departments, techno-Economics Divisions, Kuwait institute for Scientific Research (KISR), Kuwait 1986-1987.
- Teacher, Statistics department, College of business studies, Kuwait 1996-1997.
- Assistance Professor, Statistic department, College of business studies, Kuwait 2002-present.
- Head of Statistics Department, College of business studies, Kuwait Sept.2003-present.

Academic Professionals:

- American Institute of Industrial Engineers (AIIE).
- The Operational Research Society of America (ORSA).
- The Institute for Management Science (TIMS).



Masoud Gholum Akbar
Board Member

Education:

Petroleum Engineer,
graduated from USC, Los Angeles

Employed in Kuwait Oil Company from 1991 until 2016
Former member in KBT “Kuwait Business Tower”
Currently, vice president of the United Food Group “Sable”



Fatima Ahmed Al-Humaidan
Board Member

Bachelor's Degree in Chemical Engineering, Kuwait University – College of Engineering & Petroleum, 1994

Master of Business Administration (MBA), Kuwait University – 2006

Professional Experience:

- Kuwait Petroleum International (2008 – Present).
- Head of Performance Measurement Team (2008–2012).
- Planning Manager at Kuwait Petroleum Italia (Rome) (2013–2016), contributing to the development of strategic management systems and operational performance in Italy, and participating in major mergers and acquisitions, including the acquisition of Shell Italy.
- Corporate Planning Group Manager – Kuwait (2017–2024)
- General Manager – Manufacturing Performance Management for joint venture refineries (Vietnam & Duqm) (2025 – Present)
- Board Member in several European subsidiaries of Kuwait Petroleum International across Sweden, Denmark, and Croatia.
- Previously worked at Kuwait National Petroleum Company (1995–2007).



Waleed Khaled Al-Rubaian
Board Member

**Deputy Chief Executive Officer (Administrative & Financial Affairs)
Kuwait Oil Company (KOC)**

Educational Qualifications

Bachelor's Degree in Business Administration, 1999 California State University – United States of America

Professional Experience

-Kuwait Oil Company (KOC)

Deputy CEO (Administrative & Financial Affairs) – From 27 July 2025 to present.

-Khafji Joint Operations (KGOC)

Executive Director of Human Resources – 2025

-Training & Career Development – Kuwait Oil Company

Group Head of Training & Career Development – 2021-2025

Al-Ahmadi Hospital – Kuwait Oil Company

Team Leader, Administrative Affairs & Career Development – 2013-2021.

Human Resources – Kuwait Oil Company

Head of Administrative Affairs (Recruitment & Manpower) 2000-2013.

Committees:

- Member of the Labor Relations Committee.
- Chairman of the Administrative Affairs Subcommittee under the Labor Relations Committee.
- Member of the Training Subcommittee under the Labor Relations Committee.
- Member of the Financial Strategy 2040 Steering Committee.
- Member of the Permanent Steering Committee for the Technical & Professional Job Ladder System.
- Member of the Feasibility Study Steering Committee for the Crude Oil Pipeline Lease & Re-lease Opportunity.
- Member of the Board of Trustees of the Private Insurance Fund for Kuwaiti Employees in the Petroleum Sector .



Hashem Sameer Behbehani
Independent Member

BD (Mechanical Engineering)

California State University, Chico, 2012

Trainee Engineer: 2014 – 2016

He joined AMEC in March 2014 on the Graduate development programme as a trainee Mechanical Engineer supporting Engineers in different projects as follows:

- EF1600- Elevated Substations
- EF1719- Booster Station
- EF1928- Manifold Project

Assistant Engineer March 2016 –2018

He has continued to support on EF1600 as well as:

- EF1902- New Gathering Centre 30
- EF1903- New Gathering Centre 31

Engineer March 2018

Lead engineer in 2023 - until now

He has continued to support on projects/ EF1902-EF1903 .

Whilst he has continued to support the Engineer on all aspects of the Mechanical discipline, He specialized working on Rotating Equipment as well as Air Conditioning Installation.



Dalia Ahmed Y. Othman
Board Secretary

Education:

Computer Diploma

Job and experiences:

-Oula Fuel Marketing Co., Senior Executive Secretary to Chairman 2005-present

-Kuwait Industrial Refinery Maintenance & Engineering Co. S.A.K (KREMENCO), Executive Secretary for the chairman & the managing director 1994-2005

-Progress Adverting Co. Secretary for the general manager 1993-1994

-Re-appointing BOD Secretary - 2020

Executive Management



Eng. Adel M. Alawadi
Vice Chairman & CEO

Mohammed A. Al-Khatib
Assistant CEO

Sanjay Tari
CFO

Jassem M. Al-Mahmeed
Head of Risk Unit & Compliance

Abdulaziz I. Al-Obaid
Head of Internal Audit Unit

Achievements of 2025:

- Receiving the Fuel Station Management Award with a six-star rating for the highest standards of quality and environmental safety from Kuwait National Petroleum Company.
- Oula Fuel Marketing Company winning the Gold Award for Excellence in Health, Safety, and Environment at the GCC level (American Society of Safety Professionals) for 2025.
- Renewal and certification of ISO management systems (ISO 9001:2015, ISO 14001:2015, and ISO 45001:2018) in June 2025.
- Achieving zero workplace incidents during partial and full station renovations (including Al-Adan Station No. 85 and Al-Wafra Station No. 89), with no recorded injuries or operational losses.
- Achieving a 93% success rate in the Health, Safety, Environment, and Quality program, and 97% for investor employees at service stations.
- Participation and sponsorship with Omnia Team in a plastic collection and recycling competition campaign (Your School's Omnia – Third Campaign).
- Increasing overall technical productivity by 28.8% compared to 2024, resulting in improved response rates, enhanced user experience, and higher service quality.
- Redevelopment and redesign of the company's mobile application features, along with the implementation of enhanced security controls to improve protection and customer safety.
- Achieving exceptional annual growth in the Sales Department, with a 12% increase in total sales compared to 2024.
- Increasing the number of users of the Oulae Tag payment service, reaching 51.73% of total sales.
- Growth in fuel card issuance and Oulae Tag sticker sales during 2025, achieving significant expansion across both Zcorporate and individual segments.
- Increasing the number of Oulae Tag users through the company's mobile application.



- Achieving strong growth and increasing demand for the Oulae Tag deferred payment service in 2025.
- Developing a quality assessment application for accurate evaluation of fuel stations, which was tested across all stations during 2025.
- Conducting training programs across various departments, with a total of 1,090 employees trained.
- Offering promotions and discounts to Oulae Tag customers through the company's mobile application in collaboration with multiple partners.
- Providing full coverage of all types of routine daily maintenance and emergency services for all investors at fuel stations and car wash facilities.

Social Responsibility:

Social responsibility constitutes an essential part of Oula's missions, vision and values and reflects its commitment to the prosperity and preservation of society by reducing the negative impacts that may arise from its operations to the minimum possible extent.

- Participating in and sponsoring government-related initiatives, including graduation ceremonies for students of the Public Authority for Applied Education and Training and Kuwait University College of Engineering, in support of education and encouragement of national talent.
- Contribution and participation in providing sponsorships to government and private companies for various projects.
- Organizing a national event on the occasion of Kuwait National Day titled "Express Your Love for Kuwait."
- Supporting local/national products.
- Implementing humanitarian initiatives during the holy month of Ramadan, including:
 - Iftar Saem – distributing meals to workers at Oula stations.
 - Visiting National Bank Hospital and Ibn Sina Hospital in the Sabah Health District, specifically pediatric wards, in collaboration with the Social and Psychological Services Department, and distributing Eid gifts (toys) to hospitalized children.
 - Collaborating with Bayt Abdullah Children's Hospice by providing Gargeean (Ramadan gifts/toys) to children during the holy month.
 - Conducting awareness campaigns on breast and prostate cancer in collaboration with government and private entities.
 - Collaborating with Kuwait Fire Force to implement awareness and media campaigns aimed at enhancing community awareness and promoting a culture of safety and prevention.
 - Partnering with UNHCR to deliver awareness campaigns across Oula stations.





CORPORATE GOVERNANCE

Report for Oula Local
Fuel Marketing Company

2025

Corporate Governance

Report for Oula Local Fuel Marketing Company 2025

Oula Local Fuel Marketing Company (K.S.C.P), since its establishment in 2004, has been characterized by the principle of transparency in working and its commitment to fully implement all decisions issued by all regulatory authorities and to follow the highest international standards and specifications for quality control and environmental safety (HSEQ-CoP) of Kuwait National Petroleum Company (KNPC), and after the issuance of Law No. 7 of 2010 of Capital Markets Authority and its executive regulations and their amendments, the company's management was keen to be one of the pioneers of the system and who abide by all the instructions, rules and decisions issued by them, which would consolidate and strengthen the relationship between the various entities including members of the board of directors, members of the executive management, shareholders and stakeholders in a manner that enhances confidence and trust to potential shareholders and investors.

The company, represented by the members of the Board of Directors and the executive branch, has drawn a new organizational structure that matches the company's strategies to achieve its goals. These changes and the new pattern included creating a mechanism for the internal control system through auditing management, risk management and compliance management.

It also promoted the principles of disclosure, transparency, comprehensive sound systems of professional conduct, ethical values and respect for the rights of all its shareholders and stakeholders.

First Rule:

Forming a balanced structure for the Board of Directors.

An overview of the new formation of Board of Directors:

In accordance with the articles of association of Oula Local Fuel Marketing Company (K.S.C.P), the company's board of directors consists of nine members, two members representing Kuwait National Petroleum Company, and seven members elected by the General Assembly two of which are independent members, where the current board of directors was formed on 10/05/2023.

On April 4th 2023, the General Assembly Committee elected the members and a new board of directors was formed (which is the current council). Ms. Fatima Ahmed Al-Humaidan has been appointed in place of Mr. Abdullah Mansi Matar Al-Shammari, and Mr. Waleed Khaled Al-Rubaiaan has been appointed in place of Mr. Abdulaziz Ahmed Al-Duaij, in accordance with the letter from Kuwait Petroleum Corporation dated 24/8/2025. The membership period of the members of the Board of Directors is three years, and the member may be re-elected again. The current board is made up of the Chairman and his Deputy and seven other members. The majority of whom are not Executives, including an independent member, which represents a sufficient number of members to enable them to form the necessary committees emanating

from the Board of Directors and in line with the requirements of the rules of Corporate Governance.

The current members of the Board encompass the required scientific qualifications, the practical experiences and the various specialized skills that qualify them for the membership of the Board and to carry out the tasks and responsibilities of the Board, and what contributes to enhancing efficiency in decision-making.

We will provide you with an overview of the statements of the current members of the Board of Directors and their classification and qualifications and their experiences and the current BOD secretary according to the table below:

Name	Member Classification / BOD Secretary	Academic qualification and practical experience	Date of Election, Appointment / Re-appointment / BOD Secretary
Abdullahsain Saleh Al-Sultan (Chairman)	Non-Executive	Bachelor's degree in Civil Engineering - TRI University, Indiana, USA, 1980	4/4/2023
Adel Mohammad Al-Awadi (Vice Chairman & CEO)	Executive	Bachelor's of Science with two specializations in Computer Engineering and Computer Science - University of Miami 1993	4/4/2023
Ali Abdullah Al-Baghli (Independent Member)	Independent	Bachelor's of Commerce and Business Administration - Helwan University, Arab Republic of Egypt 1979	4/4/2023
Mohammad Aqab Al-Khatib (Vice CEO & Board Member)	Executive	Master's degree in Management (Honors) 1981, capitalist and Islamic banks - Master Thesis Bachelor's degree, Management 1979	4/4/2023
Abdullah Mansi Al-Shemmari (Board Member)	Non-Executive	Bachelor's degree in Accounting – Kuwait University - 1987	4/4/2023
Fatima Ahmed Al-Humaidan (Board Member)	Non-Executive	Bachelor's degree in Accounting - College of Commerce, Economics and Political Science – Kuwait University - 1987	24/08/2025
Abdulaziz Ahmad Al-Duaij (Board Member)	Non-Executive	Bachelor's degree in Computer Engineering – Pacific University California – USA 1988	4/4/2023
Waleed Khaled Al-Rubaiaan (Board Member)	Non-Executive		24/08/2025
Masoud Gloum Akbar (Board Member)	Non-Executive	Bachelor's degree in Petroleum Engineering - University of Los Angeles USC 1991	4/4/2023
Dr. Ali Hussein Abdullah (Board Member)	Non-Executive	Bachelor's of Industrial Engineering and Systems-August 1982 University of Southern California (U.S.C), United States of America Master Degree in Research operations -August 1986- Georgia-Washington (G.W) United States of America Ph.D.in administrative science -November 2002,	4/4/2023
Hashem Sameer Behbehani (Independent Member)	Independent	Bachelor's degree in Mechanical Engineering Chico University – USA - 2012	4/4/2023
Dalia Ahmad Yousef	BOD Secretary	Computer Diploma 1991 / Secretarial Course 2005 Becoming A World-Class Executive Assistant 2011 Disclosure Mechanisms in accordance with the instructions of the 2016 regulatory authorities Corporate Governance course 2016 Certified Disclosure Specialist (CDS) 2018	Re-appointing BOD Secretary 10/05/2023

Mr. Abdullah Mansi Matar Al-Shammari exited and Ms. Fatima Ahmed Al-Humaidan joined during Board Meeting No. 5-2025 held on 12-11-2025.

Mr. Abdulaziz Ahmed Al-Duaij exited and Mr. Waleed Khaled Al-Rubaiaan joined during Board Meeting No. 5-2025 held on 12-11-2025.

About the meetings of Board of Directors:

Board of Directors meetings during 2025 total 6 meetings with attendance and absence:

S. N	Name	Representing Company	Role	Meeting No. 1-2023 In 22/02/2023	Meeting No. 2-2023 In 15/03/2023	Meeting No. 3-2023 In 10/05/2023	Meeting No. 4-2023 In 13/08/2023	Meeting No. 5-2023 In 6/11/2023	Meeting No. 6-2023 In 27/12/2023	Total Meetings Attended
1	Abdullahsain Saleh Al-Sultan (Chairman)	ULC Laboratory Company	Non-Executive	✓	✓	✓	✓	✓	✓	6
2	Adel Mohammad Al-Awadi (Vice Chairman & CEO)	Maidan Capital	Executive	✓	✓	Absent	Absent	✓	✓	4
3	Ali Abdullah Al-Baghli (Independent Member)	Himself – Independent	Independent	✓	Absent	✓	Absent	✓	✓	4
4	Mohammad Aqab Al-Khatib (Asst. CEO & Board Member)	National Leasing and Funding Company	Executive	✓	✓	✓	✓	✓	Absent	5
5	Abdullah Mansi Al-Shemmari (Board Member)	KNPC	Non-Executive	✓	✓	Absent	✓		✓	2 Mrs. Fatima Al-Humaidan & 2 Mr. Abdullah Al-Shemmari
6	Abdulaziz Ahmad Al-Duaij (Board Member)	KNPC	Non-Executive	✓	✓	✓	✓		✓	4 Mr. Abdulaziz Al-Duaij & 2 Mr. Waleed Al-Rubaiaan
7	Masoud Gloum Akbar (Board Member)	United Food Company	Non-Executive	✓	Absent	✓	Absent	Absent	Absent	2
8	Dr. Ali Hussein Abdullah (Board Member)	National Medical Services Company	Non-Executive	✓	Absent	✓	✓	✓	✓	5
9	Hashem Sameer Behbehani (Independent Member)	Himself – Independent	Independent	✓	✓	✓	✓	✓	✓	6

Mr. Abdullah Mansi Matar Al-Shammari exited and Ms. Fatima Ahmed Al-Humaidan joined during Board Meeting No. 5-2025 held on 12-11-2025.

Mr. Abdulaziz Ahmed Al-Duaij exited and Mr. Waleed Khaled Al-Rubaiaan joined during Board Meeting No. 5-2025 held on 12-11-2025.

A summary of how to implement the requirements of registration, coordination and archiving of company board minutes of meeting:

In line with the requirements of Corporate Governance, the Board of Directors re-appointed Ms. Dalia Ahmed Youssef - as the BOD Secretary on 10/05/2023, and it is under her responsibility to write, preserve and maintain all the minutes of the signed meetings of the Board and the reports presented to her, as well as to inform the members of the Board of Directors of the dates of meetings prior to at least three working days, and to ensure that the members of the Board of Directors have full, quick and permanent access to all minutes of the Board meetings and all information, documents and records related to the company, and to ensure good communication and distribution of information and coordination amongst members of the Board and other stakeholders in the company under the supervision of the Chairman. The Board of Directors is obligated to discuss any issues on the agenda with the utmost transparency. All members are provided with information that enables them to take appropriate decisions and all facts including reservations (if any) are proven in the minutes of the meeting, and the minutes of the meeting also include the following:

1. Board meetings numbers with consecutive and serial numbers and dates for the year in which the meetings were held.
2. Place, date and time of the start and end of the meeting.
3. Register the names of all members of the Board of Directors present and absent from the meeting, stating the reasons for absence.
4. The Board of Directors approves the agenda, and in the event that any member objects to this schedule or one of its items, details of this objection shall be recorded in the minutes of the meeting.
5. Recording the minutes of the meeting in accordance with the items on the agenda and the new developments, decisions, recommendations and observations taken.
6. Approving and signing the minutes of the meetings by all the members of the board present and the BOD Secretary.
7. Maintaining the original minutes of meetings documents.
8. Board members obtain a copy of all approved board meeting minutes and related documents.
9. Maintaining a special record containing the summary of Board meetings, provided that it includes all the above information

Acknowledgment by the independent member that he meets the independence controls

أقرار الاستقلالية			
<p>وفقاً لمتطلبات حوكمة الشركات، فإن مهام ومسؤوليات لجنة الترشيحات والمكافآت تشمل التأكد من عدم انتهاك صفة الاستقلالية عن عضو مجلس الإدارة المستقل.</p> <p>بناءً على ذلك، أقر أنا الموقع أدناه أنني أتبع بالاستقلالية خلال عام 2024 وفقاً للمتطلبات الواردة في قواعد حوكمة الشركات الصادرة عن هيئة أسواق المال، وأنه لم يتوفر ما ينالقي هذه الاستقلالية، وذلك وفقاً للبيود الموضحة أدناه:</p> <p>(أ) أنني لست مالكاً لما نسبته 5% أو أكثر من أسهم الشركة.</p> <p>(ب) أنه لست لي صلة قرابة من الدرجة الأولى مع أي من أعضاء مجلس إدارة الشركة أو الإدارة التنفيذية في الشركة أو في أي شركة من مجموعتها، أو الأطراف الرئيسية ذات العلاقة.</p> <p>(ج) أنني لست عضو مجلس إدارة في أي شركة من مجموعة الشركة.</p> <p>(د) أنني لست موظفاً بالشركة أو بأي شركة من مجموعتها أو لدى أي من أصحاب المصالح.</p> <p>(هـ) أنني لست موظفاً لدى الأشخاص الاعتباريين الذين يملكون حصص سيطرة في الشركة.</p>			
التاريخ	التوقيع	المسمى	الاسم
2025/3/27		عضو مجلس ادارة	هانم سمير سيد جواد بهبهاني

أقرار الاستقلالية			
<p>وفقاً لمتطلبات حوكمة الشركات، فإن مهام ومسؤوليات لجنة الترشيحات والمكافآت تشمل التأكد من عدم انتهاك صفة الاستقلالية عن عضو مجلس الإدارة المستقل.</p> <p>بناءً على ذلك، أقر أنا الموقع أدناه أنني أتبع بالاستقلالية خلال عام 2024 وفقاً للمتطلبات الواردة في قواعد حوكمة الشركات الصادرة عن هيئة أسواق المال، وأنه لم يتوفر ما ينالقي هذه الاستقلالية، وذلك وفقاً للبيود الموضحة أدناه:</p> <p>(أ) أنني لست مالكاً لما نسبته 5% أو أكثر من أسهم الشركة.</p> <p>(ب) أنه لست لي صلة قرابة من الدرجة الأولى مع أي من أعضاء مجلس إدارة الشركة أو الإدارة التنفيذية في الشركة أو في أي شركة من مجموعتها، أو الأطراف الرئيسية ذات العلاقة.</p> <p>(ج) أنني لست عضو مجلس إدارة في أي شركة من مجموعة الشركة.</p> <p>(د) أنني لست موظفاً بالشركة أو بأي شركة من مجموعتها أو لدى أي من أصحاب المصالح.</p> <p>(هـ) أنني لست موظفاً لدى الأشخاص الاعتباريين الذين يملكون حصص سيطرة في الشركة.</p>			
التاريخ	التوقيع	المسمى	الاسم
2025/3/27		عضو مجلس ادارة	علي عبدالله البعلجي

Second Rule: Proper identification of tasks and responsibilities.

