

Management Discussion and Analysis Report

Asyad Shipping Company SAOG (ASCO)

For the Financial Year Ended 31 December 2025

1. Executive Overview

In 2025, Asyad Shipping Company S.A.O.G (the “Company” or the “Parent Company”) and its subsidiaries (together referred to as the “Group”) operated in a complex and evolving global shipping environment characterized by geopolitical disruptions, regulatory transition, and cyclical market normalization. Against this backdrop, the Company delivered a resilient financial and operational performance, underpinned by disciplined commercial execution, diversified fleet exposure, and a prudent capital allocation strategy.

With an 80-vessel diversified fleet as at 31 December 2025, the Company continued to support Oman’s logistics sector through integration within the Asyad Group ecosystem, enabling balanced exposure across crude oil, product tanker, dry bulk, gas, and container shipping segments. This portfolio structure enabled diversification across market cycles and supported earnings stability amid varying freight conditions.

Financially, the Company achieved a net profit after tax of ~~₹~~ 56.4 million, representing a 9% increase compared to 2024 (~~₹~~ 51.6 million). This improvement was achieved despite softer market conditions in selected segments and was supported by effective cost control, optimized fleet deployment, structured chartering arrangements, and partial reversals of prior-year vessel impairment provisions.

Total assets increased by 14% to ~~₹~~ 1.24 billion, reflecting continued investment in fleet renewal and expansion, including new vessel deliveries, vessels under construction, and increased right-of-use assets associated with chartering activities.

Operationally, 2025 included the completion of the Company’s Initial Public Offering on the Muscat Stock Exchange in March, marking its transition to a publicly listed company and strengthening its governance, transparency, and capital-market profile. The year also saw the establishment of Asyad Ship Management Company, enhancing in-house technical oversight and operational efficiency, particularly within the dry bulk segment.

Performance across core segments remained stable during the year despite ongoing market volatility and geopolitical developments. Safety and compliance standards were maintained at a high level, with zero major incidents, zero vessel detentions, and full compliance with applicable international maritime regulations.

The Company continued implementation of its fleet modernization program and workforce development initiatives, achieving an Omanization rate exceeding 90%, while strengthening officer, technical, and leadership pipelines to support future fleet growth. Progress was also made on Environmental, Social and Governance (ESG) priorities, including emissions management, decarbonization initiatives, and governance enhancements.

Collectively, these initiatives reinforce the Company’s long-term operational sustainability, risk resilience, and strategic alignment with Oman Vision 2040.

Overall, Asyad Shipping Company SAOG exited 2025 with a strong balance sheet, diversified earnings base, resilient operating platform, and clear strategic direction, positioning the Company to navigate continued market uncertainty while capturing opportunities arising from evolving trade patterns, regulatory change, and long-term growth in global seaborne transportation.

2. About the Company and its Strategy

Asyad Shipping Company SAOG operates as an integrated maritime transport provider within the broader Asyad Group logistics ecosystem. The Company manages a diversified fleet of 80 vessels across multiple shipping segments, including crude tankers, product tankers, dry bulk carriers, gas carriers, and container vessels. The fleet comprises both owned and chartered vessels, enabling operational flexibility and balanced exposure across market cycles.

The Company provides shipping, chartering, and ship management services through its operating entities, supporting energy, bulk commodities, and containerized trade flows across international markets. Its geographic footprint spans key trade corridors connecting Asia, the Middle East, Europe, and North Africa.

The Company’s strategy is focused on disciplined fleet expansion, portfolio diversification, and operational efficiency. Growth initiatives are aligned with long-term market fundamentals and supported by structured chartering arrangements to balance spot market exposure and earnings stability. Fleet renewal remains a priority to maintain asset efficiency, regulatory compliance, and competitiveness in an evolving maritime environment.

Strategically, the Company aims to optimize capital allocation, maintain prudent leverage levels, and strengthen its commercial positioning across core shipping segments. These priorities support sustainable growth and alignment with Oman Vision 2040 by enhancing maritime capability, promoting national workforce development, and contributing to the Sultanate’s logistics and economic objectives.

3. Financial Performance

3.1 Overview of Financial Performance

In 2025, the group delivered a strong performance, recording a net profit after tax of ~~₹~~ 56.4 million. This represents an increase of 9% in comparison to 2024 where the company recorded a net profit after tax of ~~₹~~ 51.6 million.

Revenue declined by 8% from ~~₹~~ 366 million to ~~₹~~ 336.4 million reflecting the cyclical nature of the shipping industry and prevailing market conditions. The portfolio was strategically steered towards an increase in Time-Charter contracts compared to Spot Voyage contracts. The largest contributors to revenue remained the VLCC and Tankers segments, which together accounted for more than half of total revenue. Gross profit decreased by 15%, from ~~₹~~ 105.9 million to ~~₹~~ 90.3 million. Operating profit decreased by 7%, from ~~₹~~ 86.9 million to ~~₹~~ 80.5 million, driven by challenging shipping market conditions during the year.

Net profit after tax for the full year of 2025 stands at **﷼** 56.4 million, incorporating partial reversals of prior year vessel impairment provisions, including a provision related to the recently sold VLCC vessel (Saiq), resulting in a gain in the profit and loss statement. This was partially offset by an additional impairment recognized in connection with the sale of four co-owned LNG vessels. On the balance sheet, total assets increased by 14%, from **﷼** 1,084 million in 2024 to **﷼** 1,235.1 million in 2025, mainly due to the increase in property, vessel and equipment (delivery of new vessels in the year and addition in vessels under construction) and right of use assets (increased leasing activities). Non-current liabilities increased by 46% due to additional loans and borrowings taken during the year to finance vessel acquisitions.

