

Strategic Review

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Business Model

Inputs

Financial Capital (฿ Million)

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

Manufactured Capital Production Capacity (Thousand MT)

Jeddah Refinery	Yanbu Refinery
275	1,180

Feedstock (Thousand MT)

RCO & Other
3,487

Human Capital

Total Employees	Workforce Covered by Certified HSE Systems
632	100%

Feedstock

Refining Base Oils

Distribution



Creating Value for Our Stakeholders

• Shareholders

Driving long-term value through sustainable financial performance, disciplined growth, strong governance, and transparent disclosures.

• Employees

Providing a safe and inclusive workplace, fair pay and benefits, and opportunities for training and career development.

• Communities

Supporting social and economic development through community initiatives, education programmes, and local partnerships.

• Government and Regulators

Ensuring full regulatory compliance while contributing to national development and environmental priorities.

• Customers

Supplying high-quality premium base oils, reliable availability, and responsive technical and logistics support.

• Suppliers

Building ethical, transparent partnerships that promote performance, innovation, and responsible sourcing.

Business Activities

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

Supply Chain Enablement

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

Value Creation Across the Chain

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

Outputs

Operations (Thousand MT) Types of Products:

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

Financial (฿ Million)

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

Human

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

Environmental Sustainability

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

Social Impact

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

Strategic Approach

Implementing the Transition to Higher-Value Base Oils

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

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

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



Base Oil Focus

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

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

Unique Market Positioning

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

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

Other Strategic Initiatives

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

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

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

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

Growth Platforms for the Future

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

Strategy in Action

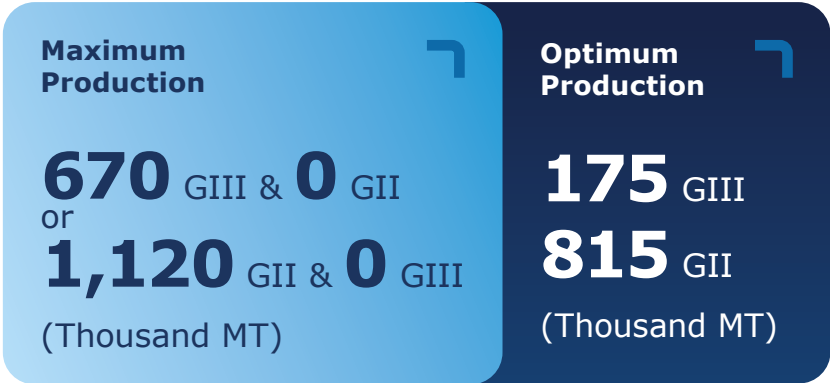
Luberef continues to advance its strategy through disciplined growth, innovation, and sustainability. Major projects such as the Yanbu Growth II Expansion and the planned Group III+ study in Jazan are aimed at expanding capacity, increasing flexibility, and positioning the Company to capture value in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