Where the Board of Directors of Oula Local Fuel Marketing Company works to achieve the strategic goals of the company by ensuring that the Executive Management carries out the tasks entrusted to it to the fullest extent, and that its decisions and procedures are always in the interest of the company and all shareholders.

The following is an overview of how Oula Local Fuel Marketing Company applies the policy of defining the tasks, responsibilities and duties of each members of Board of Directors and the executive management, as well as the authorities and permissions delegated to the executive management, so as to achieve a clear separation in the specialties and authorities between the Board of Directors and the executive management, in a manner that achieves complete independence and efficiency between them.

1 General Responsibilities of Board of Directors:

The Board of Directors handles the primary responsibility for Oula Local Fuel Marketing Company, including approving the goals, setting strategies, plans, and general policies of the company, as well as the strategy and control policies, risks and adherence according to the standards of Corporate Governance, and it is also responsible for making sure the company adheres to internal policies, procedures and regulations, applying these goals accurately and supervising the Executive Management including the CEO and overseeing the company's overall performance and execution. In addition to ensuring the accuracy and integrity of financial statements and information to be disclosed in accordance with the established disclosure and transparency policy, meeting all the requirements of the supervisory authorities, preserving the interests of the shareholders and stakeholders of the company, following up the performance of each member of the Board of Directors and Executive Management according to objective performance indicators, setting a Corporate Governance system for the company, supervising it, monitoring its effectiveness and preparing an annual report about it, which will be used in the General Assembly of the company that includes requirements and procedures for completing Corporate Governance rules and Compliance.

2 The Role of The Chairman:

The Chairman of the Board of Directors works to ensure the proper functioning of the Board's work, to maintain mutual trust between members and to ensure that the Board takes decisions based on sound foundations, information and reports, and seeks to exchange views within the Board and ensure that sufficient information reaches each of the Board members and shareholders at the appropriate time. He also plays a major role in maintaining a constructive relationship between all members of the Board of Directors and the Executive Management, and ensuring that the proper Corporate Governance standards are provided to Oula Local Fuel Marketing Company, and the representation of the company in front of others as stipulated in the company's articles of association.

3 The Relationship Between the Board of Directors and the Executive Management:

One of the most important pillars of virtuous Corporate Governance is clear cooperation in the tasks and authorities between the board of directors and the Executive Management of the company. Where the role of the Board is to guide, lead and develop strategic plans, internal policies and regulations, while the Executive Management undertakes the implementation of the strategy and the annual plan and all internal policies and regulations of the company approved by the Board Management and the conduct of the company's business and activity, and the Board makes sure that the Executive Management activates policies related to preventing or limiting the practice of activities or relationships that may affect the quality of Corporate Governance rules such as conflict of interests or not and adhere to the trend approved by the Board of Directors.

4 The Relationship Between the Board of Directors and the Executive Management:

Oula Local Fuel Marketing Company has a job description that clearly defines the functions and responsibilities of each job position, and the company has an approved guide to delegate authorities to all sectors within the company. The tasks of Executive Management include for example (No for Restrictions / Limitation):

1. Work to implement all internal policies, regulations and bylaws of the company approved by the Board of Directors.
2. Implement the strategy and annual plan approved by the Board of Directors.
3. Preparing periodic reports (financial and non-financial) regarding the progress made in the company's activity in light of the company's strategic plans and goals, and submitting these reports to the Board of Directors.
4. Managing the daily work, running the activity and managing the company's resources in an optimal way.
5. Effective participation in building the development of a culture of moral values within the company.
6. Establishing internal control and risk management systems, ensuring the effectiveness and adequacy of these systems, and ensuring that the risk orientation approved by the Board of Directors is adhered to.

5 Organizing the Work of the Board:

The Board held 6 meetings during the year 2025, it is called to hold it every quarter to discuss the interim financial statements and whenever the need arises, the decisions taken within the meetings were obligatory and became part of the company records. The Chairman of the Board of Directors shall, in consultation with the Executive Management, on the important issues proposed for inclusion in the agendas of the Board meetings and provide the Board members with adequate data and information before a sufficient period of the Board meetings to make the appropriate decisions. The Secretary of the Board notes the Board's discussions, suggestions and objections and members of the members and the results of voting on the agenda items which is done during Board meetings.

The Board's Achievements in 2025:

- 1 Approving the financial statements of the company for the financial year ended 31/12/2024.
- 2 Approving the estimated general budget of the company for the year 2026.
- 3 Approving the company's quarterly and interim financial statements.
- 4 Renovating a number of stations with the new design and adding services at stations.
- 5 Approving of the updated policies, regulations, and systems for all company departments

A summary about applying the requirements for the formation of the Board of Directors of specialized committees enjoying independence, in order to assist them in performing their assigned tasks:

Where the Board of Directors formed in the current session three sub-committees, and these committees help it to carry out its tasks and responsibilities to implement the instructions and rules of Corporate Governance issued by the Capital Markets Authority when forming the Board Committees. Each of these committees has specific tasks, duration of work, duties and authorities approved by The Board of Directors organizes its work and decision-making mechanism therein. The following is an overview of the formation and meetings of each of these three committees during the year 2025:

BOD Members Names	Audit Committee	Risk Committee	nominations and remunerations committee
Total Committees Meetings in 2024	8	4	4
Abdulhussain Saleh Al-Sultan (Chairman)	—	—	—
Adel Mohammad Al-Awadi (Vice Chairman & CEO)	—	—	—
Ali Abdullah Al-Baghli (Independent Member)	—	—	—
Hashem Sameer Behbehani (Board Member)	8	4	4
Mohammad Aqab Al-Khatib (Vice CEO & Board Member)	—	3	—
Abdullah Mansi Al-Shemmari (Board Member)	—	—	—
Abdulaziz Ahmad Al-Duaij (Board Member)	—	—	—
Dr. Ali Hussain Abdullah (Board Member)	8	—	4
Masoud Gholum Akbar (Board Member)	5	3	2

1 Audit Committee:

The audit committee was formed according to the decision of the Board of Directors issued at its meeting No. (3-2023) held on 10/05/2023, and the Chairman was elected at the committee meeting held on 17/07/2023.

The period of validity of the committee coincides with the term of membership of the Board of Directors.

The tasks of the committee are to review the periodic financial statements, express an opinion and recommend them to the Board of Directors, set appropriate standards to enhance the performance of the Internal Audit Department and ensure its independence from the Executive Management, and ensure that external audits are carried out in a manner that achieves the principle of double auditing. The committee also verifies the company's adherence to the laws, internal policies, rules, regulations and related instructions, and that the internal control systems related to financial and administrative matters are comprehensive and transparent, and the committee works to ensure the company adheres to the legal and regulatory requirements and international accounting

standards, as well as to ensure the adequacy of the qualifications and expertise of the external auditors and their independence and the recommendation to appoint an internal audit manager with a climate of discipline and internal control for the company. The internal auditor and the external auditor are also entitled to request a meeting with the committee when necessary.

The committee meetings during 2025 | 8 meetings

The Audit Committee consists of the following members

Dr. Ali Hussain Abdullah Committee Chairman / Head	Hashem Sameer Behbehani Committee Member	Masoud Gloum Akbar Committee Member
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Committee Achievements during 2025

- 1 Recommending to the Board of Directors to approve the financial statements for the fiscal year ending 31/12/2024.
- 2 Recommending to the Board of Directors to approve the quarterly interim financial statements for the year 2025.
- 3 Review and discuss the findings of the Internal Control Systems Assessment Report (ICR).
- 4 Review and supervise the business and annual plan of the Internal Audit Department.
- 5 Discussing the reports and results of the internal audit department's recommendations.
- 6 Discussing the annual evaluation of the head of the internal audit unit.
- 7 Discussing the internal audit unit performance evaluation report.
- 8 Discussing the amendment to the Internal Audit Policy and Charter.

2 Risk Committee:

The Risk Committee was formed according to the decision of the Board of Directors issued in its meeting No. (3-2023) held on 10/05/2023, and the Chairman was elected at the Committee meeting held on 23/07/2023. And Mr. Masoud Ghuloom Abbas Ali Akbar in the committee meeting No. 4/2023 was elected as the committee Chairman.

The tasks of the risk committee are to prepare and review the risk management strategies and policies before they are approved by the Board of Directors, to ensure the availability of adequate resources and systems for risk management, to evaluate systems and mechanisms for identifying, measuring and following the various types of risks that the company may be exposed to, and to ensure the independence of risk management employees and work to increase their awareness, review the reports of the audit committee that affect the company's risk management, and assist the Board of Directors in identifying and assessing the level of risk and the company's failure to exceed this level.

The committee meetings during 2025 | 4 meetings

The Audit Committee consists of the following members

Masoud Gloum Akbar Committee Chairman / Head	Hashem Sameer Behbehani Committee Member	Mr. Mohammad Aqab Al-Khatib Committee Member
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Committee Achievements during 2025

- 1 Approving the Annual Risk report for the year 2024.
- 2 Reviewing and supervising the business and the annual risk management plan for the year 2025.
- 3 Discussing the semi-annual reports for risk management.
- 4 Discussing the report for handling of related parties for the year 2025.
- 5 Discussing the annual evaluation of the head of the risk unit.
- 6 Discussing the recommendations of the risk committee.
- 7 Discussing the Risk Policy.

3 The Nomination and Remuneration Committee:

The Nominations and Remunerations Committee was formed according to the decision of the Board of Directors issued in its meeting No. (3-2023) held on 10/05/2020, and the Chairman was elected at the Committee meeting No. (3-2023) held on 16/05/2023.

The period of validity of the committee coincides with the term of membership of the Board of Directors.

The tasks of the committee are to submit recommendations to the Board of Directors regarding nomination and re-nomination for membership of the Board of Directors and Executive Management in accordance with the policies and standards adopted and instructions issued by the supervisory authorities and to ensure that the independent status of the independent Board member is not eliminated, and the committee conducts an annual assessment of the performance of the Board as a whole and reviews and approves selection criteria for the CEO and directors, setting a policy for the remuneration of members of the Board of Directors and the Executive Management, determining the different tiers of bonuses that will be granted to employees, and preparing a detailed annual report on all bonuses granted to members of the Board of Directors the Executive Management, whatever their nature and name, which is presented to the general assembly of the company for approval and is read by the Chairman of the Board of Directors.

The committee meetings during 2025 | 4 meetings

The Audit Committee consists of the following members

Dr. Ali Hussain Abdullah Committee Chairman / Head	Hashem Sameer Behbehani Committee Member	Masoud Gholum Akbar Committee Member
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- 1 Discuss the annual remuneration report.
- 2 Discussing the governance report for the year 2024.
- 3 Evaluating the performance of the Board of Directors as a whole and the performance of each of the members of the Board of Directors and the Executive Management.
- 4 Discussing the evaluation of the nomination and remuneration committee.
- 5 Discussion of granting bonuses to the CEO.
- 6 Discussing the amendment of the Nomination and Remuneration Committee Charter.

•A summary of how to implement the requirements that allow members of the Board of Directors to obtain information and data accurately and in a timely manner.

In order to ensure the availability of accurate information and data in a timely manner to the Board of Directors, the Board of Directors has set a policy to regulate the access of the members of the Board of Directors to the financial statements and any reports from the company's departments through holding weekly meetings between the Chairman of the Board and the Executive Management on the performance of the executive body. Any member of the Board of Directors is entitled to request any information or report from any department in coordination with the Secretary of the BOD in order to facilitate the necessary decision-making process in a timely manner. The company has developed its website and published financial data and disclosed the essential information to achieve further transparency and ease of obtaining the necessary information within the permissible limits in accordance with the policy and principles of disclosure and transparency applied by the company and in a manner that does not conflict with the instructions of the supervisory authorities.

Third Rule:

The selection of competent individuals for the membership of Board of Directors and Executive Management: A summary about the application of the requirements for the formation of the Nomination and Remuneration Committee:

In terms of commitment to the Corporate Governance methodology in forming the Nomination and Remuneration Committee, three members were chosen for the committee membership, so that the committee contains one independent member. One of its most important goals is to select and attract the competent individuals to run for membership in the Board of Directors and the Executive Management so as to ensure the achievement of the goals that the company aspires to. In addition to that, the committee is able to draw clear policies and standards for the system of rewards and benefits for members of the Board and Executive Management where they are rewarded on the basis and criteria for direct evaluation of the performance of each of the members of the Board and the Executive Management, where the committee prepares the report based on the approved policies and these rewards and benefits are disclosed in annual reports in the general assembly.

The remuneration report granted to members of the Board of Directors and Executive Management for the year 2025:

The detailed report on bonuses, salaries, incentives and other financial benefits granted to members of the Board of Directors and the executive management was prepared by the Nomination and Remuneration Committee, and it will be included in the agenda items of the ordinary general assembly of the company to read out to the attendees.

Following the criteria of accuracy and transparency when preparing it to reflect the actual reality. The following is a statement of these bonuses, incentives, and other financial benefits:

Board Members Total Executive Positions	Total Rewards and Incentives Granted to Senior Executives Receiving Highest Rewards Including the CEO, Financial Manager or Anyone Conducting the Work on Their Behalf						
	Rewards and Incentives from Mother Company			Rewards and Incentives from Sister Companies			
9	Incentives and Rewards (Fixed) KD			Incentives and Rewards (Fixed) KD			Incentives and Rewards (Variable) KD
	Health Insurance	Annual Rewards	Committee Rewards	Total Salaries During the Year	Health Insurance	Committee Rewards	Annual Rewards
Total	45,000			37,800			

Total Executive Positions	Total Rewards and Incentives Granted to Senior Executives Receiving Highest Rewards Including the CEO, Financial Manager or Anyone Conducting the Work on Their Behalf													
	Rewards and Incentives from Mother Company							Rewards and Incentives from Sister Companies						
9	Incentives and Rewards (Fixed) KD						Incentives and Rewards (Variable) KD	Incentives and Rewards (Fixed) KD					Incentives and Rewards (Variable) KD	
	Total Salaries During the Year	Health Insurance	Annual Ticket	Housing Allowance	Transportation Allowance	Children Education Allowance	Annual Rewards	Total Salaries During the Year	Health Insurance	Annual Ticket	Housing Allowance	Transportation Allowance	Children Education Allowance	Annual Rewards
Total	219,960	4,589	12,880	12,880	5,400	-	61,193	-	-	-	-	-	-	-

The benefits are represented in salaries, bonuses and short-term benefits during the year 2025, and the executive management is represented by the CEO, assistant CEO, Finance and Admin Director and some Executive Managers. The total amounts payable to them for the year 2025 amounted to (219,960 Kuwaiti Dinars), which are related to the rates and performance indicators of the company that are in line with the company's strategy and objectives.

Fourth Rule:

Ensuring the integrity of Financial Reports

The integrity of the financial statements of the company is one of the important indicators of the veracity and credibility of the company in presenting its financial position, which increases the confidence of investors in the data and information provided by the company. Sound and accurate, as the executive management undertakes in writing towards the Board of Directors that the financial reports of the company are displayed properly and that these data review all the financial aspects of the company in accordance with the international financial reporting standards an extension by the Capital Markets Authority and regulatory authorities.

A summary about the application of the requirements for the formation of the Audit Committee:

The Audit committee was formed in accordance to the decision of the Board meeting No. (3-2023) held on 10/05/2023. The Chairman was elected during the committee meeting held on 17/07/2023 with the attendance of an independent member of the committee. The period of validity of the committee coincides with the term of membership of the Board of Directors. In the event of a conflict between the recommendations of the Audit Committee and the decisions of the Board of Directors issued thereon, a statement will be included detailing and clarifying recommendations and reasons behind the decision or decisions of the Board of Directors not to abide by them (which didn't occur).

The ordinary general assembly of the company, held on 04/04/2023, and based on the recommendation submitted by the Audit Committee to the Board of Directors, approved the reappointment of the external auditors for the fiscal year which will be ending on 31/12/2024, as they enjoy full independence and impartiality from the company and its Board of Directors, which are:

Fifth Rule:**Establishing sound systems for risk management and internal control**

A brief statement on the implementation of the requirements for forming an independent risk management unit:

The organizational structure of the company ensures the existence of an independent risk management unit while ensuring that its employees enjoy a large amount of (non-financial) authorities while supporting them with the required qualifications and technical capabilities through training and workshops, because of the importance of the role of identifying risks and available opportunities, that is one of the most important risk management functions which will identify obstacles in achieving the company's strategic goals. It is important to highlight that the duties and responsibilities of compliance are merged within the tasks of risk management while maintaining independence, as well as in order to apply the provisions of Article 3-6 of the fifteenth book (Corporate Governance) of the executive regulations of Law No. 7 of 2010 regarding the establishment of the Capital Markets Authority and the regulation of securities activities Finance and their amendments.

A summary about the application of the requirements for the formation of the Risk Committee:

Also, this unit reports directly to the risk committee emanating from the Board of Directors, which consists of three members excluding the Chairman of the Board of Directors and among its members is an independent member. And in implementation of what is stated in Article 5-6 of the fifteenth book (corporate governance) of the executive regulations of Law No. 7 of 2010 regarding the establishment of the Capital Markets Authority and the regulation of securities activities and their amendments, the committee meets for not less than four times per year, the committee held 4 meetings in the company in compliance to the work requirements and in order to inform all distinguished members of the Board of Directors of the degree of internal and external risks and opportunities.

An overview explaining the disciplinary and internal control systems:

Whereas, the risk management provides the risk committee with quarterly periodic reports that determine the status of the company and the latest amendments to keep pace with the most recent laws issued while identifying operating risks arising from the adequacy or failure of internal operations, systems, devices, employees or from external events. In addition to defining the financial and strategic risks, the Board of Directors also approved a risk need policy that determines the degree of acceptable risk with the development of a conservative strategic policy for the distribution of assets and managed investments through which consideration is given to the distribution of risk in accordance with the policies and systems used.