In addition to strong profitability, the Company maintained healthy cash flow generation throughout 2025. The Company commenced the year with an opening cash and cash equivalents balance of **﷼** 34 million. Net cash from operating activities amounted to **﷼** 197.2 million, reflecting solid underlying earnings and effective working capital management despite softer market conditions. Investing cash flows totaled **﷼** 202.9 million, primarily driven by capital expenditure on new vessel deliveries and ongoing vessel construction. These investments are aligned with the Company's long-term fleet renewal strategy. Meanwhile, net cash used in financing activities reached **﷼** 3.7 million, largely due to scheduled debt repayments and new borrowings undertaken to support vessel acquisitions. Overall, the Company ended the year with cash and cash equivalents of **﷼** 24.4 million, reinforcing its strong liquidity position and ability to meet future operational and investment commitments.

In connection with the additional borrowings undertaken during the year to finance vessel acquisitions, the Company remained in full compliance with all financial covenants under its financing agreements as of 31 December 2025. Liquidity buffers and operating cash flows were maintained at levels considered adequate to support ongoing capital commitments and debt servicing requirements.

In conclusion, Asyad Shipping Company SAOG's financial performance in 2025 reflects a resilient and proactive approach to managing its assets, controlling costs, and enhancing profitability, reinforcing its position in a competitive and challenging cyclical shipping industry.

3.2 Dividends

During 2025, the Company declared and distributed three dividend payments to shareholders in accordance with approvals from the relevant General Meetings and applicable regulatory requirements. The dividends amounted to **﷼** 0.00556, **﷼** 0.004287, and **﷼** 0.001896 per share, with record dates of 10 September, 26 March, and 25 February 2025, respectively. The total dividend distributed during the year amounted to **﷼** 61.1 million.

The dividend distributions reflect the Company's approach to balancing shareholder returns with the need to maintain adequate liquidity to support fleet renewal, debt servicing obligations, and strategic investment commitments. Future dividend decisions will continue to be assessed in light of financial performance, capital requirements, and market conditions.

3.3 Financing Activities

Asyad Shipping Company SAOG continued to strengthen its financial position in 2025 by leveraging its strategic banking alliances and market insights to broaden its range of financing options. Through these relationships, the Company gained access to new financial services from regional and international banks, supporting its ability to secure future funding on competitive terms. Asyad Shipping Company SAOG also benefited from its strong international footprint, with a significant portion of its assets

and revenue denominated in US\$, providing natural alignment with global financing markets. During the year, the Company successfully secured loans totaling ~~₹~~ 258 million at competitive interest rates ranging from 4.2% to 4.75%, reinforcing its capacity to support fleet expansion and ongoing investment requirements.

In addition to securing new financing, Asyad Shipping Company SAOG generated ~~₹~~ 4.2 million in income from bank deposits during 2025, compared to ~~₹~~ 6.8 million in 2024. The Company also earned ~~₹~~ 0.3 million in interest income from a SWAP contract and realized a ~~₹~~ 0.4 million gains from SWAP breakage, reflecting effective treasury and hedging management. As part of its disciplined capital structure strategy, Asyad Shipping Company SAOG repaid ~~₹~~ 104 million in loans during the year, contributing to stronger liquidity management and long-term balance-sheet resilience.

4. Business and Operational Performance

In March 2025, Asyad Shipping successfully completed its Initial Public Offering (IPO) on the Muscat Stock Exchange (MSX), marking a significant milestone in the Company’s strategic evolution. The IPO comprised 20% of the Company’s issued share capital and raised ~~₹~~ 128.1 million (US\$ 332.8 million) at a final offer price of 123 baisas per share. Trading commenced on 12 March 2025 under the ticker symbol “ASCO”, implying a market capitalization of approximately US\$ 1.66 billion at listing. The offering was oversubscribed by 1.4 times, reflecting solid investor confidence in the Company’s business model, growth strategy, and long-term value creation prospects.

The listing enhances ASCO’s capital markets profile, strengthens corporate governance and transparency standards, and supports broader objectives of private sector participation and economic diversification in line with Oman Vision 2040.

Operationally, the Company maintained stable performance throughout its shipping segments despite ongoing market volatility and geopolitical developments. Fleet deployment strategies, balanced chartering arrangements, and disciplined cost management contributed to operational continuity and earnings resilience during the year.

Operational Highlights by Segment

4.1 Gas (LNG/LPG) Segment

In 2025, the Gas segment maintained operational continuity; however, financial performance declined compared to the previous year. EBITDA decreased by 13.0% year-on-year to ~~₹~~ 33.483 million, compared to ~~₹~~ 38.481 million in 2024. Net profit declined to ~~₹~~ 2.468 million, representing a 90.0% decrease from ~~₹~~ 24.601 million in 2024. The variance was primarily driven by a one-off impairment charge following a fair value assessment of certain assets, in addition to the expiry of selected vessel contracts, which resulted in temporary off-hire periods and incremental bunker costs.