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

Yanbu Growth II Project and Transformation

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

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



Group III+ Project

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

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

Expanding Market Access and Geographic Reach

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

Strengthening Presence Across the GCC Region

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

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

Strengthening Global Credibility through OEM Approvals

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

Expanding into African Growth Markets

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

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

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

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

Innovation, Sustainability, and Growth Platforms

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

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

Supporting Vision 2030

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

Industrial Diversification Through LubeHub

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

Localization of Finished Products

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

Attracting Investment

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

Economic Impact

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

Economic Resilience and Portfolio Upgrading

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

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



Human Capital and Saudization

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

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

Sustainability and the Saudi Green Initiative

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

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

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

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

Market Review

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

Global Macroeconomic and Energy Landscape

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

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

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

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

Structural Shifts in the Base Oil Sector

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

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

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

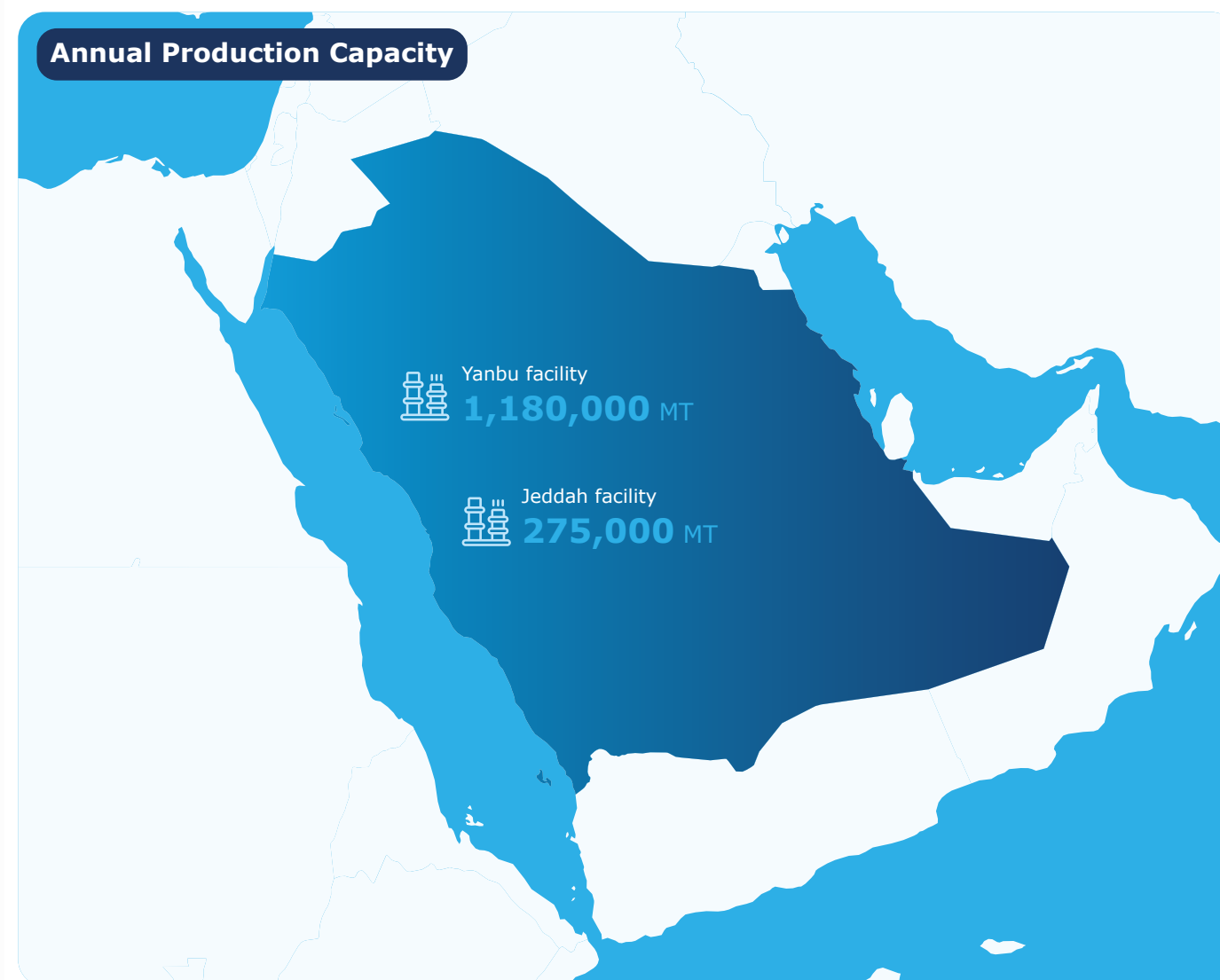
5 Years Global Demand CAGR 2026–2031

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

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

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

Annual Production Capacity



Regional Market Dynamics

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

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

Saudi Arabia and Vision 2030



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

Outlook

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

CFO Statement

Resilient and sustainable value creation.