It also includes policies approved by the Board of Directors for internal control systems as operations that are activated by the Board of Directors of an entity, and designed to verify a reasonable guarantee to reach the goals related to

operations, reporting and commitment, and it is important to note that despite all the ways that the company can take, the ways and procedures Internal control when using can provide sufficient assurance, but not a long-standing confirmation. The Board of Directors has the responsibility to supervise the internal control systems, which allow it to obtain reasonable assurance regarding the effectiveness and suitability of these regulations towards Executive Management. The Executive Management has administrating, monitoring and evaluation system with objectives that include:

- Effective Operations
- Monitor applicable laws and regulations
- Protecting the value of the company's assets

The company's internal control is directly integrated into the operations automatically or manually. Automatic control is included in the information management systems used and supported by manual control, and the quality of the information is verified upon initial entry to the systems through means of control such as (the principle of bilateral control, delegation schedule, separation of tasks) and certain ways taken by management.

A brief statement on the implementation of the requirements for forming an independent internal audit unit:

An independent internal audit management unit was created by the Board of Directors within the company's organizational structure that reports directly to the internal audit committee emanating from the Board of Directors due to the need to inform all distinguished members of the Board of Directors of the company's compliance with all laws and instructions issued by the various supervisory authorities. The Board of Directors provides general policies and procedures for internal audit systems that cover all activities of the company and its departments. The Board of Directors is provided with periodic reports of internal audit based on risk assessment, as internal control systems help to maintain the integrity of the company's financial statements and the accuracy and efficiency of the operations of the various aspects.

Sixth Rule:

Promoting professional behavior and ethical values

An overview of the Business Charter, which includes standards and determinants of professional conduct and ethical values:

The Code of Professional Conduct in Oula Local Fuel Marketing Company reflects the values and standards of sound professional and ethical practices that must be followed by members of the Board of Directors, the Executive Management and all employees. In order to control these values and standards, employees deal with customers, competitors, business partners, and shareholders in a collaborative manner, and this forms the basis of the company's policies and internal procedures in taking decisions regarding the activities of the employees, in compliance with the daily work and the provision.

In this regard, members of the Board of Directors, Executive Management and all employees are dedicated to the highest levels of commitment to the policies and rules of professional conduct in addition to promoting and maintaining a work environment that supports ethical behavior and encourages ethical actions and promotes effective and virtuous values.

A brief statement of policies and mechanisms for reducing conflicts of interest:

The Board of Directors has adopted a policy related to reducing conflict of interests, which includes clear examples of conflict of interest cases and how to treat and deal with them. The company is constantly working to identify, address and report cases that constitute a conflict of interest within it to ensure that it is dealt with and addressed quickly, taking into account the companies law to ensure the highest level of transparency. The company has drawn up a business charter that aims to guide and provide Board members with standards of professional behavior and work ethics, avoiding cases of conflict of interest, maintaining confidentiality of information, and looking at operations with related parties, and all members of the Board of Directors and employees of the Executive Management signed a pledge and acknowledgment of compliance with the labor pact during 2019.

Seventh Rule:

Accurate and timely disclosure and transparency

Oula Local Fuel Marketing Company is one of the pioneers who support the concept of the policy of disclosure and transparency represented by members of the Board of Directors and Executive Management, since the issuance of the Capital Markets Authority Law No. 7 of 2010 and its executive regulations.

A summary about the application of accurate and transparent presentation and disclosure mechanisms that define aspects, areas and characteristics of disclosure:

The policy of disclosure lies in announcing and publishing all the essential information of the company at the times specified by the authority and the stock exchange (Bursa), which may interest or attract investors and stakeholders. The financial statements (interim and annual) are submitted through it, and the disclosure of every material information that may affect the position of the company or the market value of the traded shares.

A brief statement on the implementation of the requirements for the Board of Directors' executive disclosures record:

Also, the policy that was developed to clarify the importance and necessity of disclosure and transparency in Oula Company has been keen to keep these disclosures in a special record that contains the disclosures of members of the Board of Directors and Executive Management and all the people who are familiar with the company, and the record is available for review by all shareholders without any fees. In view of the company's awareness of the importance of disclosure and transparency to the reputation of the company and its investors, the company has developed a categorized detailed schedule covering all types of disclosures and clarifies the responsibility of each disclosure and it's follow-up to avoid any interference or delay in any disclosure.

A summary about the application of the requirements for the formation of the Investors Affairs Unit:

In order to provide the necessary data, information and reports for potential investors, the tasks of investor affairs management have been assigned to a specialized employee in order to facilitate the provision of data and information necessary to potential investors in a timely and accurate manner through the recognized methods of disclosure, including the company's website.

A brief about the development of the IT infrastructure and the heavy reliance on it in the disclosure process:

To enhance the trust of shareholders and in order to support the perspective of disclosure, all the essential information, data and reports are displayed accurately and transparently on the official website of the company (Governance - Disclosure Division), which helps the current and potential shareholders and investors to exercise their rights and evaluate the company's performance.

Eighth Rule:

Respecting shareholders' rights

A summary about the application of the requirements for defining and protecting the general rights of shareholders and to ensure justice and equality among all shareholders

The main system of Oula Local Fuel Marketing Company also guarantees the company applies an approved policy to protect the rights of shareholders based on the principles of transparency and equality among all shareholders, including small shareholders, in a way that ensures that all shareholders exercise their rights in a way that achieves justice and equality without any discrimination, where the Board of Directors ensures respect for the rights of all shareholders in accordance with the company's articles of association and internal policy and in a manner that does not conflict with applicable laws, regulations and instructions issued in this regard, as well as protecting shareholder capital from misuse that may occur by company directors, board members, or major shareholders.

An overview of the creation of a special record maintained with the clearing agency to ensure continuous data requirements follow-up:

The company also maintains a special record with the clearing agency that contains the names of shareholders, their data and the number of shares owned by each of them, with a statement of any change in ownership that is updated in this record according to the data received by the company or the clearing agency. Likewise, everyone concerned has the right to view it through a request from the company or to the clearing agency that can allow access by shareholders according to the utmost confidentiality protection.

A brief on how to encourage shareholders to participate and vote in the meetings of the company's societies:

The company also prepared and adopted a guide for shareholders that includes all the rights of shareholders of all degrees, ensuring them the highest degree of equality, fairness and transparency in obtaining all their rights and how. In addition to the procedures for their participation and voting in the general assembly meetings, Oula Company always encourages the presence of its shareholders and their participation in the company meetings of ordinary and extraordinary general assemblies and the exercise of their rights.

The general rights of shareholders guaranteed by the company include the following:

- Record the value of the shareholding ownership in the company records.
- Receive the due share of the dividend
- Obtaining a share of the company's assets in case of liquidation
- Obtaining information and data related to the company's activities and its operational and investment strategy in a regular and accessible manner.
- Participate in the shareholders' general assembly meetings and vote on its decisions.
- Dispose of shares from registration of ownership, transfer and / or relocation.
- Election of the members of the Board of Directors.
- Monitor the company's performance in general and the work of the Board of Directors in particular.
- Holding members of the board of directors or executive management accountable and filing a liability suit, in case they fail to perform the tasks assigned to them.

Ninth Rule:

Understanding the role of stakeholders

A summary about the systems and policies that ensure protection and recognition of the rights of stakeholders:

Oula Local Fuel Marketing Company is keen on respecting and protecting the rights of stakeholders and works to encourage cooperation between them and the company in many areas, where the contributions of stakeholders constitute a very important resource to build the company's competitiveness and support its levels of profit in a manner consistent with achieving its interests in full, and in for this reason, the company has adopted a set of policies, including (No for restriction/limitation).

Where the policy of organizing the relationship with stakeholders includes rules and procedures that ensure protection and recognition of the rights of all parties, which include:

- Build a mechanism to safeguard the rights of stakeholders established by the systems and protected by contracts.
- Mechanisms for settling complaints or disputes that may arise between the company and the stakeholders.
- Suitable mechanisms for establishing good relationships with customers and suppliers, and maintaining the confidentiality of information related to them.
- Treat all members of the Board of Directors, Executive Management, and stakeholders with the same conditions that the company applies with the various parties of stakeholders without any discrimination or detailed conditions.
- Allowing individuals and entities with interests to communicate freely with the Board of Directors or Executive Management to express their concerns about any illegal or ethical behavior that does not compromise their rights.

A brief on how to encourage stakeholders to participate in following up the activities of different companies:

In order not to contradict the transactions of the stakeholders, whether contracts or deals with the interest of the company or with the interest of shareholders were taken, the company considers the following:

1. None of the stakeholders has obtained any advantage through his dealings in contracts and deals that fall into the Company's regular activities
2. The company sets the company internal policies and regulations that include a clear mechanism for awarding various types of contracts and deals, and allowing them to obtain compensation in case of violating any of their rights according to what is stated in the corporate governance rules.

Tenth Rule:

Enhancing and improving performance

A summary about the application of the requirements for setting mechanisms that allow the members of the Board of Directors and the Executive Management to obtain continuous training programs and courses:

Oula Local Fuel Marketing Company has been keen since its establishment to enhance the institutional values established for its employees through the participation of all departments in drawing the estimated budget and creating cooperation between all departments each with regard to the nature of its work to achieve the desired goals and link them to the performance measures of the executive body. Accordingly, the training needs of all departments that may be training courses, workshops or awareness conferences are enumerated, as the company has a policy for training and developing employees, members of the board of directors and executive management.

A brief on how to evaluate the performance of the board of directors as a whole and the performance of each member of the board of directors and executive management:

The performance of each of the members of the Board of Directors and the Executive Management is evaluated according to periodic systems through the main performance indicators of the performance of the board of directors and the executive management related to the extent of achieving the strategic goals of the company. In addition to evaluating the Executive Management annually to determine the strengths and weaknesses and supporting them to

achieve the desired strategy, and that the evaluation of the performance of the Board of Directors is through evaluating the performance of the sub-committees and the accuracy of the risk management work and the adequacy of the internal control systems to evaluate the performance.

An overview of the efforts of the Board of Directors to create Value Creation for corporate employees:

The availability of corporate values with the company's employees is created through the work of the Board of Directors by setting the corporate values of Value Creation within the company's short and long-term plan that supports the achievement of the company's strategic goals, and mechanisms and procedures have been put in place to ensure that the corporate values are achieved with the desired goals by motivating employees to work hard and improve their performance rates.

Eleventh Rule:

Focusing on the importance of Corporate Social Responsibility

A summary about developing a policy to ensure a balance between each of the company's goals and society's goals:

The concept of social responsibility is represented by the continuous commitment by the company to act ethically and contribute to achieving sustainable development for society in general and the employees of the company in particular, and because of the belief of the company in that way, it has set a policy aimed at achieving a balance between each of the company's goals and society's goals by creating an environment contribute to and provide job opportunities for national employment and provide support for graduation projects for undergraduates and owners of small projects, contribute to reducing levels of unemployment in society and creating and improving the living, social and economic conditions appropriate for the workforce and families and society as a whole, and the awareness of social responsibility, which is based on a number of human values and standards of the high cooperation and a sense of responsibility towards each of his relationship with the company, and the optimum utilization of available resources.

An overview of the programs and mechanisms used that help highlight the company's efforts in the field of social work:

As part of Oula's commitment to its social responsibility, the company implemented a number of initiatives and programs aimed at serving the community, with a particular focus on supporting children, the environment, and refugees, in addition to youth empowerment, community engagement, and support. The most notable efforts include:

- Supporting Children: For the fourth consecutive year, the company collaborated with Bayt Abdullah Children's Hospice and Al-Sabah Hospitals – Pediatric Departments (Al-Razi, Ibn Sina, and National Bank Hospital), by providing both moral and financial support, reaffirming its humanitarian and social role toward children.
- Supporting Refugees: The company contributed media support to the United Nations High Commissioner for Refugees (UNHCR) in light of the increasing number of refugees worldwide, reflecting its global humanitarian role.
- Environmental Initiatives: The company organized awareness campaigns in cooperation with the Environment Public Authority to emphasize the importance of environmental preservation. It also participated in the Second Gulf Green Buildings Conference under the patronage of the Director General of the Environment Public Authority, as well as the 12th International Conference and Exhibition for Professional Development in Health, Safety, Environment, and Loss Prevention 2025. Additionally, the company participated with the Ministry of Social Affairs in the national campaign "Let's Make Kuwait Cleaner and More Beautiful."
- Youth Empowerment: Participation in job opportunity exhibitions, reflecting the company's belief in attracting young national talents and graduates, and enhancing their role in improving company performance.
- Sports Activities: The company organized its Fourth Annual Football Championship during the month of Ramadan, The Late Ali Al-Shirazi Ramadan Tournament, with participation from its employees. It also organized a football tournament for children's academies, aiming to promote sportsmanship and community engagement.
- Providing Support: The company participated in sponsoring various projects for both government and private entities such as universities, schools, and government ministries.
- Charitable Support: the company also participated in supporting the charities morally and financially through the approval of the Ordinary General Assembly held on 20/05/2025 to allocate the amount of 5,000 KD (Five thousand Kuwaiti dinars) for charitable donations.

Through these programs and initiatives, the company seeks to strengthen its image as a leading national institution that integrates its strategic objectives with its social commitments.

Audit Committee Report for the Financial Year Ending 31/12/2025

The audit committee was formed according to the decision of the Board of Directors issued at its meeting No. (3-2023) held on 10/05/2023, and the Chairman was elected at the committee meeting held on 17/07/2023.

The period of validity of the committee coincides with the term of membership of the Board of Directors.

The tasks of the committee are to review the periodic financial statements, express an opinion and recommend them to the Board of Directors, set appropriate standards to enhance the performance of the Internal Audit Department and ensure its independence from the Executive Management, and ensure that external audits are carried out in a manner that achieves the principle of double auditing. The committee also verifies the company's adherence to the laws, internal policies, rules, regulations and related instructions, and that the internal control systems related to financial and administrative matters are comprehensive and transparent, and the committee works to ensure the company adheres to the legal and regulatory requirements and international accounting standards, as well as to ensure the adequacy of the qualifications and expertise of the external auditors and their independence and the recommendation to appoint an internal audit manager with a climate of discipline and internal control for the company. The internal auditor and the external auditor are also entitled to request a meeting with the committee when necessary.

The committee meetings during 2025 | 8 meetings

The Audit Committee consists of the following members

Dr. Ali Hussain Abdullah Committee Chairman / Head	Hashem Sameer Behbehani Committee Member	Masoud Gloum Akbar Committee Member
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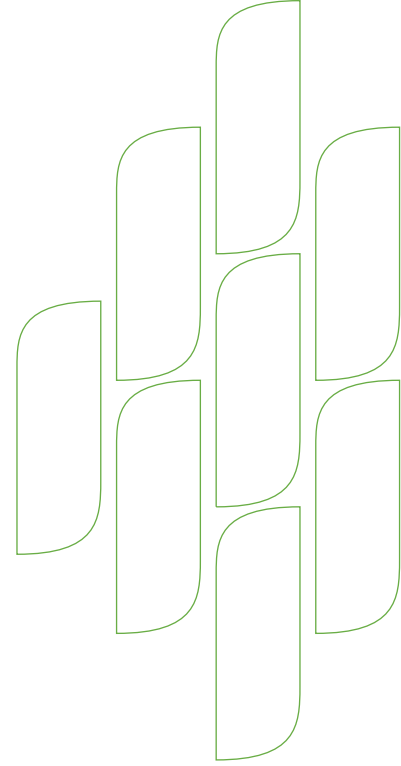
Committee Achievements during 2025

- 1 Recommending to the Board of Directors to approve the financial statements for the fiscal year ending 31/12/2024.
- 2 Recommending to the Board of Directors to approve the quarterly interim financial statements for the year 2025.
- 3 Review and discuss the findings of the Internal Control Systems Assessment Report (ICR).
- 4 Review and supervise the business and annual plan of the Internal Audit Department.
- 5 Discussing the reports and results of the internal audit department's recommendations.
- 6 Discussing the annual evaluation of the head of the internal audit unit.
- 7 Discussing the internal audit unit performance evaluation report.
- 8 Discussing the amendment to the Internal Audit Policy and Charter.

The opinion of the committee regarding the internal control environment in the company:

The committee follows up and supervises the internal audit work based on risk assessment, and the committee believes that the company has an adequate and effective control environment, where most of the essential gaps are dealt with or their impact is minimized by the executive management. The committee also noted the executive's keenness to implement mechanisms and the internal control systems to ensure the protection of the company's assets in a way that ensures the correctness of the data, in addition to the efficiency of the company's operational processes and the adequacy of its financial and administrative aspects. The audit committee emanating from the Board of Directors monitors the implementation of the general policies and procedures for the internal audit systems, and the audit committee reviews the proposed annual plan for auditing work inside The company, where the committee held regular meetings with the internal auditor, during which it discussed reports, reviewed previous recommendations and the extent of response to those recommendations, in order to identify the risks and obstacles that the company might face and the degree of their importance and try to avoid those risks and develop internal control systems.





Consolidated financial statements and independent auditor's report

Oula Fuel Marketing Company - KSCP

and Subsidiaries

Kuwait

31 December 2025

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Independent Auditor's Report

To the Shareholders of
Oula Fuel Marketing Company - KSCP
Kuwait

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the consolidated financial statements of Oula Fuel Marketing Company - KSCP (the "Parent Company") and its subsidiaries (together referred to as 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 profit or loss and other 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 Code of Ethics for Professional Accountants (including International Independence Standards)* issued by the International Ethics Standards Board for Accountants ("IESBA Code") and the ethical requirements that are relevant to our audit of the consolidated financial statements in the State of Kuwait. We have fulfilled our ethical responsibilities in accordance with these requirements and the IESBA Code.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the 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. We have determined the matters described below as the key audit matters.

Valuation of investment properties

The Group's investment properties represent 23% of total assets at the reporting date and the Group's policy is to perform the valuations of the investment properties at year-end by external valuers. These valuations are based on number of assumptions, including estimated rental income, capitalisation yields, market knowledge and occupancy rates. Given the fact that the fair valuation of the investment properties requires significant judgments and are highly dependent on estimates we determined this to be a key audit matter.

Independent Auditor's Report to the Shareholders of Oula Fuel Marketing Company - KSCP (continued)

Key Audit Matters (continued)

Valuation of investment properties (continued)

Our audit procedures included, among others, assessing the appropriateness of management's process for reviewing and assessing the work of the external valuers and their valuation reports including management's consideration of competence and independence of the external valuers. We reviewed the valuation reports from the external valuers and agreed them to the carrying value of the properties. We assessed the appropriateness of the valuation methodologies used in assessing the fair value of the investment properties including discussions with the management on the estimates, assumptions and valuation methodology used in assessing the fair value of investment properties. We also assessed that the property related data used as input for the external valuations is consistent with information obtained during our audit. For further details on the fair valuation of the investment properties, refer to note 12 to the consolidated financial statements.