During the year, four spot fixtures were executed to capture short-term market opportunities while managing the core fleet portfolio. Vessel Ibri LNG was fixed with Oman LNG under a short-term charter commencing 19 August 2025, and Sohar LNG’s charter with ADNOC was extended for nine months. In parallel, four vessels (Salalah, Ibra, Nizwa, and Ibri) were divested as part of the Company’s fleet optimization and disciplined capital allocation strategy. Though the Memorandum of Agreement (MOA) of sale of the four vessels agreed during 2025, the vessels will be physically delivered during 2026 Q1.

Overall, the segment navigated a transitional year marked by one-off impairment impacts and contract roll-offs, while maintaining operational continuity and realigning the portfolio for improved long-term positioning.

4.2 Crude Segment

The Crude segment delivered a solid performance in 2025, with EBITDA increasing by 6.2% year-on-year to ~~₹~~ 68.736 million, compared to ~~₹~~ 64.729 million in 2024. Net profit rose significantly to ~~₹~~ 48.400 million in 2025, representing a 163.4% increase from ~~₹~~ 18.372 million in the prior year, mainly due to impairment reversals during the year.

Performance was supported by selective and timely fleet expansion and enhanced contract coverage. The acquisition of the secondhand vessels followed by time charter arrangements of Qurrayat and Awabi increased trading flexibility and revenue generating capacity. In addition, the Company secured a new Contract of Affreightment (COA) with Shell and extended the deployment of an Aframax vessel for up to 141 days, strengthening revenue visibility and forward coverage. In line with its long-term strategy, the Company signed a Letter of Intent (LOI) with Hanwha Ocean for three newbuild VLCCs to be delivered during 2028, supporting fleet renewal and positioning the segment to benefit from tightening environmental regulations and evolving charterer requirements.

Overall, the segment's performance demonstrates resilient earnings generation, improved capital efficiency, and a balanced approach to growth and renewal, reinforcing its competitive positioning within core crude trading markets.

4.3 Product (Tankers) Segment

The Products segment maintained stable operational activity in 2025; however, financial performance moderated compared to the prior year. EBITDA decreased by 6.2% year-on-year to ~~₹~~ 71.596 million, compared to ~~₹~~ 76.336 million in 2024. Net profit declined to ~~₹~~ 4.344 million, representing a 68.3% decrease from ~~₹~~ 13.684 million in the previous year.

The variance was primarily attributable to losses on chartered-in vessels resulting from a decline in market earnings relative to fixed hire costs, which compressed margins despite stable operations.

During the year, fleet adjustments were undertaken to align capacity with evolving market conditions. Certain vessels were redelivered, selective charter extensions were executed, and additional short-term charter-in arrangements were secured to ensure operational continuity during transition periods. These measures reflect a disciplined approach to fleet optimization and contractual exposure management, positioning the segment to enhance earnings resilience as market dynamics evolve. During 2025, the Company was cautious in taking additional MR vessels on time charter-in until there was an adjustment in total TC-in costs. Accordingly, the product tanker portfolio is positioned to remain competitive in the market and generate positive returns over the coming years.

4.4 Dry Bulk Segment

The Dry Bulk segment recorded EBITDA of ~~₹~~ 28.645 million in 2025, compared to ~~₹~~ 33.468 million in 2024, representing a 14.4% year-on-year decrease. Net profit

reached ~~₹~~ 16.486 million, compared to ~~₹~~ 19.160 million in the prior year, reflecting a 14.0% reduction year-on-year. Despite softer market conditions and moderated earnings from owned and chartered vessels, the segment demonstrated disciplined cost control and stable operational management. Strong performance from the VLOC fleet partially offset the broader market normalization.

During the year, the segment renewed the Maaden (Bahri) COA, securing approximately 400,000 metric tons of additional cargo volumes. Fleet capacity was expanded through the acquisition of three Newcastlemax vessels, while deployment of long-term chartered vessels, including selected Kamsarmax units, was actively managed to maintain optimal utilization.

These strategic measures enhanced revenue visibility, reinforced the segment's cargo coverage, and strengthened its positioning to capture upside as freight market conditions stabilize.

4.5 Liner

In 2025, Asyad Line (ASL) recorded EBITDA of ~~₹~~ 17.473 million, broadly in line with the prior year (~~₹~~ 17.478 million), reflecting a marginal 0.03% year-on-year decrease. Net profit increased significantly to ~~₹~~ 5.014 million with higher cash flows, compared to ~~₹~~ 1.708 million in 2024, representing a 193.6% year-on-year growth, supported by improved vessel deployment and enhanced commercial performance.

During the year, the service network was expanded to include additional regional ports, strengthening connectivity across key trade corridors. Fleet utilization was further supported through increased slot charter arrangements, contributing to revenue stability and improved earnings quality.

Operational initiatives remain focused on maintaining service reliability and optimizing network coverage across established markets, reinforcing ASL's competitive position within its operating segments.

4.6 Asyad Shipping Pte Ltd (ASPL)

In 2025, Asyad Shipping Pte Ltd (ASPL), Singapore, delivered stable operational performance supported by Time Charter Equivalent (TCE) levels and structured commercial arrangements across both the Dry Bulk and Product Tanker segments.

In the Dry Bulk segment, ASPL operated a portfolio of 16 vessels under the Contract of Affreightment (COA) arrangements and short-term fixtures, maintaining continuous triangular employment across its Ultramax and Supramax vessels. Commercial activities focused on optimizing vessel utilization and aligning charter periods with COA commitments, contributing to steady earnings performance during the year.

