

Report of the Board of Directors for 2025

**Message to the Shareholders,
Dear Shareholders,**

On behalf of the Board of Directors of the Independent Petroleum Group Company K.S.C.P., I am pleased to present the 49th Annual Report and consolidated financial statements to the Shareholders of IPG for the year 2025.

As a continuation of 2024, the oil markets in year 2025 faced difficult challenges due to sanctions leading to higher prices and concerns over petroleum product supplies. Even the logistics market in the petroleum sector was turbulent. Crude oil and petroleum products' prices fluctuated intermittently during 2025 due to the geopolitical disruptions, and it caused constraints on Finance and Marketing. Forecasting future directions has become unpredictable.

Nevertheless, the year 2025 was another successful year for The Group, generating solid revenues. Performance figures reveal a net profit of 10.171 million KD, equivalent to 56.26 fils per share, an increase of 12.85% over that of the year 2024.

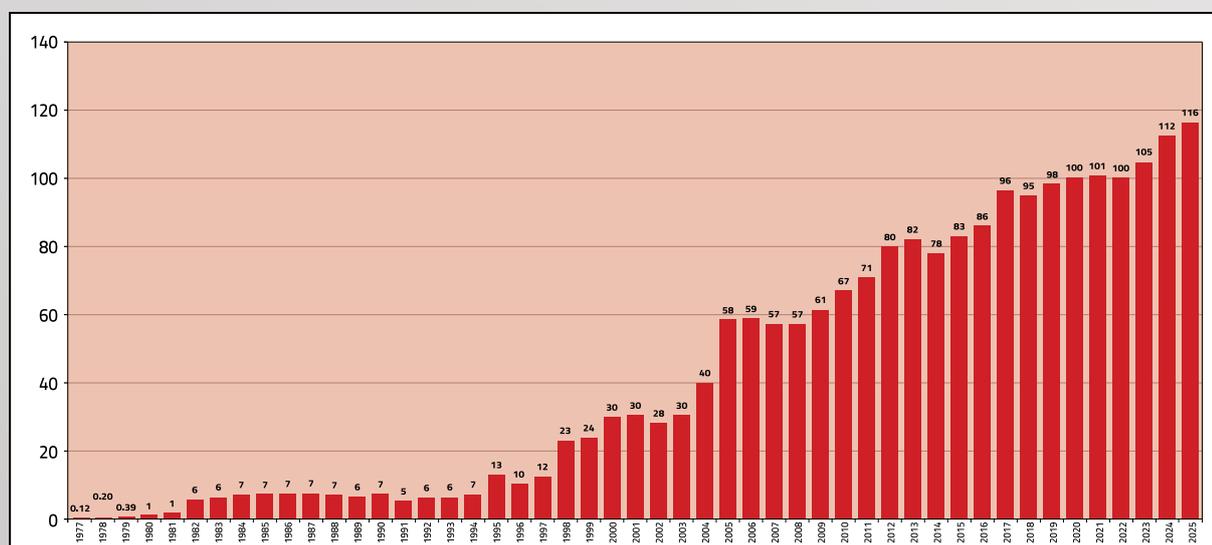
The Group continued to pursue the core activities in its traditional as well as in the new markets. Challenges in the market are not uncommon, however, The Group was able to maintain its approach of minimizing risk and improving margins. We believe the staff and Management in The Group are well experienced to meet such challenging business environment.

I would like to thank all our employees for their efforts and valuable contributions during the year. As always, we remain focused on operating responsibly and ethically as well as trying to provide sustainable long-term value for all our shareholders.

The Board of Directors continues to follow the policies and regulations of Corporate Governance. The attached report highlights the achievements of the year 2025.

The Board of Directors express their thanks and appreciation to all shareholders for their confidence in the efforts of The Group.

Equity Movement since inception (KD Million)





Marketing Department

Independent Petroleum Group demonstrated sturdy performance in 2025, by trading a total volume of 3.889 million tons of petroleum products. This was achieved despite prevailing adverse market conditions and intense competition in key African and Middle Eastern markets. Strategic focus on high-potential regions and improved margin, IPG focuses on meeting volume close to targets and increasing overall profitability.