Valuation of unquoted investments

The Group's investments in unquoted equity investments classified as at fair value through other comprehensive income represent a significant part of the Group's total assets and classified within Level 3 of the fair value hierarchy as disclosed in note 27 to the consolidated financial statements. The valuation of these investments is inherently subjective as it is primarily based either on external independent valuations or on entity-developed internal models and not on quoted prices in active markets or other observable inputs. Therefore, there is significant measurement uncertainty involved in those valuations. As a result, the valuation of those instruments was significant to our audit. We have, therefore, spent significant audit efforts in assessing the appropriateness of the valuations and underlying assumptions.

Our audit procedures included agreeing carrying value of the unquoted investments to the Group's internal or external valuations prepared using valuation techniques, assessing and challenging the appropriateness of estimates, assumptions and valuation methodology and obtained supporting documentation and explanations to corroborate the valuations.

Other information included in the Group's Annual Report for the year ended 31 December 2025

Management is responsible for the other information. The other information comprises Board of Directors' report (but does not include the consolidated financial statements and our auditor's report thereon), which we obtained prior to the date of this auditor's report, and the complete Group's Annual Report which is expected to be made available to us after that date.

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

In connection with our audit of the 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.

When we read the Group's complete Annual Report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.

Independent Auditor's Report to the Shareholders of Oula Fuel Marketing Company - KSCP (continued)

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 with 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 skepticism 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.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- 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.

Independent Auditor's Report to the Shareholders of Oula Fuel Marketing Company - KSCP (continued)

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

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance 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.

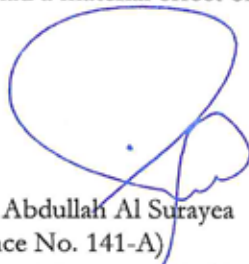
We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

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 year 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.

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 and its Executive Regulations, as amended, and by the Parent Company's Memorandum of Incorporation and Articles of Association, as amended, that an inventory was duly carried out and that, to the best of our knowledge and belief, no violations of the Companies Law, the Executive Regulations, or of the Parent Company's Memorandum of Incorporation and Articles of Association, as amended, have occurred during the year ended 31 December 2025 that might have had a material effect on the business or financial position of the Parent Company.

We further report that, during the course of our audit and to the best of our knowledge and belief, we have not become aware of any material violations of the provisions of Law 7 of 2010, as amended, relating to the Capital Markets Authority ("CMA") and its related regulations during the year ended 31 December 2025 that might have had a material effect on the business or financial position of the Parent Company.



Hend Abdullah Al Surayea
 (Licence No. 141-A)
 of Grant Thornton - Al-Qatami, Al-Aiban & Partners



Kuwait
 29 March 2026

Consolidated statement of profit or loss

	Notes	Year ended 31 Dec. 2025 KD	Year ended 31 Dec. 2024 KD
REVENUE			
Revenue from sales and services		175,575,096	172,298,092
Cost of revenue		(161,199,066)	(158,092,364)
Operating expenses		(9,781,510)	(10,320,821)
Gross profit		4,594,520	3,884,907
Gain on sale of subsidiary		-	681,644
Gain on sale of investment properties	12	233,000	-
Net change in fair value of investment properties	12	(837,941)	2,224,230
Share of results of associate	13	865,601	828,533
Net gain/(loss) on disposal of financial assets at FVTOCI		7,222	(59,326)
Dividend income		759,377	308,990
Rental income		1,704,653	1,313,713
Interest income		620,315	512,878
Other income	7	4,679,756	5,525,469
		12,626,503	15,221,038
EXPENSE AND OTHER CHARGES			
General and administrative expenses		(3,323,773)	(2,922,509)
Finance costs		(1,869,860)	(2,006,293)
Impairment of investment in associate	13	-	(3,568,831)
		(5,193,633)	(8,497,633)
Profit before provisions for contribution to Kuwait Foundation for the Advancement of Sciences (KFAS), National Labour Support Tax (NLST), Zakat and directors' remuneration		7,432,870	6,723,405
Provision for KFAS		(57,344)	(59,240)
Provision for NLST		(272,178)	(282,729)
Provision for Zakat		(94,065)	(116,742)
Provision for directors' remuneration		(45,000)	(45,000)
Profit for the year		6,964,283	6,219,694
Basic and diluted earnings per share	8	15.65 Fils	13.98 Fils

The notes set out on pages 10 to 52 form an integral part of these consolidated financial statements.

Consolidated statement of profit or loss and other comprehensive income

	Year ended 31 Dec. 2025 KD	Year ended 31 Dec. 2024 KD
Profit for the year	6,964,283	6,219,694
Other comprehensive income/(loss):		
Items that may be reclassified subsequently to profit or loss:		
Net change in fair value of financial assets at FVTOCI	(853,277)	156,891
Items that will not be reclassified subsequently to profit or loss:		
Net change in fair value of financial assets at FVTOCI	4,808,246	(702,865)
Share of other comprehensive income of associate	2,452,967	1,155,801
	7,261,213	452,936
Total other comprehensive income	6,407,936	609,827
Total comprehensive income for the year	13,372,219	6,829,521


The notes set out on pages 10 to 52 form an integral part of these consolidated financial statements.

Consolidated statement of financial position

	Notes	31 Dec. 2025 KD	31 Dec. 2024 KD
ASSETS			
Property and equipment	9	24,919,666	22,755,917
Intangible assets	10	8,140,428	9,057,869
Right of use assets	11	215,119	1,075,613
Investment properties	12	35,126,722	37,675,100
Investment in associate	13	19,014,993	16,373,653
Financial assets at fair value through other comprehensive income	14	47,304,451	34,292,425
Inventories		1,454,012	1,393,121
Accounts receivable and other assets	15	3,006,414	2,494,420
Term deposits	16	6,632,206	7,100,000
Cash and bank balances	16	3,820,951	8,041,524
Total assets		149,634,962	140,259,642
EQUITY AND LIABILITIES			
Equity			
Share capital	17	44,502,493	40,456,810
Statutory reserve	18	8,649,458	7,906,171
Voluntary reserve	18	8,649,458	7,906,171
Cumulative changes in fair value		(7,203,318)	(9,960,971)
Retained earnings		31,281,042	28,221,450
Total equity		85,879,133	74,529,631
Liabilities			
Provision for employees' end of service benefits		1,558,032	1,301,687
Lease liabilities	19	1,801,538	1,788,162
Borrowings	20	29,462,060	34,600,142
Accounts payable and other liabilities	21	14,641,719	14,345,658
Due to a related party	23	16,292,480	13,694,362
Total liabilities		63,755,829	65,730,011
Total liabilities and equity		149,634,962	140,259,642



Eng. Abdul Hussain S. Al Sultan
Chairman

Eng. Adel Mohammed Al-Awadi
Vice Chairman & CEO

The notes set out on pages 10 to 51 form an integral part of these consolidated financial statements.

Consolidated statement of changes in equity

	Share capital KD	Statutory reserve KD	Voluntary reserve KD	Cumulative changes in fair value KD	Retained earnings KD	Total KD
Balance at 1 January 2025	40,456,810	7,906,171	7,906,171	(9,960,971)	28,221,450	74,529,631
Issue of bonus shares (note 22)	4,045,683	-	-	-	(4,045,683)	-
Cash dividend (note 22)	-	-	-	-	(2,022,717)	(2,022,717)
Transactions with owners	4,045,683	-	-	-	(6,068,400)	(2,022,717)
Profit for the year	-	-	-	-	6,964,283	6,964,283
Total other comprehensive income for the year	-	-	-	6,407,936	-	6,407,936
Total comprehensive income for the year	-	-	-	6,407,936	6,964,283	13,372,219
Transfer to reserves	-	743,287	743,287	-	(1,486,574)	-
Gain on disposal of financial assets at FVTOCI	-	-	-	(3,650,283)	3,650,283	-
Balance at 31 December 2025	44,502,493	8,649,458	8,649,458	(7,203,318)	31,281,042	85,879,133
Balance at 1 January 2024	40,456,810	7,233,830	7,233,830	(5,748,937)	20,547,293	69,722,826
Cash dividend (note 22)	-	-	-	-	(2,022,716)	(2,022,716)
Transactions with owners	-	-	-	-	(2,022,716)	(2,022,716)
Profit for the year	-	-	-	-	6,219,694	6,219,694
Total other comprehensive income for the year	-	-	-	609,827	-	609,827
Total comprehensive income for the year	-	-	-	609,827	6,219,694	6,829,521
Transfer to reserves	-	672,341	672,341	-	(1,344,682)	-
Gain on disposal of financial assets at FVTOCI	-	-	-	(4,821,861)	4,821,861	-
Balance at 31 December 2024	40,456,810	7,906,171	7,906,171	(9,960,971)	28,221,450	74,529,631

The notes set out on pages 10 to 52 form an integral part of these consolidated financial statements.

Consolidated statement of cash flows

	Notes	Year ended 31 Dec. 2025 KD	Year ended 31 Dec. 2024 KD
OPERATING ACTIVITIES			
Profit before provisions for contribution to KFAS, NLST, Zakat and directors' remuneration		7,432,870	6,723,405
Adjustments:			
Depreciation and amortisation		3,101,529	2,988,321
Property and equipment written off		-	524,267
Gain on sale of investment properties	12	(233,000)	-
Net change in fair value of investment properties	12	837,941	(2,224,230)
Share of results of associate	13	(865,601)	(828,533)
Impairment of investment in associate	13	-	3,568,831
Gain on sale of subsidiary		-	(681,644)
Net (gain)/loss on disposal of financial assets at FVTOCI		(7,222)	59,326
Loss on write off of inventories		197,062	280,002
Loss on write off of other receivable balances		90,273	-
Loss on write off of goodwill	6	2,000	-
Dividend income		(759,377)	(308,990)
Interest income		(620,315)	(512,878)
Finance costs		1,869,860	2,006,293
Provision charge for employees' end of service benefits		317,889	254,586
		11,363,909	11,848,756
Changes in operating assets and liabilities:			
Inventories		(257,953)	(337,186)
Accounts receivable and other assets		(592,973)	135,474
Accounts payable and other liabilities		322,745	(802,960)
Due to a related party		2,598,118	(1,740,158)
Employees' end of service benefits paid		(61,544)	(248,810)
KFAS paid		(51,555)	(65,283)
NLST and Zakat paid		(387,725)	(133,641)
Directors' remuneration paid		(45,000)	(45,000)
Net cash from operating activities		12,888,022	8,611,192
INVESTING ACTIVITIES			
Additions to property and equipment		(3,487,343)	(2,477,059)
Proceeds from sale of subsidiary		-	2,500,000
Proceeds from sale of investment properties	12	2,330,000	-
Additions to investment properties	12	(386,563)	(413,870)
Purchase of financial assets at FVTOCI		(147,922,807)	(33,216,832)
Proceeds from sale of financial assets at FVTOCI		138,872,972	32,214,738
Decrease/(increase) in term deposits with original maturity exceeding three months		467,794	(800,000)
Dividend received from associate	13	677,228	677,228
Dividend income received		759,377	308,990
Interest income received		611,021	540,197
Net cash used in investing activities		(8,078,321)	(666,608)
FINANCING ACTIVITIES			
Payment of cash dividend		(2,035,708)	(2,058,700)
Proceeds from borrowings		2,819,326	2,684,007
Repayment of borrowings		(7,957,408)	(3,100,000)
Finance costs paid		(1,856,484)	(1,954,023)
Net cash used in financing activities		(9,030,274)	(4,428,716)
(Decrease)/increase in cash and cash equivalents		(4,220,573)	3,515,868
Cash and cash equivalents at beginning of the year	16	8,041,524	4,525,656
Cash and cash equivalents at end of the year	16	3,820,951	8,041,524

The notes set out on pages 10 to 52 form an integral part of these consolidated financial statements.

Notes to the consolidated financial statements

1 Incorporation and activities

Oula Fuel Marketing Company - KSCP (the “Parent Company”) is a Kuwaiti shareholding company which was incorporated on 17 May 2004 and commenced its operations on 9 May 2006. The Parent Company’s shares are listed on Boursa Kuwait.

The principal activities of the Parent Company are as follows:

- Acquisition, establishment, leasing, operating, and maintenance of petrol stations and their customer service centres, to provide all automobile services including changing of oil, car wash, maintenance workshop services and technical check-ups;
- The ability to fill and store fuel and to shop and trade in petroleum products in bulk or retail;
- Purchase, renting, owning and selling lease lands and real estate;
- Utilising the financial surpluses of the Parent Company by investing in financial and real estate portfolios managed by specialised companies and entities;
- Utilising the financial surpluses of the Parent Company by investing in portfolios managed by specialised companies and entities;
- Carrying on sales activities of the prepaid fuel cards and newest related electronic services;
- Buying or selling the company’s shares but not exceeding 10% from its shares as per stated in the executive regulation of Law No 7 of 2010 concerning the establishment of CMA and regulating securities activity.

The Parent Company may have interests or participate in any suitable way with entities that are engaged in similar business activities of the Parent Company to achieve its objectives inside Kuwait and abroad without conflict with the Articles of Association of the Parent Company.

The Group comprises the Parent Company and its subsidiaries (Note 6).

The address of the Parent Company’s registered office is located in Al-Qebla area, P.O. Box 29009, Safat 13151, State of Kuwait.

These consolidated financial statements for the year ended 31 December 2025 were authorised for issue by the Board of Directors of the Parent Company on 2026-03-29 and are subject to the approval of the general assembly of the shareholders. The general assembly of the Parent Company’s shareholders has the power to amend these consolidated financial statements after issuance.

2 Statement of compliance and going concern assumption

These consolidated financial statements have been prepared in accordance with the IFRS Accounting Standards as issued by the International Accounting Standards Board (“IASB”).

These consolidated financial statements have been prepared under the assumption that the Group operates on a going concern basis, which assumes the Group will be able to discharge its liabilities as they fall due. In confirming the validity of the going concern basis of preparation, the Group has considered various factors and has a reasonable expectation that the Group has and will have adequate resources to continue its operations for the foreseeable future.

3 Changes in accounting policies

3.1 New and amended IFRS Accounting Standards adopted by the Group

The following amendments to existing IFRS Accounting Standards were effective for the current year.

Notes to the consolidated financial statements (continued)

3 Changes in accounting policies (continued)

3.1 New and amended IFRS Accounting Standards adopted by the Group (continued)

<i>Standard or Interpretation</i>	<i>Effective for annual periods beginning</i>
IAS 21 Amendments - Lack of exchangeability	1 January 2025

IAS 21 Amendments - Lack of exchangeability

The amendments to IAS 21 address determination of exchange rate when there is long term lack of exchangeability. The amendments:

- Specify when a currency is exchangeable into another currency and when it is not — a currency is exchangeable when an entity is able to exchange that currency for the other currency through markets or exchange mechanisms that create enforceable rights and obligations without undue delay at the measurement date and for a specified purpose; a currency is not exchangeable into the other currency if an entity can only obtain an insignificant amount of the other currency.
- Specify how an entity determines the exchange rate to apply when a currency is not exchangeable — when a currency is not exchangeable at the measurement date, an entity estimates the spot exchange rate as the rate that would have applied to an orderly transaction between market participants at the measurement date and that would faithfully reflect the economic conditions prevailing.
- Require the disclosure of additional information when a currency is not exchangeable — when a currency is not exchangeable an entity discloses information that would enable users of its financial statements to evaluate how a currency's lack of exchangeability affects, or is expected to affect, its financial performance, financial position and cash flows.

The adoption of the amendments did not have a significant impact on the Group's consolidated financial statements.

3.2 IASB Standards issued but not yet effective

At the date of authorisation of these consolidated financial statements, certain new standards, amendments and interpretations to existing standards have been published by the IASB but are not yet effective and have not been adopted early by the Group.

Management anticipates that all of the relevant pronouncements will be adopted in the Group's accounting policies for the first period beginning after the effective date of the pronouncements. Information on new standards, amendments and interpretations that are expected to be relevant to the Group's consolidated financial statements is provided below. Certain other new standards and interpretations have been issued but are not expected to have a material impact on the Group's consolidated financial statements.

<i>Standard or Interpretation</i>	<i>Effective for annual periods beginning</i>
IFRS 7 and IFRS 9 Classification and Measurement of Financial Instruments - Amendments	1 January 2026
IFRS 18 Presentation and Disclosure in Financial Statements	1 January 2027
IFRS 19 Subsidiaries without Public Accountability: Disclosures	1 January 2027
Annual Improvements to IFRS Accounting Standards - volume 11	1 January 2026

Notes to the consolidated financial statements (continued)

3 Changes in accounting policies (continued)

3.2 IASB Standards issued but not yet effective (continued)

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

The amendments to IFRS 7 and IFRS 9 addresses three changes:

- Derecognition of a financial liability settled through electronic transfer whereby entities are permitted to deem a financial liability (or part of it) that will be settled in cash using an electronic payment system to be discharged before the settlement date if specified criteria are met. An entity that elects to apply this derecognition option would be required to apply it to all settlements made through the same electronic payment system.
- Classification of financial assets based on a) contractual terms that are consistent with basic lending arrangements, b) assets with non-recourse description has been enhanced to include a financial asset has non-recourse features if an entity's ultimate right to receive cash flows is contractually limited to the cash flows generated by specified assets, and c) contractually linked instruments have been clarified, and
- Disclosures relating to a) financial assets at FVTOCI where entities are required to disclose fair value gain or loss separately for financial assets derecognised in the period and the fair value gain or loss that relates to investments held at the end of the period, and b) contractual terms that could change the timing or amount of contractual cash flows on the occurrence (or non-occurrence) of a contingent event that does not relate directly to changes in a basic lending risks and costs.

Management does not anticipate that the adoption of the amendments in the future will have a significant impact on the Group's consolidated financial statements.

IFRS 18 Presentation and Disclosure in Financial Statements

The new standard will replace the IAS 1 Presentation of Financial Statements though it contains a number of the current requirements in the IAS 1. IFRS 18 sets out to ensure the financial statements provide relevant information that faithfully represents an entity's assets, liabilities, equity, income and expenses. Although IFRS 18 includes many of the requirements of IAS 1, it introduces new requirements to better structure financial statements and to provide more detailed and useful information to investors, including:

- Two new subtotals defined in the statement of profit or loss, namely (1) operating profit and (2) profit or loss before financing and income taxes
- The classification of all income and expenses within the statement of profit or loss in one of five categories
- Disclosures of management-defined performance measures (MPM)
- An improvement in the principles related to the aggregation and disaggregation of information in the financial statements and accompanying notes

Some of the disclosure requirements previously contained in IAS 1 have been transferred to IAS 8 without any material changes. This applies in particular to disclosures on accounting policies and sources of estimation uncertainty. As a result of these changes, IAS 8 will be renamed 'Basis of Preparation of Financial Statements'. The publication of IFRS 18 also results in consequential amendments to other IFRS Accounting Standards, including IAS 7.

Management is currently working to identify all of the impacts that IFRS 18 will have on the primary consolidated financial statements and notes to the consolidated financial statements.

Notes to the consolidated financial statements (continued)

3 Changes in accounting policies (continued)

3.2 IASB Standards issued but not yet effective (continued)

IFRS 19 Subsidiaries without Public Accountability: Disclosures

IFRS 19 allows reduced disclosure requirements for an entity instead of the disclosure requirements in other IFRS Accounting Standards if the entity 1) is a subsidiary, 2) it does not have public accountability, 3) it has an ultimate or intermediate parent that produces consolidated financial statements available for public use that comply with IFRS Accounting Standards. An entity electing to apply IFRS 19 is required to apply other IFRS Accounting Standards, except for the disclosure requirements.