Within the Product Tanker segment, ASPL managed a portfolio of 18 Medium-Range (MR) product tankers throughout the year and executed a series of medium-term charter arrangements aimed at steady earnings. During the year, selected modern MR product tankers were placed under structured back-to-back charter agreements with oil majors and international traders, supporting margin generation and moderating exposure to spot market volatility. Additional charter extensions and forward fixtures were undertaken across the fleet to support continuity of employment and earnings stability into 2026.

Overall, ASPL’s performance in 2025 reflects disciplined fleet deployment, risk management with structured charter management, and portfolio optimization measures that contributed to the Company’s diversified shipping operations.

4.7 Ship Management

Throughout 2025, Asyad Shipping Company SAOG, through its subsidiaries Oman Ship Management Company (OSMC) and Asyad Ship Management Company (ASMC), maintained a strong commitment to operational safety, compliance, and project execution across the fleet and office functions. The fleet recorded zero major incidents, demonstrating the effectiveness of safety management systems and vessel-level controls. Office audits further validated this performance, with successful completion of the ISM, ISO 9001 & ISO 14001 Audit, the ASM SPC DOC Audit, and the OSMC ISO 9001 / 14001 Surveillance Audit, all conducted at headquarters between May and September 2025. Audit outcomes reflected high compliance levels, with minimal non-conformities and continued adherence to international standards.

Asyad Shipping Company SAOG’s performance against key KPIs reinforced this strong operational posture. The business achieved zero Lost Time Injuries (LTIF = 0), zero ship detentions, zero major incidents, and no failed vetting, underscoring the fleet’s operational discipline and safety readiness. In external audits, Asyad Shipping Company SAOG recorded a notably low non-conformity rate (0.11 NC per audit across 53 audits), while Port State Control inspections averaged 1.34 deficiencies, remaining within acceptable industry thresholds. These KPI results confirm Asyad Shipping Company SAOG’s continued reliability, compliance culture, and ability to maintain safe operations across diverse vessel types.

Asyad Shipping Company SAOG successfully executed several strategic technical and digital initiatives within agreed timelines, reinforcing the Company’s commitment to operational excellence and fleet modernization. Ten vessels completed dry-dock maintenance during the period, all delivered on schedule and in optimal condition, ensuring continued compliance, reliability, and operational readiness across the fleet.

The Communication Project also advanced significantly, with Starlink equipment deployed on five vessels, enhancing onboard connectivity and supporting real-time operational coordination ahead of the 31 December 2025 target. Key newbuilding milestones were achieved during the year, including steel cutting for MR Tankers hulls WZ467and WZ468, as well as for VLCC hulls 5511 and 5512, marking critical progress in the Company’s fleet expansion pipeline.

The Hans Jensen Project, aimed at installing fuel- and emission-efficient engine technologies on two vessels, progressed steadily toward its year-end completion deadline, supporting Asyad Shipping Company SAOG’s broader decarbonization strategy. Additional sustainability initiatives were also fulfilled in line with the 2025 compliance roadmap, including the installation and commissioning of BWTS on Madha Silver, the installation of VFD systems on two VLOCs, and the delivery of two BWTS units to support the Silver Class upgrade program.

Collectively, these achievements demonstrate Asyad Shipping Company SAOG’s strong year of operational excellence, technical execution, and safety performance, upholding international standards while continuing to modernize the fleet and strengthen the company’s long-term resilience.

5. Fleet and Investments

5.1 Existing Fleet

As of December 31, 2025, the fleet operated by Asyad Shipping Company SAOG consists of 80 vessels, including both owned / co-owned and chartered-in vessels. Of the total fleet, 76 vessels comprise the core fleet, consisting of 48 owned vessels and 28 long-term chartered vessels, while an additional 4 vessels are employed under short-term charter arrangements. The fleet composition includes 17 Crude Tankers, 37 Product Tankers, 14 Dry Bulk vessels, 7 Gas Carriers, and 5 Container vessels, reflecting a well-diversified portfolio across key shipping segments.

As of December 31, 2025, the fleet operated by Asyad Shipping Company SAOG consists of 80 vessels, including owned/co-owned and chartered-in vessels. The core fleet comprises 48 owned vessels and 28 long-term chartered vessels, with an additional 4 vessels employed under short-term charter arrangements. The fleet composition includes 17 crude tankers, 37 product tankers, 14 dry bulk vessels, 7 gas carriers, and 5 container vessels, reflecting a well-diversified portfolio across key shipping segments.

5.2 New Investment

Asyad Shipping Company SAOG continued to strengthen and modernize its fleet in 2025 through a series of targeted investments that supported long-term growth, operational efficiency, and market competitiveness. The Company has eight vessels under construction, reflecting a disciplined approach to implementing the company's strategic direction for fleet diversification, renewal, and future earnings growth. This included two LNG carriers scheduled for delivery in 2026, two Medium-Range (MR) product tankers, and four Very Large Crude Carriers (VLCCs) expected to join the fleet between 2026 and 2027. These additions were aligned with the Company's strategy to expand its presence in high-demand segments and enhance its energy-transport capabilities.

Alongside its newbuild program, Asyad Shipping Company SAOG strengthened its dry bulk expansion strategy with the acquisition of three secondhand Newcastlemax vessels. These strategic additions provided immediate operational capacity, reinforced the Company's position in long-haul bulk markets, and complemented future vessel deliveries through a balanced and flexible growth approach.

Furthermore in 2026 while reinforcing its long-term growth trajectory, the Group signed a Letter of Intent (LOI) with Hanwha Ocean for the construction of three additional VLCC new buildings, positioning the fleet for future expansion in the crude tanker segment and strengthening its forward orderbook pipeline.