IPG successfully navigated complex market dynamics, focusing specifically on strategic growth areas: East and North Africa, the Middle East, and the Red Sea regions. The company's resilience enabled it not only to compete effectively but also to enhance profit margins.

Total Trading Volume Overview

A total of 3.889 million tons of petroleum products were traded in 2025. The majority of this volume was concentrated in the Arabian Gulf-Red Sea and Euro-Med markets reflecting the Group's strategic focus on key markets with high potential.

Trading activities per regions:

The Arabian Gulf and Red Sea region:

This region served as the primary market, accounting for 2.238 million tons (57.54% of total volume traded).

The Mediterranean Sea region:

Euro-Med Region was the second highest performing region in sales volume, with approximately 0.909 million tons of products traded (23.37% of total volume traded).

East Africa region:

Shipments to the East Africa markets totaled nearly 0.576 million tons (14.82% of total volume traded).

India / Far East Asia:

Shipments to the Far East Asia markets totaled nearly 0.166 million tons (4.27% of total volume traded).

Storage of Petroleum Products:

IPG continued to leverage its strategic storage assets in Mozambique and Morocco to facilitate and enhance marketing activities. The total volume of products stored in these dedicated oil terminals reached approximately 0.68 million cubic meters in 2025.

The Group has prioritized maintaining strong, sustainable relationships with both national and private oil companies. These enduring partnerships have been crucial in strengthening our market presence in strategic locations. Efforts remain ongoing to enhance and expand IPG's footprint into new geographical regions in support of its expansion strategy and business growth.

Shipping

2025 has been an extension of the Red Sea conflict that disrupted the maritime supply chain throughout 2024. Although the ceasefire announced in October 2025 was welcomed by the industry, significant risk remains. Many owners continue to avoid transiting the Bab El-Mandeb, which maintains a premium for vessels trading in the Red Sea.

Clean petroleum product (CPP) tankers—particularly MRs have outperformed other tanker segments because of the ongoing instability. Strong spot earnings in the first half of the year supported firm time-charter rates; however, the second half of the year did not meet expectations. Softer spot markets in the third quarter, coupled with the absence of a winter rally in the fourth quarter, led to a significant correction in both spot and time-charter levels.



IPG Fleet Deployment:

Usage of IPG's own tonnage within the company's internal program reached 69% across the fleet:

- **DK Yusuf AlGhanim:** 398 total days, of which 330 days (83%) were deployed within the IPG program, with 229 demurrage days.
- **Al Betroleya:** 331 total days, 291 days (88%) within the IPG program, and 201.41 demurrage days.
- **Abdul Razzak:** 346 total days, 113 days (33%) within the IPG program, and 70 demurrage days.

In total, the fleet accumulated **1,075 operating days**, of which **734 days (69%)** were utilized within the company's own program, generating **500.41 demurrage days**.

Our average time-charter rate across the fleet stands at **\$24,619 per vessel per day**.

Risk Management Department

The Risk Management Team (RMT) at IPG coordinates with Marketing to strategically hedge various shipments in accordance with the company's hedge policy. Working closely with the Marketing team, RMT analyzes fundamental and technical aspects of the oil market, offering insights on pricing advantages, forward curves, and market structure to optimize hedge positions. Furthermore, RMT directly participates in yearly budget planning, checking company performance, and monitoring marketing positions to ensure the strategic activities are achieved efficiently and effectively.

Business Development & Projects Department

Heading with IPG's Corporate Strategy and in its endeavour to find growth opportunities and generate long-term value while supporting IPG's trading operations, the Business Development & Projects Department (BD) in 2025 followed up with improvements of existing terminal facilities and the development of new projects in



strategic markets. BD is actively involved in streamlining the operations of new terminal facilities in the Port of Beira & Matola in Mozambique and developing a terminal project in Port Sudan, Republic of Sudan.