Management does not anticipate adoption of the new standard for its consolidated financial statements of the Group.

Annual Improvements to IFRS Accounting Standards - volume 11

The annual improvement project updates a number of standards primarily providing clarifications and removing inconsistencies.

Management does not anticipate adoption of the amendments will have a significant impact on the Group's consolidated financial statements.

4 Material accounting policy information

The material accounting policies adopted in the preparation of these consolidated financial statements are set out below:

4.1 Basis of preparation

The consolidated financial statements of the Group have been prepared under the historical cost convention except for financial assets at fair value through other comprehensive income and investment properties which are measured at fair value.

The consolidated financial statements have been presented in Kuwaiti Dinars ("KD") which is the functional and presentation currency of the Parent Company.

The Group has elected to present the "consolidated statement of comprehensive income" in two statements: the "consolidated statement of profit or loss" and the "consolidated statement of profit or loss and other comprehensive income".

4.2 Basis of consolidation

The Parent controls a subsidiary if it is exposed, or has rights, to variable returns from its involvement with the subsidiary and has the ability to affect those returns through its power over the subsidiary. The financial statements of the subsidiaries are prepared for reporting dates which are typically not more than three months from that of the Parent Company, using consistent accounting policies. Adjustments are made for the effect of any significant transactions or events that occur between that date and the reporting date of the Parent Company's financial statements.

All transactions and balances between Group companies are eliminated on consolidation, including unrealised gains and losses on transactions between Group companies. Where unrealised losses on intra-group asset sales are reversed on consolidation, the underlying asset is also tested for impairment from a Group perspective. Amounts reported in the financial statements of subsidiaries have been adjusted where necessary to ensure consistency with the accounting policies adopted by the Group.

Notes to the consolidated financial statements (continued)

4 Material accounting policy information (continued)

4.2 Basis of consolidation (continued)

Profit or loss and other comprehensive income of subsidiaries acquired or disposed of during the year are recognised from the effective date of acquisition, or up to the effective date of disposal, as applicable.

Non-controlling interests, presented as part of equity, represent the portion of a subsidiary's profit or loss and net assets that is not held by the Group. The Group attributes total comprehensive income or loss of subsidiaries between the owners of the parent and the non-controlling interests based on their respective ownership interests.

When a controlling interest in the subsidiaries is disposed of, the difference between the selling price and the net asset value plus cumulative translation difference and goodwill is recognised in the consolidated statement of profit or loss. The fair value of any investment retained in the former subsidiary at the date when control is lost is regarded as the fair value on initial recognition for subsequent accounting under IFRS 9 when applicable, or the cost on initial recognition of an investment in an associate or a joint venture.

However, changes in the Group's interests in subsidiaries that do not result in a loss of control are accounted for as equity transactions. The carrying amount of the Group's interests and the non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiaries. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognised directly in equity and attributed to the owners of the Parent Company.

4.3 Business combinations

The Group applies the acquisition method in accounting for business combinations. The consideration transferred by the Group to obtain control of a subsidiary is calculated as the sum of the acquisition-date fair values of assets transferred, liabilities incurred and the equity interests issued by the Group, which includes the fair value of any asset or liability arising from a contingent consideration arrangement. Acquisition costs are expensed as incurred. For each business combination, the acquirer measures the non-controlling interests in the acquiree either at fair value or at the proportionate share of the acquiree's identifiable net assets.

If the business combination is achieved in stages, the acquisition date fair value of the acquirer's previously held equity interest in the acquiree is remeasured to fair value at the acquisition date through the consolidated statement of profit or loss.

The Group recognises identifiable assets acquired and liabilities assumed in a business combination regardless of whether they have been previously recognised in the acquiree's financial statements prior to the acquisition. Assets acquired and liabilities assumed are generally measured at their acquisition-date fair values.

When the Group acquires a business, it assesses the financial assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances and pertinent conditions as at the acquisition date. This includes the separation of embedded derivatives in host contracts by the acquiree.

Goodwill is stated after separate recognition of identifiable intangible assets. It is calculated as the excess of the sum of a) fair value of consideration transferred, b) the recognised amount of any non-controlling interest in the acquiree and c) acquisition-date fair value of any existing equity interest in the acquiree, over the acquisition-date fair values of identifiable net assets. If the fair values of identifiable net assets exceed the sum calculated above, the excess amount (i.e. gain on a bargain purchase) is recognised in the consolidated statement of profit or loss immediately.

Notes to the consolidated financial statements (continued)

4 Material accounting policy information (continued)

4.4 Investment in associate

An associate is an entity over which the Group has significant influence and that is neither a subsidiary nor an interest in a joint venture. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over those policies.

The Group's investment in associates is accounted for under the equity method of accounting, i.e. on the consolidated statement of financial position at cost plus post-acquisition changes in the Group's share of the net assets of the associate, less any impairment and the consolidated statement of profit or loss reflects the Group's share of the results of operations of associate.

Any excess of the cost of acquisition over the Group's share of the net fair value of the identifiable assets, liabilities and contingent liabilities of the associate recognised at the date of acquisition is recognised as goodwill. The goodwill is included within the carrying amount of the investment and is assessed for impairment as part of that investment. Any excess of the Parent Company's share of the net fair value of the identifiable assets, liabilities and contingent liabilities over the cost of acquisition, after reassessment, is recognised immediately in the consolidated statement of profit or loss.

Distributions received from the associate reduce the carrying amount of the investment. Adjustments to the carrying amount may also be necessary for changes in the Group's share in the associate arising from changes in the associate's equity. Changes in the Group's share in associate's equity are recognised immediately in the consolidated statement of changes in equity.

When the Group's share of losses in an associate equal or exceeds its interest in the associate, including any other unsecured receivables, the Group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the associate.

Unrealised gains on transactions with associate are eliminated to the extent of the Group's share in the associate. Unrealised losses are also eliminated unless the transactions provide evidence of impairment in the asset transferred.

An assessment for impairment of investment in associates is performed when there is an indication that the asset has been impaired, or that impairment losses recognised in prior years no longer exist.

The associate's financial statements are prepared either to the Parent Company's reporting date or to a date not earlier than three months of the Parent Company's reporting date using consistent accounting policies. Where practicable, adjustments are made for the effect of significant transactions or other events that occurred between the reporting date of the associates and the Parent Company's reporting date.

Upon loss of significant influence over the associate, the Group measures and recognises any retaining investment at its fair value. Any differences between the carrying amount of the associate upon loss of significant influence and the fair value of the remaining investment and proceeds from disposal are recognised in the consolidated statement of profit or loss.

However, when the Group reduces its ownership interest in an associate but the Group continues to use the equity method, the Group reclassifies to profit or loss the proportion of the gain or loss that had previously been recognised in other comprehensive income relating to that reduction in ownership interest if that gain or loss would be reclassified to profit or loss on the disposal of the related assets or liabilities.

Notes to the consolidated financial statements (continued)

4 Material accounting policy information (continued)

4.5 Revenue recognition

The Group recognises revenue from the following major sources:

- Sale of fuel and related products
- 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 a service to a customer.

The Group follows a 5-step process:

1. Identifying the contract with a customer.
2. Identifying the performance obligations.
3. Determining the transaction price.
4. Allocating the transaction price to the performance obligations.
5. Recognising revenue when/as performance obligation(s) are satisfied.

Revenue is recognised either at a 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 a receivable, if any, in its statement of financial position, depending on whether something other than the passage of time is required before the consideration is due.

4.5.1 Sale of fuel and related products

Sale of fuel and related products is recognised when the Group satisfies performance obligations by transferring the promised goods to its customers at an agreed rate.

4.5.2 Rendering of services

The Group earns service income from various services provided to its customers such as car wash and quick car services. Service income is recognised on a time and material basis as the services are provided.

4.6 Rental income

Rental income is recognised on a straight-line basis over the lease term.

4.7 Interest income on financial assets

Interest income is recognised on an accrual basis using the effective interest method.

4.8 Dividend income

Dividend income, other than those from investment in associates, is recognised at the time the right to receive payment is established.

4.9 Operating expenses

Operating expenses are recognised in the consolidated statement of profit or loss upon utilisation of the service or at the date of their origin.

Notes to the consolidated financial statements (continued)

4 Material accounting policy information (continued)

4.10 Finance costs

Finance costs are recognised on a time proportion basis taking into account the outstanding balance of borrowing payable and applicable interest rate.

Finance costs that are directly attributable to the acquisition and construction of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of that asset. Capitalisation of finance costs ceases when substantially all the activities necessary to prepare the asset for its intended use or sale are complete. Other finance costs are recognised as an expense in the period in which they are incurred.

4.11 Taxation

4.11.1 *Kuwait Foundation for the Advancement of Sciences (KFAS)*

The contribution to KFAS is calculated at 1% of taxable profit of the Group attributable to the shareholders of 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, Board of Directors' remuneration, transfer to statutory reserve should be excluded from profit for the year when determining the contribution.

4.11.2 *National Labour Support Tax (NLST)*

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

4.11.3 *Zakat*

Contribution to Zakat is calculated at 1% of the profit of the Group attributable to the shareholders of the Parent Company in accordance with the Law No. 46 of 2006.

Under the NLST and Zakat regulations no carry forward of losses to the future years or any carry back to prior year is permitted.

4.12 Segment reporting

The Group has two operating segments: fuel marketing and other related services and investments. In identifying these operating segments, management generally follows the Group's service lines representing its main products and services. Each of these operating segments is managed separately as each requires different approaches and other resources. All inter-segment transfers are carried out at arm's length prices.

For management purposes, the Group uses the same measurement policies as those used in its consolidated financial statements. In addition, assets or liabilities which are not directly attributable to the business activities of any operating segment are not allocated to a segment.

4.13 Property and equipment

Property and equipment are initially recognised at acquisition cost or manufacturing cost, including any costs directly attributable to bringing the assets to the location and condition necessary for it to be capable of operating in the manner intended by the Group's management.

Notes to the consolidated financial statements (continued)

4 Material accounting policy information (continued)

4.13 Property and equipment (continued)

Property and equipment are subsequently measured using the cost model, cost less subsequent depreciation and impairment losses. Depreciation is recognised on a straight-line basis to write down the cost less estimated residual value. The useful life and depreciation method are reviewed periodically to ensure that the method and period of depreciation are consistent with the expected pattern of economic benefits arising from items of property and equipment.

The following useful lives are applied:

- Fuel stations 15 to 26 years
- Buildings 20 years
- Furniture and decoration 4 to 10 years
- Computers 4 to 5 years
- Equipment 4 to 10 years
- Vehicles 4 to 5 years

Material residual value estimates and estimates of useful life are updated as required, but at least annually.

When assets are sold or retired, their cost and accumulated depreciation are eliminated from the accounts and any gain or loss resulting from their disposal is recognised in the consolidated statement of profit or loss.

4.14 Intangible assets

Intangible assets acquired separately are measured on initial recognition at cost. The cost of intangible assets acquired in a business combination is the fair value as at the date of acquisition. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and 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 to be 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 are 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 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. Intangible assets with indefinite useful lives are tested for impairment annually or more frequently if events or change in circumstances indicate the carrying value may be impaired, either individually or at the cash generating unit level. Such intangibles are not amortised. The useful life of an intangible asset with an indefinite life is reviewed annually to determine whether indefinite life assessment continues to be supportable. If not, the change in the useful life assessment 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.

Notes to the consolidated financial statements (continued)

4 Material accounting policy information (continued)

4.14 Intangible assets (continued)

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 (26 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.

Licence

Licence acquired separately is measured at cost on initial recognition. Licence 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 licence over its estimated useful life (26 years).

The carrying amount of licence 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.

Trademark

Trademark acquired separately is measured at cost on initial recognition. The trademark 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 trademark over its estimated useful life of 20 years. The carrying amount trademark 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.

4.15 Leased assets

The Group as a lessee

The Group considers whether a contract is, or contains a lease. A lease is defined as 'a contract, or part of a contract, that conveys the right to use an asset (the underlying asset) for a period of time in exchange for consideration'.

To apply this definition the Group assesses whether the contract meets three key evaluations which are whether:

- the contract contains an identified asset, which is either explicitly identified in the contract or implicitly specified by being identified at the time the asset is made available to the Group
- the Group has the right to obtain substantially all of the economic benefits from use of the identified asset throughout the period of use, considering its rights within the defined scope of the contract

Notes to the consolidated financial statements (continued)

4 Material accounting policy information (continued)

4.15 Leased assets (continued)

The Group as a lessee (continued)

- the Group has the right to direct the use of the identified asset throughout the period of use. The Group assess whether it has the right to direct 'how and for what purpose' the asset is used throughout the period of use.

The Group has elected to account for short-term leases and leases of low-value assets using the practical expedients. Instead of recognising a right of use asset and lease liability, the payments in relation to these are recognised as an expense in profit or loss on a straight-line basis over the lease term.

Measurement and recognition of leases as a lessee

At lease commencement date, the Group recognises a right of use asset and a lease liability on the balance sheet measured as follows:

Right of use asset

The right of use asset is measured at cost, which is made up of the initial measurement of the lease liability, any initial direct costs incurred by the Group, an estimate of any costs to dismantle and remove the asset at the end of the lease, and any lease payments made in advance of the lease commencement date (net of any incentives received).

Subsequent to initial measurement, the Group depreciates the right of use assets on a straight-line basis from the lease commencement date to the earlier of the end of the useful life of the right of use asset or the end of the lease term. The Group also assesses the right of use asset for impairment when such indicators exist.

Lease liability

At the commencement date, the Group measures the lease liability at the present value of the lease payments unpaid at that date, discounted using the interest rate implicit in the lease if that rate is readily available or the Group's incremental borrowing rate.

Lease payments included in the measurement of the lease liability are made up of fixed payments (including in substance fixed), variable payments based on an index or rate, amounts expected to be payable under a residual value guarantee and payments arising from options reasonably certain to be exercised.

Subsequent to initial measurement, the liability is reduced for payments made and increased for interest. It is remeasured to reflect any reassessment or modification, or if there are changes in in-substance fixed payments. When the lease liability is remeasured, the corresponding adjustment is reflected in the right of use asset, or profit and loss if the right of use asset is already reduced to zero.

The Group as a lessor

The Group enters into lease agreements as a lessor with respect to some of its investment properties. The Group classifies its leases as either operating or finance leases. When the terms of a lease transfer substantially all the risks and rewards of ownership to the lessee, the contract is classified as finance lease. All other leases are classified as operating leases. When the Group is an intermediate lessor, it accounts for the head-lease and sub-lease as two separate contracts. The sub-lease is classified as finance lease or operating lease by reference to the right of use of asset arising from the head-lease.

Notes to the consolidated financial statements (continued)

4 Material accounting policy information (continued)

4.15 Leased assets (continued)

The Group as a lessor (continued)

Rental income from operating leases is recognised on a straight-line basis over lease term. Initial direct cost incurred in arranging and negotiating a lease are added to the carrying amount of the lease assets and recognised on a straight-line basis over the lease term. Amounts due under finance leases are recognised as receivables.

Finance lease income is allocated to the accounting periods so as to reflect a constant periodic rate of return on the Group's net investment outstanding for the finance lease.

4.16 Investment properties

Investment properties are properties held to earn rentals and/or for capital appreciation and are accounted for using the fair value model. Investment properties are initially measured at cost, being the purchase price and any directly attributable expenditure for a purchased investment property and cost at the date construction is complete or development is complete for a self-constructed investment property.

Subsequently, investment properties are revalued annually and are included in the consolidated statement of financial position at their fair values. These values are supported by market evidence and are determined by external professional valuers with sufficient experience with respect to both the location and the nature of the investment property.

Any gain or loss resulting from either a change in the fair value or the sale of an investment property is immediately recognised in the consolidated statement of profit or loss within "change in fair value of investment properties" and "gain/loss on sale of investment properties"

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 fair value at the date of change in use. If owner-occupied property becomes an investment property, the Group accounts for such property in accordance with the policy stated under property and equipment up to the date of change in use.

4.17 Inventories

Inventories are stated at the lower of cost and net realisable value. Costs are those expenses incurred in bringing each product to its present location and condition. Net realisable value is the estimated selling price in the ordinary course of business less any applicable selling expenses.

4.18 Impairment testing of goodwill and non-financial assets

For impairment assessment purposes, assets are grouped at the lowest levels for which there are largely independent cash inflows (cash generating units). As a result, some assets are tested individually for impairment and some are tested at cash-generating unit level. Goodwill is allocated to those cash-generating units that are expected to benefit from synergies of the related business combination and represent the lowest level within the Group at which management monitors goodwill.

Cash-generating units to which goodwill has been allocated (determined by the Group's management as equivalent to its operating segments) are tested for impairment at least annually. All other individual assets or cash-generating units are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable.

Notes to the consolidated financial statements (continued)

4 Material accounting policy information (continued)

4.18 Impairment testing of goodwill and non-financial assets (continued)

An impairment loss is recognised for the amount by which the asset's or cash-generating unit's carrying amount exceeds its recoverable amount, which is the higher of fair value less costs to sell and value-in-use. To determine the value-in-use, management estimates expected future cash flows from each cash-generating unit and determines a suitable interest rate in order to calculate the present value of those cash flows. The data used for impairment testing procedures are directly linked to the Group's latest approved budget, adjusted as necessary to exclude the effects of future reorganisations and asset enhancements. Discount factors are determined individually for each cash-generating unit and reflect management's assessment of respective risk profiles, such as market and asset-specific risks factors.

Impairment losses for cash-generating units reduce first the carrying amount of any goodwill allocated to that cash-generating unit. Any remaining impairment loss is charged pro rata to the other assets in the cash-generating unit. With the exception of goodwill, all assets are subsequently reassessed for indications that an impairment loss previously recognised may no longer exist. An impairment charge is reversed if the cash-generating unit's recoverable amount exceeds its carrying amount.

4.19 Financial instruments

4.19.1 Recognition, initial measurement and derecognition

Financial assets and financial liabilities are recognised when the Group becomes a party to the contractual provisions of the financial instrument and are measured initially at fair value adjusted by directly attributable transaction costs, except for those carried at fair value through profit or loss which are measured initially at fair value. Subsequent measurement of financial assets and financial liabilities are described below.

A financial asset (or, where applicable a part of a financial asset or part of a group of similar financial assets) is primarily derecognised when:

- rights to receive cash flows from the assets have expired;
- the Group has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass through' arrangement; and either
 - a) the Group has transferred substantially all the risks and rewards of the asset or
 - b) the Group has neither transferred nor retained substantially all risks and rewards of the asset, but has transferred control of the asset.

Where the Group has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement and has neither transferred nor retained substantially all the risks and rewards of the asset nor transferred control of the asset, a new asset is recognised to the extent of the Group's continuing involvement in the asset.

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.

Notes to the consolidated financial statements (continued)

4 Material accounting policy information (continued)

4.19 Financial instruments (continued)

4.19.2 Classification of financial assets

For the purpose of subsequent measurement, financial assets are classified into the following categories upon initial recognition:

- financial assets at amortised cost
- financial assets at fair value through other comprehensive income (FVTOCI).