Collectively, these investments demonstrated Asyad Shipping Company SAOG's commitment to maintaining a modern, efficient, and market-responsive fleet, ensuring the Company remained well-positioned to capture emerging opportunities across global energy and dry bulk trades.

6. People and Capability Development

As of December 31, 2025, Asyad Shipping Company SAOG achieved a total headcount of 465 employees, reflecting a 2% growth compared to 2024. The company maintained a strong Omanization rate of 90.3% by year-end, underscoring its continued commitment to talent development and national capacity building. Within the office workforce specifically, Asyad Shipping Company SAOG recorded a gender diversity ratio of 34% female and 66% male, reflecting continued progress toward a more inclusive and balanced organizational environment, and encouraging greater workforce diversity.

Professional development remained a key focus, with 676 employees completing their planned Individual Development Plans (IDPs) through overseas, local, and in-house training programs. Overseas courses recorded 39 participants, while local programs engaged 637 participants, including in-house training that successfully delivered five planned sessions. In addition to these learning pathways, 27 employees earned professional certifications, strengthening technical and specialist capabilities across the organization. Furthermore, 53 employees completed leadership development programs, enhancing the company's pipeline of future leaders and reinforcing succession strength. Collectively, these initiatives advanced leadership, technical, and operational competencies, ensuring employees are well-equipped to meet current business demands and support the company's long-term growth.

Asyad Shipping Company SAOG advanced its workforce development priorities in 2025, supporting its long-term strategy to build a sustainable and highly skilled national maritime workforce. In collaboration with its crewing partners, the Company filled 34 officers' positions (19 Deck - 15 Engine) out of a planned 40 officers, with the remaining candidates in final recruitment stages. These roles are essential for safe navigation, machinery operations, and regulatory compliance, strengthening the Company's officer pipeline and fleet readiness.

Across additional officer development initiatives conducted with external partners, 4 new officers were recruited during the year, complementing earlier placements. A pilot intake model also reached its full quota of 20 positions, employing 9 officers in 2025. These programs provide added recruitment channels, enabling Asyad Shipping Company SAOG to diversify sourcing and maintain access to qualified officers in a competitive global labor market.

The Rating Project, designed to supply 200 operational Ratings, achieved 188 employed Ratings by year-end. Ratings perform critical deck and engine work including maintenance, cargo operations, and watchkeeping across the Company's diverse vessel portfolio.

The Electro-Technical Officer (ETO) Project, covering 100 positions, onboarded 8 additional ETOs in 2025, bringing the total to 82 ETO. ETOs manage essential onboard electrical, electronic, and automation systems and support the integration of new digital and smart-ship technologies and capabilities that are increasingly critical as the fleet becomes more advanced.

Collectively, these accomplishments demonstrate Asyad Shipping Company SAOG's strong execution of its 2025 human-capital strategy. By developing officer pipelines, technical specialist roles, and operational Ratings, the Company is meeting current crewing needs while building the talent foundation required for future fleet expansion, improved operational performance, and sustained Omanization across all ranks.

Across all vessels, the company benefits from a highly skilled and diverse crew, with 494 Omani and 1,693 international seafarers onboard, ensuring operational excellence across LNG, VLCC, MR, Bulk, and Container segments. Structured training and cadetship programs continue to develop Omani maritime talent, reinforcing Asyad Shipping Company SAOG's role in building national capacity and sustaining a future-ready workforce.

7. Environmental, Social and Governance (ESG)

In 2025, Asyad Shipping Company SAOG advanced its ESG agenda through focused environmental improvements, strengthened social impact and continued governance excellence. The Company achieved a reduction of 52,332.70 tCO₂ in Scope 1 emissions and maintained full compliance with IMO 0.5% sulfur limits and ballast water management requirements. Supported by  24.6 million (US\$ 64 million) in decarbonization initiatives and zero spill incidents, these results demonstrate a firm commitment to safe, responsible, and sustainable fleet operations.

On the social front, Asyad Shipping Company SAOG recorded a 70% employee engagement rate and maintained a zero-fatality record across both fleet and office

operations. The Company invested 🏗️ 69,600 (US\$ 181,000) in CSR programs, including education initiatives, environmental workshops, youth development and broader community support activities across Oman and abroad, reinforcing its contribution to social wellbeing and national capacity building.

Governance standards remained strong, with 93% Code of Conduct compliance, zero corruption cases, zero cybersecurity incidents and sustained Board-level oversight of ESG priorities. These practices strengthened transparency, accountability and stakeholder confidence throughout the organization.

The Company’s efforts were further recognized through several notable awards, including the Platinum ESG Award at Oman Sustainability Week and global honors for climate change mitigation and women empowerment. Collectively, these achievements underscore Asyad Shipping Company SAOG’s commitment to sustainable growth, ethical conduct and long-term national impact.

8. Information Technology

In 2025, Asyad Shipping Company SAOG advanced its IT infrastructure and digital capabilities to enhance cybersecurity, connectivity, and operational efficiency. Seven vessels, named Dhalkut, Izki, Sur, As Suwayq, Samail, Jabal Samahan, and Bahla, were equipped with a new VSAT backup solution and Starlink satellite services, significantly improving bandwidth and communication reliability at sea.

