

Chairman's Report

For the nine months ended 30 Sept 2025

Dear Shareholders,

On behalf of the Board of Directors of National Gas Company SAOG's, I am pleased to present the Director's Report for the nine months ending 30th September 2025. This report outlines the financial and operational performance of both the Group and the Parent Company during the reporting period.

Group Performance

For the nine months of 2025, the Group achieved revenue of RO 62.9 million, representing degrowth of 1.5% as compared to RO 63.9 million in the previous period last year mainly due to CP variation. The Group recorded an after-tax loss of RO 388,200, compared to RO 2,196 in the same period last year.

The increase in loss was primarily driven by challenges in our operations in the Kingdom of Saudi Arabia, where a slowdown in the order pipeline and delays in project execution adversely impacted profitability. In Malaysia, losses were primarily due to cost overruns on certain projects. These arose from unanticipated heavy rainfall, which caused delays and additional expenses that were not foreseen at the time of project planning.

We are pleased to report that the Group's Net Assets Per Share increased from RO 0.200 as of 30th Sept 2024 to RO 0.203 as of 30th Sept 2025, highlighting the strength of our balance sheet and the value being built within the Group.

Parent Company Performance

Despite challenges, The Parent Company demonstrated notable revenue growth of 33%, reaching RO 8.4 million compared to RO 6.3 million in the same period last year. However, lower LPG price realization in the Bulk Supply segment moderated the impact of this growth on overall profitability.

The Parent Company reported an after-tax loss of RO 95k, an improvement compared to a loss of RO 108k in the previous period. This positive trend reflects the effectiveness of our cost control initiatives and increased handling volumes across operations.

Regulatory Updates

We continue to actively engage with regulators on matters that impact on our business. The **Ministry of Commerce, Industry, and Investment Promotion (MOCIIP)** has issued branding regulations that came into effect on **1 December 2024**. We are currently awaiting further clarifications and are evaluating our strategic response for implementation in the later part of 2025.

Developments

We are pleased to provide an update on the group's developments and express our gratitude for the support and trust extended by various stakeholders.

In June 2025, we successfully acquired an 80% shareholding in Samahram Gas LLC based in Salalah. This strategic move is aimed at reinforcing our presence in Sultanate of Oman and expanding our footprint in the Dhofar region.

In Saudi Arabia, our subsidiary is focused on project activities and has been qualified for an LPG Refill and Bulk distribution license. We have submitted our financial bid for this license and await the decision. This initiative represents a strategic expansion into a new segment aligned with our growth objectives.

In Malaysia, we are expanding our presence in the Solar energy sector emphasizing the implementation of rooftop solar power systems, gas distribution network pipelines, and engineering consultancy services. These efforts underscore our commitment to diversifying our portfolio and leveraging our core capabilities to support sustainable growth.

Conclusion

While the Group faced pricing pressures in the Bulk LPG segment, regional project delays, and cost overruns due to unforeseen weather conditions and underestimations, we remain encouraged by continued operational efficiencies, volume growth, and disciplined cost management.

Looking ahead, we are optimistic about delivering improved performance in the final quarter of 2025, driven by our strategic initiatives and enhanced project execution capabilities.

We reaffirm our commitment to operational excellence, regulatory compliance, and sustainable value creation. Our teams are focused on timely project delivery, upholding the highest standards of business conduct, and aligning global benchmarks of performance.

On behalf of the Board of Directors, I would like to express our sincere appreciation to His Majesty Sultan Haitham Bin Tariq, the Financial Services Authority, the Muscat Stock Exchange, the Ministry of Energy and Minerals, Energy Development of Oman, the Civil Defense and Ambulance Authority, the Ministry of Commerce, Industry and Investment Promotion (MOCIIP), and other regulatory bodies for their invaluable guidance and support. We are grateful for their contributions to enabling our operations and fostering a conducive business environment.

We would also like to extend our gratitude to our esteemed shareholders, employees, distributors, customers, and vendors. Your unwavering trust and support have been instrumental in our success. We hope to continue earning your faith and encouragement in the upcoming quarters.

Abdulla Suleiman Hamed Al Harthy

Chairman