The classification is determined by both:

- the entity's business model for managing the financial asset
- the contractual cash flow characteristics of the financial asset.

The Group may make the following irrevocable election/designation at initial recognition of a financial asset:

- the Group may irrevocably elect to present subsequent changes in fair value of an equity investment in other comprehensive income if certain criteria are met; and
- the Group may irrevocably designate a debt investment that meets the amortised cost or FVTOCI criteria as measured at FVTPL if doing so eliminates or significantly reduces an accounting mismatch.

4.19.3 Subsequent measurement of financial assets

a) Financial assets at amortised cost

Financial assets are measured at amortised cost if the assets meet the following conditions (and are not designated as FVTPL):

- they are held within a business model whose objective is to hold the financial assets and collect its contractual cash flows; and
- the contractual terms of the financial assets give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding.

After initial recognition, these are measured at amortised cost using the effective interest rate method, less provision for impairment. Discounting is omitted where the effect of discounting is immaterial.

The Group's financial assets at amortised cost comprise the following:

- *Accounts receivable and other assets*

Accounts receivable and other assets are stated at original invoice amount less allowance for any uncollectible amounts. An estimate for doubtful debts is made when collection of the full amount is no longer probable. Bad debts are written off as incurred.

- *Due from related party*

Amounts due from transactions with related party and cash advances to related party are included under due from a related party.

Notes to the consolidated financial statements (continued)

4 Material accounting policy information (continued)

4.19 Financial instruments (continued)

4.19.3 Subsequent measurement of financial assets (continued)

a) Financial assets at amortised cost (continued)

- Cash, bank balances and term deposits

Cash and cash equivalents comprise cash on hand, cash held in managed portfolios, bank balances and term deposits, together with other short-term, highly liquid investments that are readily convertible into known amounts of cash and which are subject to an insignificant risk of changes in value. Deposits placed with financial institutions with a maturity of three months to one year are classified as term deposits.

b) Financial assets at FVTOCI

The Group's financial assets at FVTOCI comprise the following:

- Investment in equity instruments

The equity instruments represent in shares of various companies and include both quoted and unquoted.

- Investment in debt instruments

Debt instruments represent investments in bonds and sukuk.

The Group accounts for financial assets at FVTOCI if the assets meet the following conditions:

- they are held under a business model whose objective it is “hold to collect” the associated cash flows and sell; and
- the contractual terms of the financial assets give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Any gains or losses recognised in other comprehensive income will be recycled to the consolidated statement of profit or loss upon derecognition of the asset (except for equity investments at FVTOCI as detailed below).

Equity investments at FVTOCI

On initial recognition, the Group may make an irrevocable election (on an instrument-by-instrument basis) to designate investments in equity instruments as at FVTOCI. Designation at FVTOCI 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.

A financial asset is held for trading if:

- it has been acquired principally for the purpose of selling it in the near term; or
- on initial recognition it is part of a portfolio of identified financial instruments that the Group manages together and has evidence of a recent actual pattern of short-term profit-taking; or
- it is a derivative (except for a derivative that is a financial guarantee contract or a designated and effective hedging instrument).

Investments in equity instruments at FVTOCI are initially measured at fair value plus transaction costs.

Notes to the consolidated financial statements (continued)

4 Material accounting policy information (continued)

4.19 Financial instruments (continued)

4.19.3 Subsequent measurement of financial assets (continued)

b) Financial assets at FVTOCI (continued)

Equity investments at FVTOCI (continued)

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 fair value reserve. The cumulative gain or loss is transferred to retained earnings within the consolidated statement of changes in equity.

Dividends on these investments in equity instruments are recognised in the consolidated statement of profit or loss.

4.19.4 Impairment of financial assets

All financial assets except for those at FVTPL and equity investments at FVTOCI are subject to review for impairment at least at each reporting date to identify whether there is any objective evidence that a financial asset or a Group of financial assets is impaired. Different criteria to determine impairment are applied for each category of financial assets, which are described below.

The Group recognises a loss allowance for expected credit losses (“ECL”) on financial assets at amortised cost or at FVTOCI.

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. The amount of expected credit losses is updated at each reporting date to reflect changes in credit risk since initial recognition of the respective financial asset.

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 the probability of 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.

The Group recognises lifetime ECL for trade receivables and other assets. 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. For all other financial instruments, the Group recognises lifetime ECL when there has been a significant increase in credit risk since initial recognition. However, if the credit risk on the financial instrument has not increased significantly since initial recognition, the Group measures the loss allowance for that financial instrument at an amount equal to 12-month ECL.

Lifetime ECL represents the expected credit losses that will result from all possible default events over the expected life of a financial instrument. In contrast, 12-month ECL represents the portion of lifetime ECL that is expected to result from default events on a financial instrument that are possible within 12 months after the reporting date.

Notes to the consolidated financial statements (continued)

4 Material accounting policy information (continued)

4.19 Financial instruments (continued)

4.19.4 Impairment of financial assets (continued)

The Group recognises an impairment gain or loss in the consolidated statement of profit or loss for all financial assets with a corresponding adjustment to their carrying amount through a loss allowance account, except for investments in debt instruments that are measured at FVTOCI, for which the loss allowance is recognised in other comprehensive income and accumulated in the investment revaluation reserve, and does not reduce the carrying amount of the financial asset in the consolidated statement of financial position.

If the Group has measured the loss allowance for a financial instrument at an amount equal to lifetime ECL in the previous reporting period, but determines at the current reporting date that the conditions for lifetime ECL are no longer met, the Group measures the loss allowance at an amount equal to 12-month ECL at the current reporting date, except for assets for which simplified approach was used.

4.19.5 Classification and subsequent measurement of financial liabilities

The Group's financial liabilities include borrowings from financial institutions, accounts payable and other liabilities and due to a related party.

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

a) Financial liabilities at amortised cost

These are stated using effective interest rate method. Accounts payable and other liabilities, due to a related party and borrowings from financial institutions are classified as financial liabilities other than at FVTPL.

- Murabaha and Wakala payable

Murabaha and Wakala payable represent amount payable on deferred settlement basis for assets purchases under murabaha and wakala arrangements. Murabaha and wakala payable are stated at the total amount payable, less deferred finance costs. Deferred finance cost is expensed on a time apportionment basis taking account of the borrowing rate attributable and the balance outstanding. All the profit-related charges are included within finance costs.

- Accounts payable and other liabilities

Accounts payable and other liabilities are recognised for amounts to be paid in the future for goods or services received, whether billed by the supplier or not.

4.20 Amortised cost of financial instruments

This is computed using the effective interest method less any allowance for impairment. The calculation takes into account any premium or discount on acquisition and includes transaction costs and fees that are an integral part of the effective interest rate.

4.21 Trade and settlement date accounting

All 'regular way' purchases and sales of financial assets are recognised on the trade date i.e. the date that the entity commits to purchase or sell the asset. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame generally established by regulation or convention in the marketplace.

Notes to the consolidated financial statements (continued)

4 Material accounting policy information (continued)

4.22 Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount 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.

4.23 Fair value of financial instruments

The fair value of financial instruments that are traded in active markets at each reporting date is determined by reference to quoted market prices or dealer price quotations (bid price for long positions and ask price for short positions), without any deduction for transaction costs.

For financial instruments not traded in an active market, the fair value is determined using appropriate valuation techniques. Such techniques may include using recent arm's length market transactions; reference to the current fair value of another instrument that is substantially the same; a discounted cash flow analysis or other valuation models.

4.24 Equity, reserves and dividend payments

Share capital represents the nominal value of shares that have been issued and paid-up.

Statutory and voluntary reserves comprise appropriations of current and prior period profits in accordance with the requirements of the Companies' Law and the Parent Company's Memorandum of Incorporation and Articles of Association.

Fair value reserve comprises gains and losses relating to financial assets at fair value through other comprehensive income and share of associate's fair value reserve.

Retained earnings include all current and prior period retained profits.

Dividend distributions payable to equity shareholders are included in other liabilities when the dividends have been approved in a general assembly meeting.

4.25 Provisions, contingent assets and contingent liabilities

Provisions are recognised when the Group has a present legal or constructive obligation as a result of a past event, it is probable that an outflow of economic resources will be required from the Group and amounts can be estimated reliably. Timing or amount of the outflow may still be uncertain.

Provisions are measured at the estimated expenditure required to settle the present obligation, based on the most reliable evidence available at the reporting date, including the risks and uncertainties associated with the present obligation. Where there is a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. Provisions are discounted to their present values, where the time value of money is material.

Contingent assets are not recognised in the consolidated financial statements, but are disclosed when an inflow of economic benefits is probable.

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

Notes to the consolidated financial statements (continued)

4 Material accounting policy information (continued)

4.26 Foreign currency translation

4.26.1 *Functional and presentation currency*

Each entity in the Group determines its own functional currency and items included in the financial statements of each entity are measured using that functional currency.

4.26.2 *Foreign currency transactions and balances*

Foreign currency transactions are translated into the functional currency of the respective Group entity, using the exchange rates prevailing at the dates of the transactions (spot exchange rate). Foreign exchange gains and losses resulting from the settlement of such transactions and from the remeasurement of monetary items denominated in foreign currency at year-end exchange rates are recognised in profit or loss. Non-monetary items are not retranslated at year-end and are measured at historical cost (translated using the exchange rates at the transaction date), except for non-monetary items measured at fair value which are translated using the exchange rates at the date when fair value was determined.

4.27 Employees' end of service benefits

The Group provides end of service benefits to its employees. 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 in accordance with relevant labour law and the employees' contracts.

The expected costs of these benefits are accrued over the period of employment. This liability, which is unfunded, represents the amount payable to each employee as a result of termination on the reporting date.

With respect to its Kuwaiti national employees, in addition to the end of service benefits, the Group makes contributions to the Public Institution for Social Security calculated as a percentage of the employees' salaries. The Group's obligations are limited to these contributions, which are expensed when due.

4.28 Related party transactions

Related parties represent subsidiaries, associates, major shareholders, Board of Directors and key management personnel of the Group, and entities controlled, jointly controlled or significantly influenced by such parties. All related party transactions are carried out with the approval of the Group's management.

4.29 Climate-related matters

The Group considers climate-related matters in estimates and assumptions, where appropriate. Risks induced by climate changes include transition risks (e.g. regulatory changes and reputational risks) and physical risks due to weather related events (e.g. storms, wildfires and rising sea levels). The Group has not identified significant risks induced by climate changes that could negatively and materially affect the Group's consolidated financial statements. Management continuously assesses the impact of climate-related matters.

5 Significant management judgements and estimation uncertainty

The preparation of the Group's consolidated financial statements requires management to make judgements, estimates and assumptions that affect the reported amount of revenues, expenses, assets and liabilities and the disclosure of contingent liabilities, at the end of the reporting period. However, uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of the asset or liability affected in future periods.

Notes to the consolidated financial statements (continued)

5 Significant management judgements and estimation uncertainty (continued)

5.1 Significant management judgments

In the process of applying the Group's accounting policies, management has made the following significant judgments, which have the most significant effect on the amounts recognised in the consolidated financial statements.

5.1.1 *Business model assessment*

The Group classifies financial assets after performing the business model test. This test includes judgement reflecting all relevant evidence including how the performance of the assets is evaluated and their performance measured and the risks that affect the performance of the assets. Monitoring is part of the Group's continuous assessment of whether the business model for which the remaining financial assets are held continues to be appropriate and if it is not appropriate whether there has been a change in business model and so a prospective change to the classification of those assets.

5.1.2 *Classification of real estate property*

Management decides on acquisition of a real estate property whether it should be classified as trading, property under development or investment property.

The Group classifies property as trading property if it is acquired principally for sale in the ordinary course of business.

The Group classifies property as property under development if it is acquired with the intention of development.

The Group classifies property as investment property if it is acquired to generate rental income or for capital appreciation.

5.1.3 *Control assessment*

When determining control, the management considers whether the Group has the practical ability to direct the relevant activities of an investee on its own to generate returns for itself. The assessment of relevant activities and ability to use its power to affect variable return requires considerable judgement.

5.2 Estimates uncertainty

Information about estimates and assumptions that have the most significant effect on recognition and measurement of assets, liabilities, income and expenses is provided below. Actual results may be substantially different.

5.2.1 *Useful lives of depreciable assets*

Management reviews its estimate of the useful lives of depreciable assets at each reporting date, based on the expected utility of the assets. Uncertainties in these estimates relate to technical obsolescence that may change the utility of certain property and equipment.

5.2.2 *Impairment of right of use assets*

At the financial position date, the Group management determines whether there is any indication of impairment of right of use assets. In estimating the recoverable amount of the right of use assets, management makes assumptions about the achievable market rates for similar properties with similar lease terms.

Notes to the consolidated financial statements (continued)

5 Significant management judgements and estimation uncertainty (continued)

5.2 Estimates uncertainty (continued)

5.2.2 Impairment of right of use assets (continued)

This method uses estimated cash flow projections over the lease term of the assets. Due to the associated uncertainty, it is possible that the estimates of the amount of lease payment that will be recovered through the sub-lease of the property may need to be revised in the future years.

5.2.3 Revaluation of investment properties

The Group carries its investment properties at fair value, with changes in fair value being recognised in the consolidated statement of profit or loss. The Group engaged independent valuation specialists to determine fair value as at 31 December 2025 and the valuers have used valuation techniques to arrive at these fair values. These estimated fair values of the investment properties may vary from the actual prices that would be achieved in an arm's length transaction at the reporting date.

5.2.4 Impairment of associates

After application of the equity method, the Group determines whether it is necessary to recognise any impairment loss on the Group's investment in its associated companies, at each reporting date based on existence of any objective evidence that the investment in the associate is impaired. If this is the case the Group calculates the amount of impairment as the difference between the recoverable amount of the associate and its carrying value and recognises the amount in the consolidated statement of profit or loss.

5.2.5 Fair value of financial instruments

Management applies valuation techniques to determine the fair value of financial instruments (where active market quotes are not available) and non-financial assets. This requires management to develop estimates and assumptions based on market inputs, using observable data that market participants would use in pricing the instrument. Where such data is not observable, management uses its best estimate. Estimated fair values of financial instruments may vary from the actual prices that would be achieved in an arm's length transaction at the reporting date.

5.2.6 Impairment of financial assets

Measurement of estimated credit losses involves estimates of loss given default and probability of default. Loss given default is an estimate of the loss arising in case of default by customer. Probability of default is an estimate of the likelihood of default in the future. The Group based these estimates using reasonable and supportable forward-looking information, which is based on assumptions for the future movement of different economic drivers and how these drivers will affect each other.

An estimate of the collectible amount of trade accounts receivable is made when collection of the full amount is no longer probable. For individually significant amounts, this estimation is performed on an individual basis. Amounts which are not individually significant, but which are past due, are assessed collectively and a provision applied according to the length of time past due, based on historical recovery rates.

5.2.7 Impairment 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.

Notes to the consolidated financial statements (continued)

5 Significant management judgements and estimation uncertainty (continued)

5.2 Estimates uncertainty (continued)

5.2.7 Impairment of inventories (continued)

Management estimates the net realisable values of inventories, taking into account the most reliable evidence available at each reporting date. The future realisation of these inventories may be affected by future technology or other market-driven changes that may reduce future selling prices.

5.2.8 Significant influence

Significant influence exists when the size of an entity's own voting rights relative to the size and dispersion of other vote holders, give the entity the practical ability unilaterally to direct the relevant activities of the company.

6 Subsidiary companies

6.1 The details of the subsidiaries are as follows:

Name of subsidiary	Ownership percentage		Country of incorporation	Principal activities
	31 Dec. 2025 %	31 Dec. 2024 %		
Ultra Logistics Company - KSC (Closed)	97	97	State of Kuwait	Logistic services
Ultra Holding Company - KSC (Closed) and its subsidiaries as follows:	96	96	State of Kuwait	Operating central markets
Quick International Car Service Company - KSC (Closed) and its subsidiary (6.2)	96	96	State of Kuwait	Car services
Ultra Supermarkets Services Company - KSC (Closed)	96	96	State of Kuwait	Marketing services
Ultra Consulting Company - WLL	96	96	State of Kuwait	Consultancy services
Nahda International Real Estate - WLL	96	96	State of Kuwait	Real estate

6.1.1 Effective ownership percentage of all the above subsidiaries is 100% (2024: 100%).

6.2 During the year, a subsidiary of the Group (Quick International Car Service Company - KSC (Closed)) acquired 100% effective ownership of Prontowash Kuwait for Car Wash and Lubrication Company - WLL from a related party for a total consideration of KD2,000, resulting in the recognition of goodwill amounting to KD2,000. Subsequent to this acquisition, the Group's management decided to fully write off the resultant goodwill.

7 Other income

Other income mainly represents income from car wash, quick car services, store rents and third parties' media advertising.

Notes to the consolidated financial statements (continued)

8 Basic and diluted earnings per share

Basic and diluted earnings per share is calculated by dividing the profit for the year by the weighted average number of shares outstanding during the year excluding treasury shares as follows:

	Year ended 31 Dec. 2025	Year ended 31 Dec. 2024
Profit for the year (KD)	6,964,283	6,219,694
Weighted average number of shares outstanding during the year (excluding treasury shares)	445,024,928	445,024,928
Basic and diluted earnings per share	15.65 Fils	13.98 Fils

The current and comparative weighted average number of shares for calculating the basic and diluted earnings per share have been adjusted to reflect the bonus shares for the year ended 31 December 2024 (note 17). Earnings per share for the year ended 31 December 2024 were 15.37 Fils before retrospective adjustment.

Notes to the consolidated financial statements (continued)

9 Property and equipment

	Fuel stations KD	Furniture and decoration KD	Computers KD	Equipment KD	Vehicles KD	Assets under construction KD	Total KD
31 December 2025							
Cost							
At 1 January 2025	27,989,572	967,933	2,460,889	1,431,738	2,185,786	1,397,161	36,433,079
Additions	-	260	811	10,680	170,528	3,305,064	3,487,343
Transfers from assets under construction	2,404,563	132,919	244,714	128,917	19,445	(2,930,558)	-
At 31 December 2025	30,394,135	1,101,112	2,706,414	1,571,335	2,375,759	1,771,667	39,920,422
Accumulated depreciation							
At 1 January 2025	8,457,339	957,599	2,341,825	1,309,902	610,497	-	13,677,162
Charge for the year	1,072,916	11,726	69,124	40,849	128,979	-	1,323,594
At 31 December 2025	9,530,255	969,325	2,410,949	1,350,751	739,476	-	15,000,756
Net book value							
At 31 December 2025	20,863,880	131,787	295,465	220,584	1,636,283	1,771,667	24,919,666

Notes to the consolidated financial statements (continued)

9 Property and equipment (continued)

	Fuel stations KD	Buildings KD	Furniture and decoration KD	Computers KD	Equipment KD	Vehicles KD	Assets under construction KD	Total KD
31 December 2024								
Cost								
At 1 January 2024	23,969,009	209,352	1,051,707	2,538,157	1,603,080	2,318,818	3,681,670	35,371,793
Additions	-	-	3,042	3,486	8,133	-	2,462,398	2,477,059
Transfers from assets under construction	4,461,992	-	1,715	5,977	17,622	-	(4,487,306)	-
Arising on disposal of subsidiary	-	(209,352)	(82,516)	(73,030)	(166,273)	(91,072)	-	(622,243)
Write off	(441,429)	-	(6,015)	(13,701)	(30,824)	(41,960)	(259,601)	(793,530)
At 31 December 2024	27,989,572	-	967,933	2,460,889	1,431,738	2,185,786	1,397,161	36,433,079
Accumulated depreciation								
At 1 January 2024	7,646,539	119,869	995,029	2,343,299	1,418,838	573,602	-	13,097,176
Charge for the year	995,445	838	5,472	47,792	35,526	123,833	-	1,208,906
Relating to disposal of subsidiary	-	(120,707)	(39,882)	(35,568)	(115,900)	(47,600)	-	(359,657)
Relating to write off	(184,645)	-	(3,020)	(13,698)	(28,562)	(39,338)	-	(269,263)
At 31 December 2024	8,457,339	-	957,599	2,341,825	1,309,902	610,497	-	13,677,162
Net book value								
At 31 December 2024	19,532,233	-	10,334	119,064	121,836	1,575,289	1,397,161	22,755,917

9.1 Depreciation expense allocated between operating expenses is KD1,257,361 (2024: KD1,159,424) and general and administrative expenses is KD66,233 (2024: KD49,482) in the consolidated statement of profit or loss.