The Company successfully delivered major analytics dashboards in collaboration with the Group Data Lake team, achieving 100% completion for the Enterprise Business Management System (eBMS), Contract & Procurement, and HR dashboards. These tools enhance data accuracy, operational visibility, and decision-making across the organization.

Core applications, including Danaos, Orion, IMOS, eBMS, TMS, and Ibhar, maintained 99.9% availability throughout the year, with no major disruptions, ensuring stable support for both operational and commercial activities.

9. Awards and Recognitions

During 2025, Asyad Shipping Company SAOG received multiple industry and sustainability recognitions, reflecting its operational excellence and commitment to corporate responsibility. The Company was awarded Ship Manager of the Year at the Maritime Standard Awards 2025, highlighting its fleet management and operational performance.

At the Global ESG Awards 2025, Asyad Shipping Company SAOG earned Gold recognition for Women Empowerment and Platinum recognition for Climate Change Mitigation, underscoring its leadership in sustainability and inclusive practices. The company was also honored with the Al Roya Business Award 2025, for its business excellence.

Additionally, during Oman Sustainability Week, Asyad Group received the Platinum ESG Award, with Asyad Shipping Company SAOG actively contributing to the associated sustainability initiatives, reinforcing the Company’s role in advancing responsible maritime operations and ESG leadership.

10. Industry Standards and Ethical Governance

Asyad Shipping Company SAOG continues to strengthen its governance framework and uphold international compliance standards through its participation in globally recognized maritime organizations. The company renewed its TRACE certification, reaffirming its commitment to anti-bribery controls, transparency, and ethical business conduct key principles that support the company's credibility with international partners.

Complementing this, Asyad Shipping Company SAOG maintains active membership in the Maritime Anti-Corruption Network (MACN), contributing to global efforts to combat corruption by promoting industry awareness, applying MACN's Anti-Corruption Principles, and supporting collective actions to address systemic integrity challenges across global supply chains.

The Company maintains an active membership with INTERTANKO, which represents independent tanker owners worldwide and provides authoritative guidance on safe, efficient, and environmentally responsible tanker operations; this membership gives Asyad Shipping Company SAOG access to technical expertise, regulatory advocacy, and best-practice frameworks developed through collaboration with international maritime stakeholders.

Furthermore, Asyad Shipping Company SAOG's involvement with BIMCO, one of the world's largest shipping associations, enables the company to benefit from globally recognized standard contracts, regulatory insights, and industry guidance that support transparent, consistent, and commercially sound operations across all market segments.

In alignment with these affiliations, the company ensures continued adherence to International Maritime Organization (IMO) conventions and regulations, maintaining high standards of safety, environmental compliance, and responsible fleet operations as part of its commitment to international maritime governance. These commitments collectively reinforce Asyad Shipping Company SAOG's adherence to global governance, ethical business conduct, and best-in-class maritime operational practices.

10.1 Internal Audit and Controls

During 2025, Asyad Group Internal Audit conducted reviews across key functional areas, including Commercial, Crew Management, and Human Resources. The audits assessed the adequacy and effectiveness of internal controls and risk management processes.

Audit activities were performed using a standardized framework aligned with COSO principles, ISO standards, and recognized governance practices. The Company and its subsidiaries maintain ISO certifications, including ISO 9001 for quality management and ISO 22301 for business continuity, while Oman Ship Management Company holds ISO 14001 certification for environmental management.

The reviews concluded that internal controls were adequately designed and operating effectively. Identified improvement areas were addressed through structured action plans, and the Company achieved a 93% audit finding closure rate in 2025 (2024: 94%; 2023: 93%), demonstrating continued focus on strengthening the control environment.

11. In-Country Value (ICV) and SME Support

Asyad Shipping Company SAOG continues to advance In-Country Value (ICV) and support small and medium-sized enterprises (SMEs) in Oman, contributing to the Sultanate’s economic growth and local capacity building. In 2025, the Company played a key role in transporting strategic commodities, including LNG, methanol, alumina, clean petroleum products, and iron ore, handling 23% of LNG exports, 50% of methanol exports from Salalah, and 100% of domestic clean petroleum products and Vale iron ore requirements. In container operations, approximately 5% of Asyad Line imports and exports served the local market, while ad hoc dry bulk shipments included ~300,000 MT of urea, 240,000 MT of aggregates, 500,000 MT of iron ore pallets, and 55,000 MT of petcoke.

In terms of bunkering, Asyad Shipping Company SAOG maintained partnerships with local suppliers, spending a total of  1.75 million in 2025, reflecting the company’s commitment to local supply chain optimization and supporting Oman’s economic growth.

As an overview of Asyad Shipping Company SAOG’s supply chain and supplier engagement activities, the total contract value for the year reached  76.4 million, of which 20.1% was awarded to local suppliers and 6.5% to SMEs registered under Riyadh. For total orders amounting to  28.7 million, the majority was sourced from Foreign Registered Suppliers (FRS), accounting for 49.8%, with an additional 31.3% procured through FRS call-off contract orders. Foreign Non-Registered Suppliers (NRS) contributed 9.9% of the total value, while NRS call-off contract orders represented 1.8%. Local SMEs received 3.2% of the order value from non-Riyadh registered SMEs and 4.0% from Riyadh-registered SMEs.

These initiatives demonstrate Asyad Shipping Company SAOG’s ongoing focus on promoting local procurement, supporting SMEs, and maximizing economic impact within Oman, while ensuring efficient operations across its fleet and contributing to the national logistics ecosystem.