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

Dear Shareholders,

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

Financial Performance Overview

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

Earnings per Share

5.08

Cash Conversion

93%

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

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

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

Sales, Production, and Margins

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

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

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

Cash Flow, Liquidity, and Capital Allocation

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

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

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

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

Capital Expenditure and Strategic Investment

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

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

Managing Risk and Enhancing Resilience

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

Shareholder Value and Financial Discipline

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

Outlook

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

Saud Fouad Kamakhi
Chief Financial Officer

Financial Performance

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

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

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

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

Business Results, ₪ Million

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

Comparison of Assets and Liabilities, ₪ Million

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

Statement of Cash Flows, ₪ Million

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

Dividends Declared and Distributed, ₪ Million

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

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

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



¹ Restated.

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

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

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

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

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

Employee-related Investments and Reserves, ₪ Thousand

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

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



Current Assets

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



Non-Current Assets

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



Current Liabilities

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



Non-Current Liabilities

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



Free Cash Flow (FCF)

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



Net Free Cash Flow from Financing Activities

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



Revenue

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



Operating Profit

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



ROACE

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



Gearing

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

Business Overview

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

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

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

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

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

Product Overview

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

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

Products overview and properties

Group	Trademark	Key properties	Products	
Group I Base Oil	aramcoDURA®	Good viscosity index	aramcoDURA 150	aramcoDURA BS 150
			aramcoDURA 500	
Group II Base Oil	aramcoPRIMA®	Good viscosity index, low sulfur	aramcoPRIMA 70	aramcoPRIMA 230
			aramcoPRIMA 110	aramcoPRIMA 500
Group III Base Oil¹	aramcoULTRA®	Excellent viscosity index, low sulfur	aramcoULTRA 2	aramcoULTRA 6
			aramcoULTRA 4	aramcoULTRA 8

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



Group I and Group II Base Oils

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

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

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

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

Base Oil Production

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

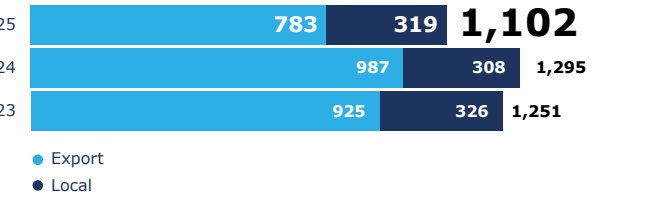
Group III Base Oils and Alliance Trade

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

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

Base Oil Sales¹

Total Sales Volumes, **Thousand MT**



By-product Production

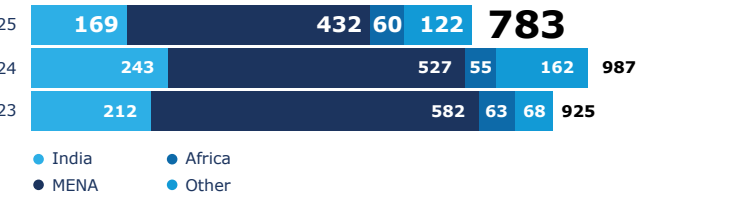
In addition to base oils, Luberef’s operations generate a range of essential byproducts that support multiple industrial applications.

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

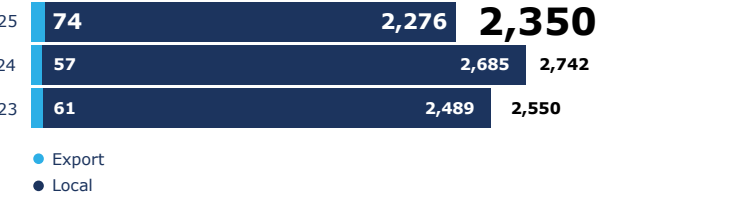
Product	% Change (YoY)	2025 (MT)	2024 (MT)
Byproducts	-14%	2,014,261	2,334,103
White Products	-18%	335,900	411,694

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

Regional Sales Volumes, **Thousand MT**



By-product Sales, **Thousand MT**



¹ Luberef product only.