9.2 Fuel station buildings are constructed on lands leased from the Government of Kuwait for a period of 26 years beginning 2006, renewable.

9.3 Assets under construction represent major renovations and significant improvements carried out at the fuel stations.

Notes to the consolidated financial statements (continued)

10 Intangible assets

	Leasehold rights KD	Licences KD	Trademark KD	Total KD
31 December 2025				
Cost				
At 1 January 2025	22,178,410	1,822,546	-	24,000,956
At 31 December 2025	22,178,410	1,822,546	-	24,000,956
Accumulated amortisation				
At 1 January 2025	13,648,248	1,294,839	-	14,943,087
Charge for the year	853,013	64,428	-	917,441
At 31 December 2025	14,501,261	1,359,267	-	15,860,528
Net book value at 31 December 2025	7,677,149	463,279	-	8,140,428
31 December 2024				
Cost				
At 1 January 2024	23,628,410	1,822,546	428,899	25,879,855
Arising on disposal of subsidiary	(1,450,000)	-	(428,899)	(1,878,899)
At 31 December 2024	22,178,410	1,822,546	-	24,000,956
Accumulated amortisation				
At 1 January 2024	13,906,902	1,230,411	329,913	15,467,226
Charge for the year	853,013	64,428	1,480	918,921
Relating to disposal of subsidiary	(1,111,667)	-	(331,393)	(1,443,060)
At 31 December 2024	13,648,248	1,294,839	-	14,943,087
Net book value at 31 December 2024	8,530,162	527,707	-	9,057,869

11 Right of use assets

	31 Dec. 2025 KD	31 Dec. 2024 KD
Cost		
At 1 January	2,583,976	2,583,976
At 31 December	2,583,976	2,583,976
Accumulated depreciation		
At 1 January	1,508,363	647,869
Charge for the year	860,494	860,494
At 31 December	2,368,857	1,508,363
Net book value at 31 December	215,119	1,075,613

Right of use assets represents the lease payments for the right of use of lands on which fuel stations are constructed (note 19).

Notes to the consolidated financial statements (continued)

12 Investment properties

The movement in the carrying amount of the investment properties is as follows:

	31 Dec. 2025 KD	31 Dec. 2024 KD
At beginning of the year	37,675,100	35,037,000
Additions during the year	386,563	413,870
Sale during the year (12.4)	(2,097,000)	-
Net change in fair value during the year	(837,941)	2,224,230
Carrying amount at the end of year	35,126,722	37,675,100

12.1 Fair value measurement of investment properties

The fair value of investment properties has been determined based on valuations performed by two independent and accredited valuers with recognised and relevant professional qualification and with recent experience in locations and categories of investment properties being valued. One of these valuers is a local bank and the other is a local reputable accredited valuer. As required by the Capital Markets Authority (CMA), the Group has selected the lower of these two valuations.

Fair value is determined using a mix of the income capitalisation method and cost-based method (Level 3). 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. Under the cost-based method, fair value is estimated based on the replacement cost of the property, less accumulated depreciation, taking into account the asset's age, condition, and remaining useful life.

Fair value hierarchy

The following table shows an analysis of the fair values of investment properties recognised in the consolidated statement of financial position by level of the fair value measurement hierarchy:

	31 Dec. 2025 KD	31 Dec. 2024 KD
Cost based method	2,416,000	-
Income capitalisation method	32,710,722	37,675,100
	35,126,722	37,675,100

A quantitative sensitivity analysis is, as shown below:

The table below presents the sensitivity of the valuation to changes in the most significant assumptions underlying the valuation of investment properties.

Notes to the consolidated financial statements (continued)

12 Investment properties (continued)

Significant unobservable valuation inputs (Income capitalisation method)

	Range		Sensitivity used	Effect on fair value	
	31 Dec. 2025	31 Dec. 2024		31 Dec. 2025 KD	31 Dec. 2024 KD
Monthly rental income	KD8,250 - KD217,846	KD6,260 - KD217,846	±5%	± 1,635,545	± 1,884,102
Capitalisation rate	7.307% - 8.337%	7.343% - 8.333%	± 50 basis point	± 2,100,032	± 2,428,315

12.2 Investment property with a carrying value of KD31,356,312 (31 December 2024: KD31,391,300) is mortgaged against Wakala facilities (note 20).

12.3 Investment property with a carrying value of KD1,354,710 (31 December 2024: KD1,348,200) is registered in the name of nominees, who confirmed in writing in a letter dated 15 February 2026 that the Group has the beneficial ownership of the property. The ownership of the property is in the process of being transferred.

12.4 During the year, the Group sold investment properties with total carrying value of KD2,097,000 for an aggregate consideration of KD2,330,000 resulting in a gain of KD233,000.

12.5 All investment properties are managed by a specialised company.

13 Investment in associate

13.1 Details of the investment in associate are as follows:

Name of associate	Ownership percentage		Country of incorporation	Principal activities
	31 Dec. 2025 %	31 Dec. 2024 %		
National Leasing and Financing Company - KSC (Closed) - Unquoted	40.69	40.69	State of Kuwait	Leasing and investments

13.2 The movement in the carrying amount of the investment in associate is as follows:

	31 Dec. 2025 KD	31 Dec. 2024 KD
At the beginning of the year	16,373,653	18,635,378
Share of results for the year	865,601	828,533
Dividend received	(677,228)	(677,228)
Share of other comprehensive income	2,452,967	1,155,801
Impairment of investment in associate (13.3)	-	(3,568,831)
At the end of year	19,014,993	16,373,653

Notes to the consolidated financial statements (continued)

13 Investment in associate (continued)

13.3 Impairment assessment of associate

As at 31 December 2025, management performed a detailed impairment assessment for the associate to determine the recoverable amount as required by IAS 36 which is the higher of:

- Fair value less costs of disposal (FVLCD) - Based on the weighted average relative valuation using market approach and adjusted net asset value, which primarily fall under Level 3 fair value hierarchy, after applying appropriate discount for lack of marketability (DLOM); and
- Value-in-use (VIU) - Based on a discounted cash flow (DCF) model, considering the present value of expected future cash flows using appropriate discount and growth rates.

Based on this assessment, the recoverable amount was not materially different than the carrying value. Accordingly, no additional impairment loss or reversal of previously recognised impairment was recognised during the year (2024: an impairment loss of KD3,568,831 was recognised).

13.4 Summarised financial information of the Group's associate is set out below:

	31 Dec. 2025 KD	31 Dec. 2024 KD
Total assets	83,016,020	77,744,731
Total liabilities	27,512,596	28,732,610
Net assets	55,503,424	49,012,121
Net assets attributable to owners of the associate	55,503,424	49,012,121
	Year ended 31 Dec. 2025 KD	Year ended 31 Dec. 2024 KD
Revenue	5,614,324	5,071,527
Profit for the year	2,127,282	2,034,630
Total comprehensive income for the year	4,868,652	4,875,102
Share of results	865,601	828,533

Reconciliation of the above summarised financial information of the associate with the carrying amount in the consolidated statement of financial position is given below.

Notes to the consolidated financial statements (continued)

13 Investment in associate (continued)

13.4 Summarised financial information of the Group's associate is set out below (continued):

	31 Dec. 2025 KD	31 Dec. 2024 KD
Group's ownership interest	40.69%	40.69%
Net assets attributable to the owners of the associate	55,503,424	49,012,121
Group's share of net assets	22,583,824	19,942,484
Less: impairment of investment in associate (13.3)	(3,568,831)	(3,568,831)
Carrying value of investment in associate	19,014,993	16,373,653

There are no contingent liabilities relating to the Parent Company's interest in the above associate.

14 Financial assets at fair value through other comprehensive income

The financial assets at fair value through other comprehensive income comprise the following:

	31 Dec. 2025 KD	31 Dec. 2024 KD
Local quoted securities	17,855,460	16,394,133
Local unquoted securities	22,433,052	14,117,473
Local managed fund	3,824,517	-
Foreign unquoted securities	3,191,422	3,780,819
	47,304,451	34,292,425

14.1 All the above financial assets are held through portfolios managed by specialised companies.

14.2 These financial assets are held for medium to long term strategic objectives. Accordingly, the management has chosen to identify these financial assets as financial assets at fair value through other comprehensive income where it is believed that the recognition of short-term fluctuations in the fair value of these financial assets in the statement of profit or loss will not be consistent with the Group's strategy to hold such financial assets for long-term purposes and realising their performance potential in the long term.

14.3 Foreign unquoted securities include securities carrying annual interest/profit rates ranging from 4.229% to 9.125% (31 December 2024: 4.229% to 6.500%).

14.4 The Group holds equity ownerships exceeding 20% in the share capital of certain investees. At 31 December 2025, the aggregate carrying value of these investments amounted to KD2,245,286 (2024: KD2,666,782). Management believes that the Group is not able to exercise significant influence over the operating and financing decisions of those investees, and therefore, these investments do not meet the requirements of classification as investment in associates in accordance with IAS 28.

Notes to the consolidated financial statements (continued)

15 Accounts receivable and other assets

	31 Dec. 2025 KD	31 Dec. 2024 KD
Financial assets		
Accounts receivable	1,716,691	1,446,825
Refundable deposits	10,867	46,869
Other receivables	398,186	374,393
	2,125,744	1,868,087
Less: provision for doubtful debts	(127,398)	(127,398)
	1,998,346	1,740,689
Non-financial assets		
Prepayments	1,008,068	753,731
	1,008,068	753,731
	3,006,414	2,494,420

16 Cash and cash equivalents

For the purpose of the consolidated statement of cash flows, cash and cash equivalents of the Group comprise the following:

	31 Dec. 2025 KD	31 Dec. 2024 KD
Cash on hand and bank balances	3,387,868	3,109,726
Cash held in managed portfolios	437,368	4,933,514
Less: Due to banks	(4,285)	(1,716)
Total cash and bank balances	3,820,951	8,041,524
Term deposits with contractual maturity exceeding three months	6,632,206	7,100,000
Total term deposits	6,632,206	7,100,000
	10,453,157	15,141,524
Less: Term deposits with contractual maturity exceeding three months	(6,632,206)	(7,100,000)
Cash and cash equivalents per consolidated statement of cash flows	3,820,951	8,041,524

16.1 Term deposits carry annual interest rates ranging from 3.50% to 4.15% (31 December 2024: 3.88% to 4.25%).

16.2 Due to banks represents overdraft facilities obtained from local banks and carry annual interest rate of 1.00% (31 December 2024: 1.00%) above CBK discount rate and are payable on demand.

Notes to the consolidated financial statements (continued)

17 Share capital

	31 Dec. 2025 KD	31 Dec. 2024 KD
445,024,928 authorised, issued and fully paid-up shares of 100 Fils each - in cash (31 December 2024: 404,568,117 shares of 100 Fils each)	44,502,493	40,456,810

The extraordinary general assembly of the Parent Company's shareholders held on 27 May 2025 approved to increase the share capital through the distribution of 10% bonus shares. As a result, the share capital became KD44,502,493 comprising of 445,024,928 shares of 100 Fils each (note 22).

The above increase in share capital was authenticated in the Commercial Register on 17 June 2025.

18 Reserves

Statutory reserve

In accordance with the Companies Law and the Parent Company's Articles of Association, 10% of the profit for the year before KFAS, NLST, Zakat and directors' remuneration is to be transferred to statutory reserve. The shareholders of the Parent Company may resolve to discontinue such annual transfer when the reserve totals 50% of the paid-up share capital.

Distribution of the statutory reserve is limited to the amount required to enable the payment of a dividend up to 5% of the paid-up share capital to be made in years when retained earnings are not sufficient for the distribution of a dividend of that amount.

Voluntary reserve

In accordance with the Parent Company's Articles of Association, up to 10% of the profit for the year before KFAS, NLST, Zakat and directors' remuneration is to be transferred to the voluntary reserve at the discretion of the Board of Directors subject to the approval of the general assembly of the shareholders. There are no restrictions on the distribution of the voluntary reserve.

No transfer to reserves is required in a year in which the Group has incurred a loss or where accumulated losses exist.

19 Lease liabilities

Lease liabilities represent the lease payments for the right of use of lands on which fuel stations are constructed (note 11).

	31 Dec. 2025 KD	31 Dec. 2024 KD
Balance at beginning of the year	1,788,162	1,735,892
Finance charge	13,376	52,270
Balance at end of the year	1,801,538	1,788,162
Instalments due within next twelve months	(1,801,538)	(1,788,162)
Instalments due after next twelve months	-	-

Notes to the consolidated financial statements (continued)

20 Borrowings

	31 Dec. 2025 KD	31 Dec. 2024 KD
Murabaha facilities (20.1)	5,485,560	7,951,069
Term loan (20.2)	-	2,347,573
Wakala payables (20.3)	23,976,500	24,301,500
	29,462,060	34,600,142
Instalments due within next twelve months	(24,038,258)	(8,800,996)
Instalments due after next twelve months	5,423,802	25,799,146

20.1 Murabaha facilities represent facilities obtained from a local Islamic bank and carry an average annual profit rate of 1.25% (31 December 2024: 1.25%) above CBK discount rate. These murabaha facilities mature on various dates ending 10 May 2026 and are renewable.

20.2 Term loan carried an annual interest rate of 1% above CBK discount rate. During the year, the loan was fully settled.

20.3 Wakala payables represent the following:

a. Wakala facilities amounting to KD22,276,500 (31 December 2024: KD22,901,500) carry an average annual profit rate of 1% (31 December 2024: 1%) above CBK discount rate and are secured against an investment property with a carrying value of KD31,356,012 (31 December 2024: KD31,391,300) (note 12.2). These wakala payables mature on various dates ending on 27 April 2026.

The Group is in the process of renewing these facilities for a further five-year period ending on 27 April 2031. While a draft agreement has been reached, the renewal is pending completion of the formalities to sign the agreement as at the date of issuance of these consolidated financial statements. Accordingly, these facilities have been classified as a current liabilities as at the reporting date.

b. Wakala facility amounting to KD1,700,000 (31 December 2024: KD1,400,000) carrying an average annual profit rate of 1.25% (31 December 2024: 1.25%) above CBK discount rate. The wakala payable matures on 1 May 2026 and is renewable.

21 Accounts payable and other liabilities

	31 Dec. 2025 KD	31 Dec. 2024 KD
Accounts payable	4,331,301	4,156,395
Accrued expenses	3,233,651	3,478,600
Dividends payable	1,707,295	1,720,286
Staff payable	1,024,119	1,132,087
Provision for KFAS	94,389	88,600
Provision for NLST	307,010	318,377
Provision for Zakat	107,931	118,046
Provision for directors' remuneration	45,000	45,000
Advances received and other liabilities	3,791,023	3,288,267
	14,641,719	14,345,658

Notes to the consolidated financial statements (continued)

22 General assembly of the shareholders and proposed dividends

Subject to the requisite consent of the relevant authorities and approval of the shareholders' general assembly, the directors of the Parent Company propose to distribute cash dividend of 8 Fils per share for the year ended 31 December 2025.

Also, the directors of the Parent Company propose Board of Directors' remuneration of KD45,000 for the year ended 31 December 2025. This proposal is also subject to approval of the shareholders' general assembly.

The annual general assembly of the Parent Company's shareholders held on 20 May 2025 approved the consolidated financial statements for the year ended 31 December 2024. It also approved to distribute cash dividend of 5 Fils per share for the year ended 31 December 2024 (2023: 5 Fils per share) and bonus shares at 10% for the shareholders of the Parent Company through increase in share capital (2023: no bonus shares). Further, the shareholders approved the Board of Directors' remuneration of KD45,000 for the year ended 31 December 2024 (2023: KD45,000).

Further, the extraordinary general assembly of the Parent Company's shareholders held on 27 May 2025 approved to increase the share capital through the distribution of 10% bonus shares. As a result, the share capital became KD44,502,493 comprising of 445,024,928 shares of 100 Fils each (note 17).

23 Related party transactions and balances

Related parties represent subsidiaries, associates, major shareholders, 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 Group's management. Transactions between the Parent Company and its subsidiaries which are related parties of the Parent Company have been eliminated on consolidation and are not disclosed in this note.

Details of transactions and balances between the Group and other related parties are disclosed below.

	Year ended 31 Dec. 2025 KD	Year ended 31 Dec. 2024 KD
Transactions included in the consolidated statement of profit or loss:		
Sales (major shareholder)	1,352,771	1,272,082
Cost of revenue (major shareholder)	(161,199,066)	(158,092,364)
Gain on sale of subsidiary	-	681,644
General and administrative expenses	(48,030)	(39,141)
<hr/>		
Key management compensation:		
Salaries and other short-term benefits	317,677	278,383
End of service benefits	18,092	16,327
Provision for directors' remuneration	45,000	45,000
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	380,769	339,710
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Notes to the consolidated financial statements (continued)

23 Related party transactions and balances (continued)

	31 Dec. 2025 KD	31 Dec. 2024 KD
Balances included in the consolidated statement of financial position:		
Accounts receivable and other assets - net of provision of KD127,398	310,718	281,664
Accounts payable (major shareholder)	16,292,480	13,694,362
Payable on purchase of a subsidiary, included under other liabilities (note 6)	2,000	-
Contingent liabilities:		
Letter of guarantee (note 25)	5,000,000	5,000,000

24 Segmental analysis

Operating segments are identified based on internal management reporting information that is regularly reviewed by the chief operating decision maker in order to allocate resources to the segment and to assess its performance and is reconciled to Group's profit or loss.