In addition to the development of projects, BD provided information and analytical support for exploring the feasibility investigations of potential opportunities. BD Continues to work with international, regional and local financial institutions for securing long term project financing in multiple currencies at competitive terms and conditions for its existing & potential investments. In addition, BD is exploring different cooperation models with its strategic partners to augment its business growth and development of strategic markets.

In this context, IPG is undertaking two projects – (1) Expansion of Independent Petroleum Mozambique Limitada (IPM), Matola, Mozambique for the storage and handling of bulk LPG and (2) developing a storage and handling facility in Port Sudan, Sudan.

For the execution of the Port Sudan Project a separate Sudanese registered legal entity called Independent Petroleum Terminal Company Ltd., Sudan has been created. The project is to construct, own and operate a 140,000 m³ storage and handling terminal for Mogas, Gasoil and Jet A1 in Port Sudan, Sudan with associated facilities. By Q4 of 2025, the project has moved into execution phase with total investment of US\$ 30 Million and expected to be commissioned by Q4 of 2027.

IPG expects that these petroleum logistic facilities will augment existing trading operations and will open multiple business opportunities (trading/investment/new business) in the coming year and near future.



Finance & Treasury Department

The finance department continues to provide full support to the group to meet the financial liquidity requirements of its international operations and support the participation for its international oil bids to supply the group's customers with a competitive and flexible pricing of petroleum products.

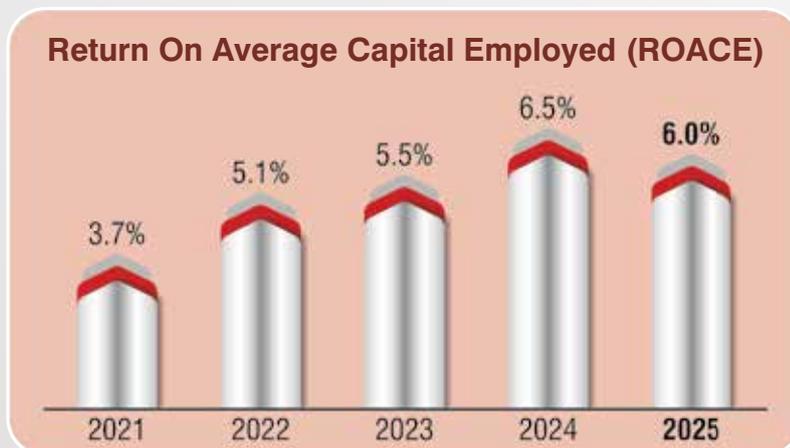
As part of its strategy, the department continues to establish new relationships with new banks locally and internationally to obtain additional funding required at a competitive rate to meet current and future financial needs..

Human Resources Department

IPG remains committed to increasing the employment of Kuwaitis to achieve its long terms goals. During 2025 Twenty-One (21) new employees were recruited, bringing the total number of staff to 176 and by the end of the year, the percentage of Kuwaitis reached 21% of the total workforce.

Information Technology Department

This year, the IT Department significantly strengthened the company's cybersecurity posture by replacing the legacy Check Point system with the newest AI-driven Palo Alto Next-Generation Firewall and deploying Cortex XDR across our environment. These upgrades provide advanced threat detection, improved network visibility, and faster, more accurate incident response.



The new systems enhance perimeter and endpoint protection, reduce operational risk, and streamline management through centralized, AI-assisted monitoring. Together, these enhancements deliver a more secure, efficient, and resilient technology foundation for the company's continued growth.

Legal Department

During 2025 the Legal Department was successful in dealing with disputes and lawsuits involving the Group's operations. The Department adopted the best practices available in the legal sector in order to secure the required protection for the Group. The Department also contributed to providing sound legal advice to all departments of the Group.

The Board of Directors approved the audited financial statements as of 31 December 2025 and decided to recommend the following:

1. Cash dividend of 45% equivalent to 45 fills per share in the total amount of KD 8,135,000 (KD Eight million one hundred thirty five thousand) for the year ended 31/12/2025 to the registered shareholders on the date of GAM set for at least eight working days after the GAM meeting date. The Board of Directors is authorized to change those dates if necessary.
2. Approving the remuneration to the Board of Directors for the fiscal year ended 31/12/2025 amounting to KD 100,000 (KD One Hundred Thousand).