Production Facilities

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

Production Facilities – Overview

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

Yanbu Facility

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

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

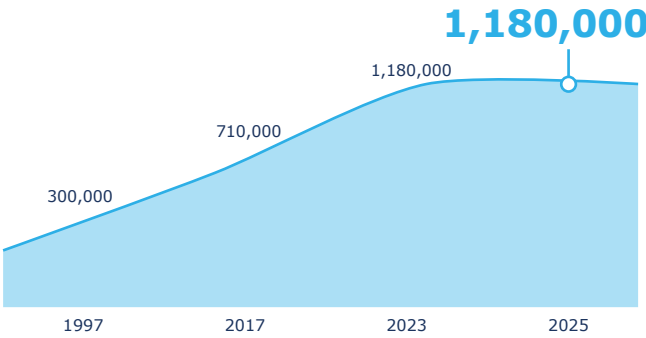
Yanbu Growth I Expansion

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

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

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

Annual Production Capacity - Yanbu, **MT**



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

¹ Based on current operating products slate.

² By-product volumes include white products.

By-products

ULSD



Naphtha



Drilling Fluid



Sulfur

Group II Train

1

VDU
Distillation

2



Hydrocracker

3

ISO
De-waxer**Group II Base Oils**aramcoPRIMA[®] 70aramcoPRIMA[®] 110aramcoPRIMA[®] 230aramcoPRIMA[®] 500**Group I Train**

4

Rose
PDA

5

FEU
Extraction

6

MLDW
De-waxing**By-products**

Naphtha



MHFO



Sulfur

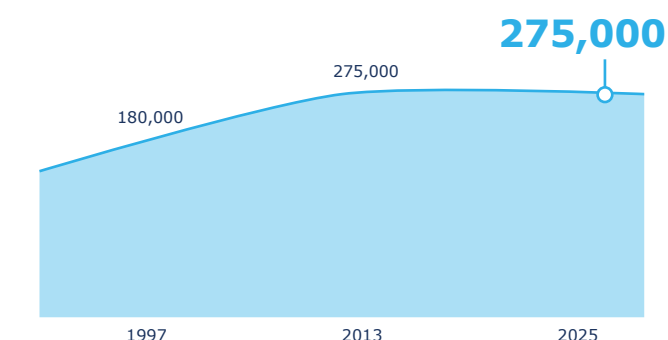
Group I Base OilsaramcoDURA[®] BS 150aramcoDURA[®] 150

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

Jeddah Facility

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

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

Annual Production Capacity - Jeddah, MT**By-products**

LVGO



Fuel Oil



Slack Wax

Group I Train

1

VDU
Distillation

3

FEU
Extraction

4

MEK
De-waxing**Group I Base Oils**aramcoDURA[®] 150aramcoDURA[®] 500

Feedstock



Asphalt

2

Conventional
PDADe-asphalted Oil sent to
Yanbu Plant via trucksFEU
Extraction**Yanbu Facility**