The Group operates in the sectors of fuel marketing and other related services and investments as follows:

	Fuel marketing and other related services KD	Investments KD	Total KD
For the year ended 31 December 2025			
Revenue	180,154,852	3,452,227	183,607,079
Total expenses	(173,477,498)	(2,696,711)	(176,174,209)
Segment profit	6,677,354	755,516	7,432,870
Unallocated expenses			(468,587)
Profit for the year			6,964,283
At 31 December 2025			
Total assets	41,556,590	108,078,372	149,634,962
Total liabilities	(34,293,769)	(29,462,060)	(63,755,829)
Net assets	7,262,821	78,616,312	85,879,133

Notes to the consolidated financial statements (continued)

24 Segmental analysis (continued)

	Fuel marketing and other related services KD	Investments KD	Total KD
For the year ended 31 December 2024			
Revenue	177,823,561	5,810,662	183,634,223
Total expenses excluding impairment of investment in associate	(171,335,694)	(2,006,293)	(173,341,987)
Impairment of associate	-	(3,568,831)	(3,568,831)
Segment profit	6,487,867	235,538	6,723,405
Unallocated expenses			(503,711)
Profit for the year			6,219,694
At 31 December 2024			
Total assets	44,818,464	95,441,178	140,259,642
Total liabilities	(31,129,869)	(34,600,142)	(65,730,011)
Net assets	13,688,595	60,841,036	74,529,631

25 Contingent liabilities and capital commitments

As at 31 December 2025, the Group had outstanding letter of guarantee amounting to KD5,000,000 (31 December 2024: KD5,000,000) in respect of purchase commitments of fuel from Kuwait National Petroleum Company (“KNPC”) (note 23).

Further, as at 31 December 2025, the Group had capital commitments amounting to KD1,922,586 relating to renovation of fuel stations (31 December 2024: KD2,320,520).

26 Risk management objectives and policies

The Group’s activities expose it to variety of financial risks: market risk (including foreign currency risk, interest rate risk and price risk), credit risk and liquidity risk.

The Parent Company’s Board of Directors is ultimately responsible for the overall risk management and for approving risk strategies and principles. The Group’s risk management focuses on actively securing the Group’s short to medium term cash flows by minimising the potential adverse effects on the Group’s financial performance. Long term financial investments are managed to generate lasting returns.

The Group does not enter into or trade financial instruments, including derivative financial instruments, for speculative purposes.

Notes to the consolidated financial statements (continued)

26 Risk management objectives and policies (continued)

The most significant financial risks to which the Group is exposed are described below.

26.1 Market risk

a) Foreign currency risk

Foreign currency risk is the risk that the value of a financial instrument will fluctuate due to changes in foreign exchange rates. Almost all transactions of the Group are conducted in Kuwait Dinar and, therefore, the Group is not significantly exposed to foreign currency risk.

b) Interest and profit rate risk

Interest and profit rate risk arises from the possibility that changes in interest and profit rates will affect future profitability or the fair values of financial instruments. The Group is mainly exposed to interest rate risk with respect to its term deposits, term loan, wakala payable and murabaha payable. The board monitors the interest rate risk by setting limits.

Positions are monitored on a regular basis and hedging strategies are used, if required, to ensure positions are maintained within established limits.

The following table illustrates the sensitivity of the profit for the year to a reasonably possible change in interest rates of +1% and -1% (31 December 2024: +1% and -1%) with effect from the beginning of the year. These changes are considered to be reasonably possible based on observation of current market condition.

The calculations are based on the Group's financial instruments held at each reporting date. All other variables are held constant. There is no direct impact on the Group's equity:

	31 December 2025		31 December 2024	
	+1% KD	-1% KD	+1% KD	-1% KD
Profit for the year	(304,749)	304,749	(334,979)	334,979

There has been no change during the year in the methods and assumptions used in preparing the sensitivity analysis.

c) Price risk

The Group is exposed to price risk with respect to its equity and debt investments. Equity and debt investments are classified as financial assets at fair value through other comprehensive income.

To manage its price risk arising from investments in equity and debt securities, the Group diversifies its portfolio. Diversification of the portfolio is done in accordance with the limits set by the Group.

The sensitivity analyses below have been determined based on the exposure to equity and debt price risks at the reporting date. There has been no change during the year in the methods and assumptions used in preparing the sensitivity analysis.

If equity and debt prices had been 2% (2024: 2%) higher/lower, the effect on the equity would have been as follows:

Notes to the consolidated financial statements (continued)

26 Risk management objectives and policies (continued)

26.1 Market risk (continued)

c) Price risk (continued)

	Equity	
	31 Dec. 2025 KD	31 Dec. 2024 KD
Financial assets at fair value through other comprehensive income	± 357,109	± 328,730

26.2 Credit risk

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss. The Group's credit policy and exposure to credit risk is monitored on an ongoing basis. The Group seeks to avoid undue concentrations of risks with individuals or groups of customers in specific locations or business through diversification of its activities. It also obtains security when appropriate.

The Group's exposure to credit risk is limited to the carrying amounts of financial assets recognised at the reporting date, as summarised below:

	31 Dec. 2025 KD	31 Dec. 2024 KD
Accounts receivable and other assets - excluding prepayments	1,998,346	1,740,689
Term deposits	6,632,206	7,100,000
Cash and bank balances	3,151,357	7,459,633
	11,781,909	16,300,322

Bank balances and term deposits are maintained with high credit quality financial institutions.

26.3 Liquidity risk

Liquidity risk is the risk that the Group will be unable to meet its liabilities when they fall due. To limit this risk, management has arranged diversified funding sources, manages assets with liquidity in mind, and monitors liquidity on a regular basis.

The Group's contractual maturity profile of financial liabilities based on undiscounted cash flows is as follows:

	Up to 1 month KD	1-3 months KD	3-12 months KD	Over one year KD	Total KD
31 December 2025					
Liabilities					
Lease liabilities	-	-	1,807,384	-	1,807,384
Borrowings	-	597,927	23,890,418	5,878,285	30,366,630
Accounts payable and other liabilities	1,707,295	4,345,353	8,589,071	-	14,641,719
Due to related party	16,292,480	-	-	-	16,292,480
	17,999,775	4,943,280	34,286,873	5,878,285	63,108,213

Notes to the consolidated financial statements (continued)

26 Risk management objectives and policies (continued)

26.3 Liquidity risk (continued)

	Up to 1 month KD	1-3 months KD	3-12 months KD	Over one year KD	Total KD
31 December 2024					
Liabilities					
Lease liabilities	-	-	1,807,384	-	1,807,384
Borrowings	-	1,305,734	9,161,893	26,871,780	37,339,407
Accounts payable and other liabilities	1,720,286	5,175,747	7,449,625	-	14,345,658
Due to related party	13,694,362	-	-	-	13,694,362
	15,414,648	6,481,481	18,418,902	26,871,780	67,186,811

The table below summarises the maturity profile of the Group's assets and liabilities. Except for financial assets at fair value through other comprehensive income and investment properties, the maturities of assets and liabilities have been determined on the basis of the remaining period from the reporting date to the contractual maturity date. The maturity profile for financial assets at fair value through other comprehensive income and investment properties is determined based on management's expected realisation or exit dates.

The maturity profiles of assets and liabilities are as follows:

	At 31 December 2025			At 31 December 2024		
	1 year KD	Over 1 year KD	Total KD	1 year KD	Over 1 year KD	Total KD
Assets						
Property and equipment	-	24,919,666	24,919,666	-	22,755,917	22,755,917
Intangible assets	-	8,140,428	8,140,428	-	9,057,869	9,057,869
Right of use assets	-	215,119	215,119	-	1,075,613	1,075,613
Investment properties	-	35,126,722	35,126,722	-	37,675,100	37,675,100
Investment in associate	-	19,014,993	19,014,993	-	16,373,653	16,373,653
Financial assets at FVTOCI	21,679,977	25,624,474	47,304,451	16,394,130	17,898,295	34,292,425
Inventories	1,454,012	-	1,454,012	1,393,121	-	1,393,121
Accounts receivable and other assets	3,006,414	-	3,006,414	2,494,420	-	2,494,420
Term deposits	6,632,206	-	6,632,206	7,100,000	-	7,100,000
Cash and bank balances	3,820,951	-	3,820,951	8,041,524	-	8,041,524
Total assets	36,593,560	113,041,402	149,634,962	35,423,195	104,836,447	140,259,642
Liabilities						
Provision for employees' end of service benefits	-	1,558,032	1,558,032	-	1,301,687	1,301,687
Lease liabilities	1,801,538	-	1,801,538	1,788,162	-	1,788,162
Borrowings	24,038,258	5,423,802	29,462,060	8,800,996	25,799,146	34,600,142
Accounts payable and other liabilities	14,641,719	-	14,641,719	14,345,658	-	14,345,658
Due to a related party	16,292,480	-	16,292,480	13,694,362	-	13,694,362
	56,773,995	6,981,834	63,755,829	38,629,178	27,100,833	65,730,011

Notes to the consolidated financial statements (continued)

26 Risk management objectives and policies (continued)

26.3 Liquidity risk (continued)

The Group is in the process of renewing its Wakala facilities amounting to KD22,276,500 for a further five-year period ending on 27 April 2031. While a draft agreement has been reached with the lender, the renewal is pending completion of the formalities to sign the agreement as at the date of issuance of these consolidated financial statements. Accordingly, these facilities have been classified as a current liabilities in these consolidated financial statements (note 20).

27 Fair value measurement

27.1 Fair value measurement of financial instruments

The carrying amounts of the Group's financial assets and liabilities as stated in the consolidated statement of financial position are as follows:

	31 Dec. 2025 KD	31 Dec. 2024 KD
Financial assets		
<i>At amortised cost:</i>		
Accounts receivable and other assets	1,998,346	1,740,689
Term deposits	6,632,206	7,100,000
Cash and bank balances	3,820,951	8,041,524
<i>Financial assets at fair value:</i>		
Financial assets at fair value through other comprehensive income	47,304,451	34,292,425
	59,755,954	51,174,638
Financial liabilities		
<i>Financial liabilities at amortised cost:</i>		
Lease liabilities	1,801,538	1,788,162
Borrowings	29,462,060	34,600,142
Accounts payable and other liabilities	14,641,719	14,345,658
Due to a related party	16,292,480	13,694,362
	62,197,797	64,428,324

Management considers that the carrying amounts of financial assets and financial liabilities, which are stated at amortised cost, approximate their fair values.

27.2 Fair value measurement

Fair value represents 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 Group measures certain financial instruments at fair value, and the related measurement details are disclosed below. In the opinion of the Group's management, the carrying amounts of all other financial assets and liabilities which are carried at amortised cost are considered a reasonable approximation of their fair values.

27.3 Fair value hierarchy

All assets and liabilities for which fair value is measured or disclosed in the consolidated financial statements are grouped into three levels of a fair value hierarchy. The three levels are defined based on the observability of significant inputs to the measurement, as follows:

Notes to the consolidated financial statements (continued)

27 Fair value measurement (continued)

27.3 Fair value hierarchy (continued)

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and
- Level 3: inputs for the asset or liability that are not based on observable market data (i.e. unobservable inputs).

The level within which the financial asset or liability is classified is determined based on the lowest level of significant input to the fair value measurement.

The financial assets measured at fair value on a recurring basis in the consolidated statement of financial position are grouped into the fair value hierarchy as follows:

	Level 1 KD	Level 2 KD	Level 3 KD	Total KD
31 December 2025				
Financial assets at FVTOCI				
Local quoted securities	17,855,460	-	-	17,855,460
Local unquoted securities	-	-	22,433,052	22,433,052
Local managed fund	-	3,824,517	-	3,824,517
Foreign unquoted securities	-	2,787,385	404,037	3,191,422
	17,855,460	6,611,902	22,837,089	47,304,451
31 December 2024				
Financial assets at FVTOCI				
Local quoted securities	16,394,133	-	-	16,394,133
Local unquoted securities	-	-	14,117,473	14,117,473
Foreign unquoted securities	-	3,409,470	371,349	3,780,819
	16,394,133	3,409,470	14,488,822	34,292,425

There has been no transfer between Levels 1 and 2 during the year. The Group does not have any financial liabilities measured at fair value.

Level 3 fair value measurements

The Group's financial assets classified in Level 3 use valuation techniques based on significant inputs that are not based on observable market data. The financial instruments within this level can be reconciled from beginning to end balances as follows:

	Financial assets at FVTOCI	
	31 Dec. 2025 KD	31 Dec. 2024 KD
Balance at the beginning of the year	14,488,822	14,015,836
Additions during the year	8,701,319	5,833,725
Disposals during the year	(1,789,356)	(3,057,140)
Change in fair value	1,436,304	(2,303,599)
Balance at the end of the year	22,837,089	14,488,822

Notes to the consolidated financial statements (continued)

27 Fair value measurement (continued)

27.3 Fair value hierarchy (continued)

The Group's finance team performs valuations of financial items for financial reporting purposes, including Level 3 fair values, in consultation with third-party valuation specialists for complex valuations, where required. Valuation techniques are selected based on the characteristics of each instrument, with the overall objective of maximising the use of market-based information.

Changing inputs to the Level 3 valuations to reasonably possible alternative assumptions would not significantly change the amounts recognised in profit or loss, total assets, total liabilities or total equity.

Measurement at fair value

The methods and valuation techniques used for the purpose of measuring fair value are unchanged compared to the previous reporting period.

a. Quoted securities

Quoted securities represent listed securities that are publicly traded in stock exchanges. Where quoted prices in an active market are available, the fair value of such investments has been determined by reference to their quoted bid prices at the reporting date.

b. Unquoted securities

Unquoted securities are measured at fair value estimated using various models like discounted cash flow model, market multipliers and adjusted net book value which include some assumptions that are not supportable by observable market prices or rates.

c. Investment in managed fund

Investment funds managed by others mainly comprise quoted and unquoted investments and the fair value of these units has been determined based on net asset value reported by the fund manager as of the reporting date.

d. Debt instruments

Debt instruments represent investments in bonds/Sukuk. The fair value of these instruments is determined based on the reports received from the portfolio manager as of the reporting date.

27.4 Fair value measurement of non-financial assets

All investment properties are fair valued at year end. The fair value hierarchy and basis of valuation is disclosed in note 12.

28 Capital management objectives

The Group's capital management objectives are to ensure the Group's ability to continue as a going concern and to provide adequate return to its shareholders through the optimisation of the capital structure.

The Group manages the capital structure and makes adjustments in the light of changes in economic conditions and risk characteristics of the underlying assets. In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

The capital structure of the Group consists of the following:

Notes to the consolidated financial statements (continued)

28 Capital management objectives (continued)

	31 Dec. 2025 KD	31 Dec. 2024 KD
Borrowings and lease liabilities	31,263,598	36,388,304
Less: Cash and cash equivalents	(3,820,951)	(8,041,524)
Net debt	27,442,647	28,346,780
Total equity	85,879,133	74,529,631

Consistent with others in the industry, the Group monitors capital on the basis of the gearing ratio.

This ratio is calculated as net debt divided by total equity as follows:

	31 Dec. 2025 KD	31 Dec. 2024 KD
Net debt	27,442,647	28,346,780
Total equity	85,879,133	74,529,631
Gearing ratio	32%	38%

29 Subsequent events

Subsequent to the reporting date, geopolitical developments in the Middle East resulted in increased uncertainty and market volatility in global and regional markets. These events are considered non-adjusting as they do not relate to conditions existing at the reporting date.

Based on information available up to the date of the issuance of these consolidated financial statements, the Group's operations continue uninterrupted and management has not identified any material financial impact on the Group's consolidated financial statements. However, the situation remains evolving and the Group continues to monitor the situation.

Oula Stations - Address - Services



محطات الأولى - عناوين - خدمات متوفرة

رقم المحطة STATION No.	ممتاز PREMIUM	خصوصي SUPER	الترتا ULTRA	ديزل DIESEL	كبروسين KEROSENE	غسيل السيارات AUTOWASH	غسيل السيارات CAR WASH	سوق مركزي SUPERMARKET	مركز الخدمة SERVICE CENTER	برونتو واشر PRONTOWASH	مطاعم FAST FOOD
#											

رقم المحطة STATION NUMBER	الخدمات المتوفرة					غسيل السيارات CAR WASH	سوق مركزي SUPERMARKET	مركز الخدمة SERVICE CENTER	برونتو واشر PRONTOWASH	مطاعم FAST FOOD	
	ممتاز PREMIUM	خصوصي SUPER	الترتا ULTRA	ديزل DIESEL	كبروسين KEROSENE						
1	AL Ahmadi	AL Moghawaa	الأحمدي شمال الأحمدي								
4	Abdal		العبدلي								
11	AL Omaria	Airport Road	العميرية طريق المطار								
14	AL Salmiya		السالية الدائري الربع								
15	AL Qaser	Al N'aeem st.	القصر قطعة 2								
17	AL Qurain	Al Ghos st.	القرين شارع الغوص								
23	AL Dua'ai		الدعية								
26	Um Al Aish		أم العيش								
28	Qortoba	4th Ring Road	قرطبة الدائري الربع								
31	AL Ruqii	4th Ring Road	الرقعي الدائري الربع								
33	AL Khaldiya		الخالدية								
38	AL Ardiya	Al Ardiya Industrial	العارضية								
41	Dasman	Ahmed Al Jaber st.	دسمان								
42	Shuwaikh	Shuwaikh Industrial	الشويخ								
45	Al Shuhada	6th Ring Road	الشهداء جنوب السرة								
49	AL Funtas	Al Sahel Road	الفنتاس الطريق الساحلي								
50	Kaifan	Ashbelia st.	كيفان								
52	AL Shadadiyah	6th Ring Road	الشدادية الدائري السادس								
57	AL Fehahel	Next to fire Brigade	الفحيحيل بجانب المطافي								
60	AL Adaam	King Fahad Road	الأدعمي طريق الملك فهد								
65	Hawalli	3rd Ring Road	حولي الدائري الثالث								
68	Bayan	Block 8	بيان قطعة 8								
70	Sabah Al Salem	Block 12	صباح السلام قطعة 12								
71	AL Salmiya	5th Ring Road	السالية الدائري خامس								
75	Ali Sabah Al Salem	Block 9 - Um Al Haiman	علي صباح السلام قطعة 9 أم الهيمان								
77	AL Jabria	Block 2	الجابرية								
82	Mubarak Al Kabir	Block 3	مبارك الكبير قطعة 9								
83	AL Atraf	Al Salmi Road	الأطراف طريق السالمي								
85	AL Adan	King Fahed Road	العدان طريق الملك فهد								
86	AL Oyoon	Block 3	العيون قطعة 3								
89	AL Wafra	Block 2 - Road 300	الوفرة قطعة 2								
90	AL Sulaibia	Block 4	الصليبية قطعة 4								
92	Eshbelia	Block 4	اشبيلية قطعة 4								
96	AL Shuwaikh	Jamal Abd Al Naser st.	الشويخ شارع جمال عبدالناصر								
101	Sharq	Al Istiqlal st	شرق تقاطع شارع الاستقلال								
103	Airport Exit	Airport Road	مخرج المطار طريق المطار								
104	East Sulaibikhat	Block 1 - Al Nhda	شرق الصليبيخات قطعة 1 - النهضة								
107	Abdullah Al Mubarak	West Jalib Al Shuiukh	عبدالله المبارك غرب جليب الشويخ								
109	South Airport	7th Ring Road	جنوب المطار الدائري السابع								
110	AL Massila	Fahaheel Highway	المسيلة بداية خط الفحيحيل السريع								
120	Mubarak Al Abdullah	West Mishref	مبارك عبدالله غرب مشرف								
121	Kabd	Block 2	كبذ قطعة 2								
122	West Shuaiba	king Fahad Road	غرب الشعيبة طريق الملك فهد السريع								