Where these recommendations are subject to approval by the competent official authorities and ordinary General Assembly.

I would like to take this opportunity to express my sincere thanks and appreciation to the shareholders, employees, and all related sectors and entities for their efforts that contributed to achieving this strong performance by the Group.

I also extend my deep gratitude to all, for their continued trust, tireless efforts, and ongoing commitment to supporting the Group's journey and achieving its goals.

Ali M. Al-Radwan

Chairman of the Board of Directors



IPG's Subsidiary, Joint Venture and Associate Companies (brief of operating facilities and latest developments)

1. **D&K Holdings: (L.L.C.) – UAE** *(IPG share 100% - Subsidiary Company)*

D&K Holdings LLC is the shipping arm of IPG. The company owns and operates 3 petroleum product vessels which are fully utilized by IPG. The D&K fleet will provide IPG with the required strategic controlled tonnage coverage.

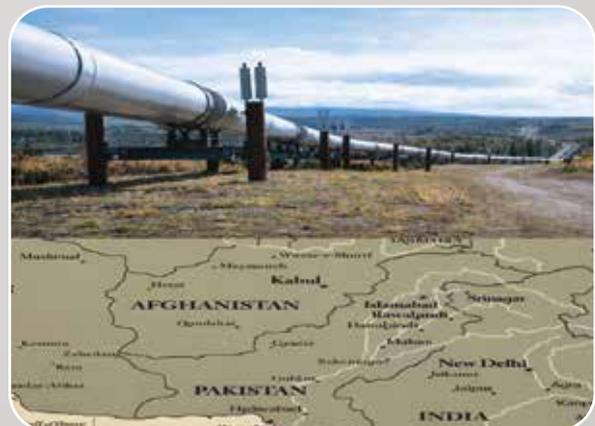


2. **Asia Petroleum Limited (APL) – Pakistan:** *(IPG share 12.5% - Associate Company)*

APL owns and operates an 82 Kilometer petroleum products pipeline (including a pumping station and storage facility) in Pakistan. The pipeline runs from Zulfikarabad terminal at Pipri, Karachi to Hub, Baluchistan to transport Fuel Oil for HUBCO Power Plant.

Other Shareholders are:

- Pakistan State Oil (PSO)
- Asia Infrastructure Ltd of Singapore (AIL)
- VECO International of USA (VECO)



3. **Uniterminals – Lebanon:** *(IPG share 50%- Joint Venture Company)*

Uniterminals markets petroleum products to wholesale buyers in Lebanon. It owns and operates a petroleum product storage terminal with a capacity of 74,000 m³. By Shareholding, IPG's capacity is 37,000 m³.

Other Shareholder is:

- Unihold SAL, Lebanon



4. **Horizon Djibouti Holdings Limited (HDHL) – Djibouti:**

(IPG share 22.22%- Associate Company)

HDHL owns 90 % of the Horizon Djibouti Terminals Limited (HDTL), with the remaining (10%) owned by Govt. of Djibouti. HDTL owns and operates an independent storage terminal for petroleum products, LPG, chemicals, and edible oils with a storage capacity of 371,000 m³. By Shareholding, IPG's capacity is 74,200 m³.

Other shareholders are:

- Horizon Terminals Limited (HTL)
- Net Support Holdings Limited (NSHL)
- Essense Management Limited (EML)





5. Inpetro SARL, Beira – Mozambique:

(IPG share 40% - Associate Company)

Inpetro owns and operates petroleum products storage terminal in Port Beira, Mozambique with a storage capacity of 95,000 m³. By Shareholding, IPG's capacity is 38,000 m³.