12. Market and Economic Context

This section provides an overview of the global and local economic environment, shipping market conditions, and regulatory developments that influenced the Group’s performance in 2025 and are expected to shape operating conditions and risks in 2026 and beyond.

12.1 Global Shipping and Economic Environment – 2025 Review

12.1.1 Global Trade and Macroeconomic Conditions

In 2025, global shipping markets showed signs of stabilisation as trade flows adjusted to ongoing geopolitical disruptions and supply chain reconfiguration. Global seaborne trade grew modestly by approximately 0.6%, reaching an estimated 12.8 billion tonnes. Tonne-mile demand increased at a faster pace of around 1.1%, reflecting longer average voyage distances, primarily due to continued vessel rerouting linked to Red Sea security conditions. This supported vessel utilisation, particularly in long-haul segments.

12.1.2 Shipping Market Performance by Segment

Gas shipping markets remained active. LPG carriers benefited from increased export volumes from the United States, while LNG spot markets experienced volatility, with

rates rising during periods of supply tightness before moderating as additional capacity entered service.

Tanker markets recorded strong performance. Crude tanker earnings reached elevated levels, with VLCC spot rates exceeding US\$ 90,000 per day during peak periods. Market strength was supported by OPEC+ production adjustments, sanctions-related changes in crude flows, and sustained long-haul demand. Product tanker markets remained broadly stable, with gradual strengthening toward year-end.

Dry bulk markets improved during the second half of the year, driven by increased shipments of grain, coal, and bauxite. Capesize average earnings were estimated at approximately US\$ 25,000 per day, despite continued fleet growth.

Container shipping experienced mixed conditions. Time charter rates remained relatively firm, supported by tightening availability in selected vessel size segments. In contrast, freight rates declined compared to 2024 averages, reflecting fleet expansion and uneven demand recovery across major trade lanes. Earnings visibility varied by charter duration, vessel size, and employment profile.

12.1.3 Fleet Supply and Capacity Developments

Global fleet capacity expanded by approximately 4% year-on-year. Growth was strongest in LNG carriers (around 9%) and container vessels (exceeding 6%), while tanker and dry bulk fleets recorded more moderate increases. Newbuilding prices eased marginally compared to 2024 but remained materially above pre-2020 levels. Vessel recycling activity remained subdued, reflecting tightening regulatory and environmental requirements.

12.1.4 Environmental and Regulatory Developments

Environmental regulation and decarbonization continued to shape operational and investment decisions. Alternative-fuel-capable vessels accounted for approximately 9% of the global fleet, eco-design tonnage reached around 36%, and nearly 44% of vessels were fitted with at least one energy-saving technology. Industry preparation continued for the implementation of the International Maritime Organization's mid-term emissions measures.

12.2 Local Economic and Trade Environment – Oman (2025)

Oman's economy recorded moderate and stable growth in 2025. Real GDP grew by 2.5% in Q1, reaching approximately 🏠 9.43 billion, driven primarily by non-oil activities, which expanded by around 4.4%. Growth continued throughout Q2 and Q3, with GDP increasing by 2.1% and 2.0% year-on-year, respectively.

Trade activity remained supportive, with a trade surplus of approximately 🏠 3.9 billion recorded during the first three quarters of the year. Merchandise exports reached an estimated 🏠 17.2 billion, while imports increased to 🏠 13.3 billion, reflecting strong domestic demand and higher cargo volumes. Non-oil exports grew by around 10.3%, partially offsetting lower oil and gas export values.

Cargo flows through Omani ports continued to support container, break-bulk, and energy-related shipping activity. Against this backdrop, Asyad Shipping operated within

a stable domestic environment, while remaining primarily exposed to global trade cycles and international freight markets.

12.3 Outlook and Market Prospects - 2026

12.3.1 Global Shipping Market Outlook 2026

Global shipping demand in 2026 is expected to grow at low single-digit rates, while fleet capacity is projected to expand more rapidly in certain segments.

- Gas shipping, including LNG and LPG carriers, is expected to see continued demand growth, supported by additional liquefaction capacity in the United States and the Middle East, although near-term fleet deliveries may temper rate recovery.
- Tanker markets, particularly crude tankers, are expected to remain relatively robust, supported by sustained tonne-mile demand and continued trade realignment. VLCC and Suezmax rates at the end of 2025 exceeded long-term averages by more than 60%, supporting resilience entering 2026.
- Dry bulk markets are expected to remain balanced, with supply growth slightly outpacing demand. Capesize vessels may continue to benefit from long-haul trade patterns.
- Container trade is forecast to grow by approximately 2–3%, while fleet capacity is expected to increase by 6–7%, potentially exerting downward pressure on freight and charter rates. Global average spot freight rates could decline by up to 25% year-on-year, with long-term contract rates decreasing by 8–12%.

12.3.2 Broader Economic and Trade Context

The IMF projects global GDP growth of approximately 3.1% in 2026, with global seaborne trade expected to grow by 0.8–1.0%, reaching around 13.0 billion tonnes. Tonne-mile demand is expected to expand slightly faster than volumes due to ongoing route adjustments and diversified sourcing patterns. Inflation is forecast to moderate to around 3.5%, supporting gradual normalisation of financial conditions.

12.3.3 Regional and Trade-Lane Dynamics

Geopolitical developments, trade policy changes, and security-related disruptions are expected to continue influencing trade routes and voyage distances. Longer sailing distances, rerouting around strategic chokepoints, and shifts in sourcing patterns are likely to increase operational complexity and cost volatility, reinforcing the importance of flexible fleet deployment and route management.