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

Operational and Safety Review

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

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

Strengthening Health, Safety, and Emergency Preparedness

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

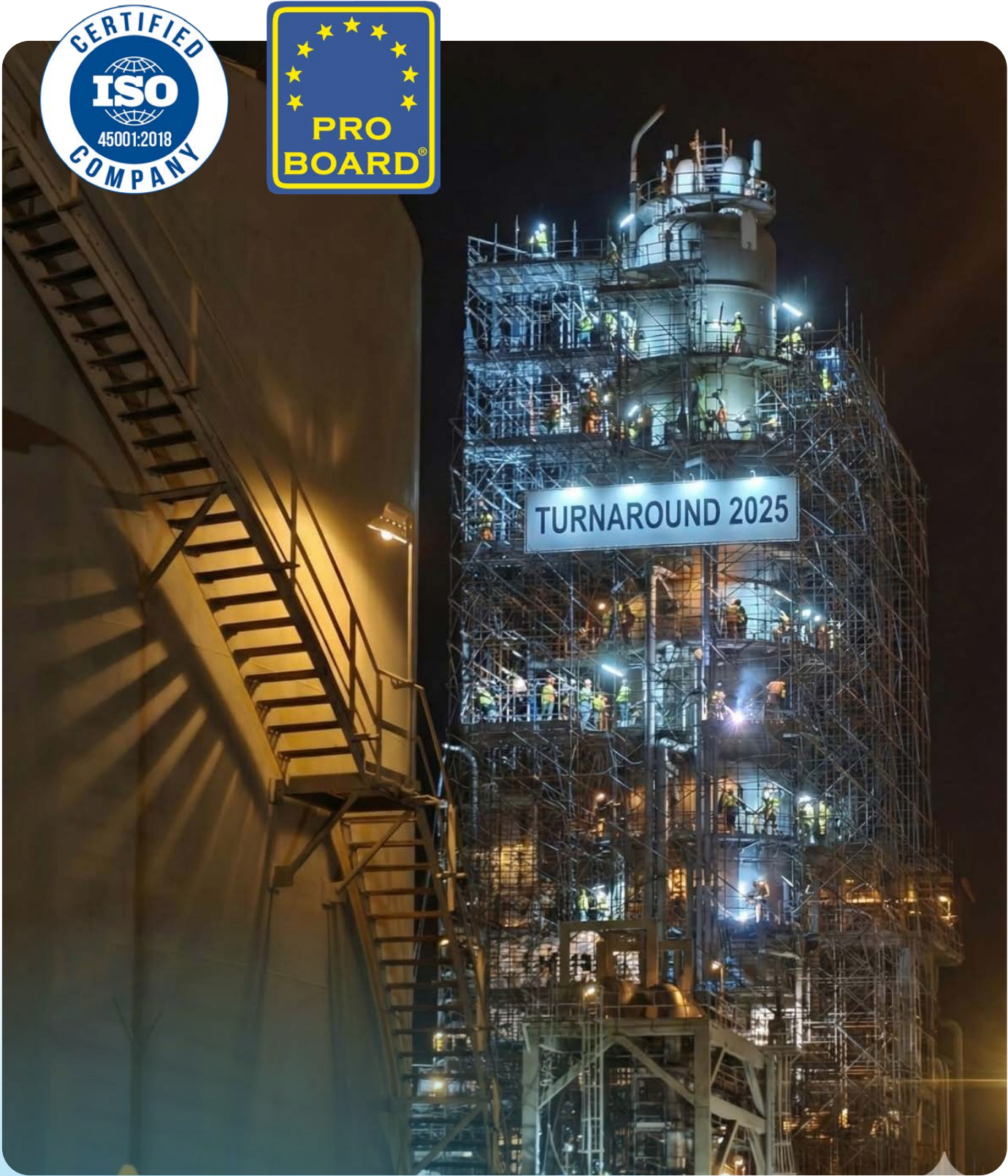
The Industrial Security and Safety (ISS) Department also received multiple recognitions, including Pro Board International Accreditation for ten firefighters certified to NFPA standards, two President's Awards from neighboring facilities for exemplary incident response, and a perfect score of 30/30 in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