Other shareholders are:

- PETROMOC – National Oil Company of the Republic of Mozambique
- NOIC - National Oil Infrastructure Company of Zimbabwe (Pvt.) Limited



6. Arabtank Terminals Ltd (ATT), Yanbu – Kingdom of Saudi Arabia:

(IPG share 36.5% - Associate Company)

ATT owns and operates a storage facility of 288,300 m³ of which 223,500 m³ is for petroleum products and 64,800 m³ is for chemical products along with a pipeline connection (three 16" lines) to Samref Refinery, Yanbu. Also, the facility is connected to Farabi Petrochemical Company for intermediate storage of chemical products. By Shareholding, IPG's capacity is 105,230 m³.

Other shareholders are:

- Emirates National Oil Company (ENOC)
- Saudi Arabian Refining Company (SARCO)



7. Horizon Singapore Terminals Pty. Ltd. (HSTPL)– Singapore:

(IPG share 15%- Associate Company)

HSTPL owns and operates an independent petroleum storage terminal with a storage capacity of 1.2 million m³ and four jetties. By Shareholding IPG's capacity is 186,750 m³.

Other shareholders are:

- Horizon Terminals Limited (HTL)
- Boreh International Limited (BIL)
- South Korea Energy Asia Pte. Limited (SK)
- Martank BV (MBV)



8. Vopak Horizon Fujairah Limited (VHFL) – UAE:

(IPG share 11.11% - Associate Company)

VHFL owns and operates an independent petroleum products storage terminal in Fujairah, U.A.E. with a storage capacity of 2.6 million m³ including marine facilities with 4 berths and one single point mooring (SPM). By Shareholding, IPG's capacity is 289,860 m³.

Other shareholders are:

- VOPAK Oil Logistics Europe & Middle East B.V. of Netherlands (VOPAK)
- Horizon Terminals Limited (HTL)
- The Government of Fujairah



9. Horizon Tangiers Terminals SA (HTTSA) – Morocco:

(IPG share 32.5% - Associate Company)

HTTSA owns and operates a storage and bunkering terminal of 533,000 m³ for clean and black petroleum products at Port Tangiers, Morocco under a 25-year Concession Agreement with TMPA



(Tanger Med Port Authority). By Shareholding, IPG's capacity is 173,225 m³.

Other shareholders are:

- Horizon Terminals Limited (HTL)
- Afriquia SMDC



10. Galp-IPG Matola Terminal Limitada (GIMTL), Matola, Mozambique:

(IPG share: 45% - Associate Company)

GIMTL owns and operates a hydrocarbon storage facility (Liquid & LPG) in the Port Matola Mozambique for a capacity of 66,000 m³ along with other logistical facilities such as, loading gantries, access to Jetty, road, rail, etc. By Shareholding, IPG's capacity is 29,700 m³.

Other shareholders are:

- Petrogal Mozambique Lda, (part of Galp Energia SGPS, SA, Portugal)
- SPI – Gestão e Investimento, S.A.R.L.

11. IPG-Galp Beira Terminal Limitada (IGBTL), Beira, Mozambique:

(IPG share: 45% - Associate Company)

IGBTL owns and operates a hydrocarbon storage facility in the Port Beira Mozambique, for a capacity of 65,000 m³ along with other logistical facilities such as, loading gantries, access to Jetty, access to CPMZ pipeline, etc. By Shareholding, IPG's capacity is 29,200 m³.

Other shareholders are:

- Petrogal Mozambique Lda, (part of Galp Energia SGPS, SA, Portugal)
- SPI – Gestão e Investimento, S.A.R.L.

12. Independent Petroleum Mozambique Limitada (IPM), Matola, Mozambique:

(IPG share 100% - Subsidiary Company)

IPM owns and operates a state-of-art Bottling & Distribution Facility for LPG Cylinders in Port Matola, Mozambique. The facility has a bottling capacity of 5,000 bottles per day along with captive storage of 400 m³ for bulk LPG with other facilities. Currently IPM is carrying out an expansion project at an investment of US\$ 20 Mn with scope of creating additional bulk storage capacity of 15,000 m³ for LPG along with access to Jetty lines and a truck loading gantry along with other associated facilities to meet the objective of providing storage and handling of LPG. The Expansion is expected to be commissioned in Q4 of 2026.