12.3.4 Local Market Outlook

Oman’s medium-term outlook (2026–2030) is underpinned by the Eleventh Five-Year Development Plan, targeting around 4% real GDP growth. The 2026 State Budget projects revenues of  11.45 billion and expenditures of  11.98 billion, maintaining a controlled deficit of 1.3% of GDP. Continued emphasis on diversification, logistics, infrastructure development, and private sector participation is expected to support demand for maritime and shipping services.

12.3.5 Implications for Asyad Shipping Company SAOG

For Asyad Shipping, the 2026 outlook underscores the importance of fleet flexibility, segment diversification and disciplined chartering strategies:

A. Segment-specific dynamics:

- Dry bulk and gas carriers: Demand in these segments is likely to remain stable to moderately positive, with gas shipping benefiting from longer haul patterns and liquefaction expansion.
- Tankers: The tanker segment is expected to remain a relatively strong contributor to tonnage demand, supported by resilient energy flows and structural tonne-mile growth. This aligns with ASYAD Shipping’s exposure in crude and product tanker operations.
- Container services: Slowly expanding global container trade, weighed by fleet capacity growth, suggests competitive freight and charter markets. Competitive conditions driven by capacity growth require selective deployment and long-term charter coverage.

B. Fleet and regulatory environment

The regulatory environment for the maritime industry continued to evolve, with increasing emphasis on environmental performance, emissions reduction, and sustainability. The International Maritime Organization’s decarbonization agenda remained a central driver of regulatory change, shaping industry expectations around fuel efficiency, emissions intensity, and long-term transition pathways.

New and evolving emissions regulations increased compliance requirements and associated costs, including investments in energy-efficient technologies, alternative fuels, and operational optimization. The transition toward lower-carbon fuels introduced additional uncertainty related to fuel availability, pricing, and infrastructure readiness, while also influencing long-term fleet strategy and capital expenditure planning.

These regulatory developments required shipping companies to balance compliance obligations with commercial competitiveness, operational reliability, and capital discipline. 2026 is projected to be a year of balanced fundamentals and structural transition. Rising fleet capacity and moderate trade growth emphasize the need for continued investment in fuel-efficient assets and productive commercial strategies. Regulatory developments, particularly emissions compliance and decarbonization requirements, will continue to influence operating costs, fleet renewal, and capital allocation decisions.

C. Risk integration

The market, economic, regulatory, and trade conditions outlined above give rise to a range of risks and uncertainties that could materially affect the Company’s financial performance, operating results, and strategic objectives. These risks, including freight rate volatility, overcapacity, geopolitical disruption, cost pressures from environmental regulations and regulatory compliance exposure, are addressed in detail in the Principal Risks and Uncertainties section.

13. Going Concern

Based on current financial projections, available facilities, and operating cash flow forecasts, the Board is satisfied that the Company has adequate resources to continue in operational existence for the foreseeable future.

14. Principal Risks and Uncertainties

Asyad Shipping Company SAOG operates in a cyclical and capital-intensive global shipping industry. Risk management is embedded within the Company’s business processes and applied across its subsidiaries, joint ventures, business units, assets, and locations in accordance with the approved enterprise risk management framework.

Risks are identified, assessed, and evaluated using the Company’s risk matrix, with defined risk ownership and periodic reviews conducted by management, risk owners, and department heads. Key risks are escalated through the organizational structure, ensuring appropriate oversight from operational to strategic levels.

During the year ended 31 December 2025, the Company identified the following key risks relevant to its operations and financial performance:

Freight Market Volatility

The Company’s performance is closely linked to global freight rates, which are influenced by vessel supply-demand dynamics, oil prices, trade flows, and geopolitical developments. Volatility in charter rates may affect earnings and cash flows.

Geopolitical and Trade Disruptions

Regional conflicts, sanctions, and disruptions to shipping routes may impact vessel deployment, transit times, insurance costs, and operational efficiency. The Company continuously monitors geopolitical developments and adjusts deployment strategies as necessary.

Interest Rate and Liquidity Risk

As a capital-intensive business, the Company utilizes external financing to support fleet investments. Changes in interest rates may affect financing costs, while effective liquidity management remains essential to meeting operational and capital commitments. Debt levels and covenant compliance are actively monitored.

Operational and Technical Risk

Shipping operations are exposed to risks including vessel downtime, technical failures, accidents, and supply chain constraints. Preventive maintenance programs, safety standards, and technical oversight are maintained to mitigate such risks.

Regulatory and Environmental Risk

The shipping industry is subject to evolving international maritime and environmental regulations. Compliance with emissions and sustainability standards may require operational adjustments and capital investment.

All identified risks are managed within the Company’s approved enterprise risk management framework, which defines risk appetite and provides for continuous identification, monitoring, reporting, and mitigation of key risk exposures in alignment with the Company’s strategic objectives.

Overall, while 2026 is expected to see modest trade expansion and structural adjustments, Asyad Shipping’s diversified segment exposure and strategic emphasis on disciplined commercial practices and asset utilization support resilience in a market environment that is likely to be balanced but subject to cyclical and structural challenges.

For and on behalf of the Board of Directors

Eng. AbdulRahman Salim Al Hatmi	Dr. Ibrahim Bakhit Al Nadhairi
Chairman of the Board	Chief Executive Officer
Asyad Shipping Company SAOG	Asyad Shipping Company SAOG