Embedding a Proactive Safety Culture

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

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



Building Knowledge and Capability

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

In 2025

976 participants joined safety programs totaling

HSE & emergency training hours

65,105 covering technical, behavioral, and emergency-preparedness topics

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

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

Operational Excellence and Reliability

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

Major Turnaround Execution

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

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

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

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



Our People

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

Human Resources and Organizational Development

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

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

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

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

Total number of direct employees ↗

632

Female employment increased ↗

by 19% since 2024

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

Total training hours ↗

59,696

Saudization

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

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

Saudization

84%

 Achieving Platinum status as per the Saudi labor laws

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

Learning, Training, and Mentorship

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

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

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

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

Leadership Development and Succession Planning

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

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



Support for Youth Development

Students enrolled in Co-ops/Summer Training Programs

29

University graduates enrolled in Tamheer on job-training programs

14

Compensation, Benefits, and Employee Well-Being

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

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

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

Employee Engagement and Future Initiatives

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

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

Stakeholder Engagement

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

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

Purpose of Engagement	How We Engage	How Often We Engage	Key Topics and Discussions
Shareholders			
Strengthen transparency, build investor confidence, and communicate performance and strategy	- Corporate Governance Framework - General Assembly - Annual and Sustainability Reports - Disclosures and Earnings Calls - Investor Presentations and Roadshows - Press Releases and Website Updates - Direct communication with Investor Relations Department	Annually, quarterly, and ad hoc as required	- Business Strategy and Long-Term Growth - Financial Performance and Dividends - Share Price and Market Outlook - Corporate Governance Practices - Relationship with Saudi Aramco - ESG Performance and Disclosure - Material Developments
Employees			
Foster a safe, inclusive, and high-performing workplace built on engagement and development	- Luberef Code of Conduct and HR Policies - Training and Development Programs - Employee Engagement and Feedback Surveys - Grievance Mechanisms - Internal Communications and Town Halls - Safety and Well-being Campaigns	Annually, quarterly, and ad hoc as required	- Workplace Health, Safety, and Well-being - Diversity, Inclusion, and Equal Opportunity - Compensation, Benefits, and Job Security - Training and Career Growth - Organizational Culture and Feedback
Community			
Contribute to social and economic development while promoting environmental stewardship	- Sustainability Report and CSR Programs - Partnerships with NGOs and Charitable Organizations - Educational and Vocational Training Initiatives - Volunteering and Employee Engagement Campaigns - Environmental and Recycling Projects - Carbon Credit and Tree Planting Initiatives	Annually, quarterly, and ad hoc as required	- Community Welfare and Social Inclusion - Environmental Sustainability and Awareness - Youth Training and Employment - Local Supplier and SME Development - Corporate Donations and Sponsorships



Purpose of Engagement	How We Engage	How Often We Engage	Key Topics and Discussions
Government and Regulators			
Maintain compliance, strengthen partnerships, and support national development goals	- Code of Conduct and Regulatory Compliance Framework - Direct Communication with Ministries and Authorities - Regular Submissions and Site Inspections - Policy Consultations and Forums - Collaboration on Environmental and Industrial Standards	Annually, quarterly, and ad hoc as required	- Compliance With Laws and Regulations - Health, Safety, and Environmental Performance - Contribution to Vision 2030 - Industrial and Energy Development - Climate Change and Emission Management
Customers			
Deliver quality, reliability, and innovation to build lasting business partnerships	- Code of Conduct and Customer Service Channels - Technical Workshops and Industry Conferences - Direct Sales and Marketing Communication - Product Quality Assurance and Feedback Systems - Online and Digital Platforms	Regularly and as required	- Product Specifications and Certifications - Price Stability and Supply Reliability - Sustainability Attributes of Base Oils - Customer Satisfaction and Technical Support - Long-Term Supply Agreements
Suppliers			
Strengthen relationships through ethical sourcing, transparency, and mutual performance improvement	- Supplier Code of Conduct - Supplier Audits and Compliance Assessments - Conferences and Capability-Building Workshops - Regular Performance Reviews - Direct Engagement with Procurement and Contracts Teams	Regularly and as required	- Delivery and Performance Standards - Ethical, Legal, and Financial Compliance - Procurement Process Transparency - Local Content and Supplier Development - Digitalization and Process Efficiency

Risk Management

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

Governance Structure for Risk Oversight

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



Three Lines of Defense

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

First Line

Business and Support Units:

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

Second Line

Risk Management Function:

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

Third Line

Internal Audit:

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

Process and Risk Management Framework

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

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

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



Business Continuity and Operational Resilience

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

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

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

Cybersecurity and Digital Resilience

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

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

Expanding Risk Domains

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

