

Dear Shareholders,

On behalf of the Board of Directors, it is my distinct pleasure to report on an exceptionally strong first half of 2025 for OQ Base Industries (SFZ) S.A.O.G. (“OQBI”) and its Subsidiary.

Our strategic initiatives have yielded remarkable results for the six-month period ended 30 June 2025. This is most evident in our net profit, which surged by an impressive 467.4% compared to the first half of 2024. This outstanding performance is a direct testament to the significant enhancements in our operational efficiencies and our unwavering focus on delivering value to our stakeholders.

Furthermore, our commitment to disciplined execution is demonstrated by our performance against our own ambitious targets.

In a key strategic development, we are honored to be included in the IdealRatings index, a trusted global benchmark for ethical, ESG, and Shariah compliance. This achievement underscores our dedication to the highest standards of governance and widens our appeal to a broader investor base.

Health, Safety, Security & Environment (HSSE)

The Group has maintained a strong HSSE performance in H1 2025, in line with its annual objectives and regulatory expectations. As of 30 June 2025, a total of 1,280,056 cumulative safe manhours has been achieved without a Lost Time Injury (LTI), underscoring a proactive safety culture across all assets. Furthermore, all Group’s operational permits remain valid, reflecting effective governance and compliance with regulatory requirements.

These initiatives reinforce the Group’s strategic focus on operational excellence, employee health, and environmental stewardship, further positioning it as a responsible and safety-driven industry leader.

Operating Performance

The Group is the only integrated producer in Oman of methanol, ammonia and LPG Products, The LPG products include propane, butane, condensate, and LPG (cooking gas). The Group had 3.8% higher production cumulatively for Methanol and Ammonia (780.46 KMT) for six months period ended 30 June 2025 compared to (751.08 KMT) for the same period ended 30 June 2024. The increase in production was due to effective utilization of plant (103% and 104%) respectively for Methanol and Ammonia plants with higher average plant availability of 99.33% compared with 96.14% for the same period ended June 2024. However, LPG plant utilization has slightly reduced to 101% resulting in 1.5% lower production. This was around 175.1 MT for six months period ended 30 June 2025 compared to 177.78 MT in same period last year.

OQBI Group has exceeded the production targets for the first half of 2025 against business plan targets.

Group Financial Performance Analysis

Our financial performance for the six months ended 30 June 2025 demonstrates the success of our operational and commercial strategies. Group revenue reached OMR 112.4 million, a significant increase of OMR 8.1 million, or 7.7%, compared to the OMR 104.3 million recorded in the same period last year. This strong top-line growth was achieved through a balanced combination of increased sales volumes and improved pricing.

The primary drivers of this revenue growth were our Methanol and Ammonia products, which contributed increases of OMR 4.7 million (58%) and OMR 2.1 million (26%), respectively. Our LPG segment also delivered a solid performance, with revenue rising by OMR 1.3 million (16%) due to higher sales volumes contributed by carry over inventory.

This strong revenue performance translated directly into enhanced profitability. Earnings Before Interest, Tax, Depreciation, and Amortization (EBITDA) rose by an impressive OMR 11.9 million, or 35.6%, to reach OMR 45.7 million. This was driven by the revenue growth and augmented by cost efficiencies, including savings in notional gas charges and other costs of sales. These gains were partially offset by a resulting increase in gas consumption charges of OMR 4.1 million.

Ultimately, this operational excellence culminated in a remarkable bottom-line result. Net profit for the period surged by OMR 19.2 million, an increase of 467.4%, to reach OMR 23.3 million, compared to OMR 4.1 million for the first half of 2024. In addition to the strong EBITDA performance, this result was significantly boosted by an OMR 6.6 million reduction in finance costs, largely due to our successful refinancing of term loans at more favourable interest rates.

Acknowledgments

On behalf of the Board of Directors, the management and all OQBI employees, we would like to express our sincere and deep gratitude to the vision and wise great leadership of His Majesty Haitham bin Tariq for maintaining sustainable growth and prosperity of the Oman’s Economy.

Thank you once again for your trust, support, and partnership. Together, we will continue to achieve greatness and contribute to a sustainable and prosperous future.

On behalf of the Board of Directors

Ali Al Lawati

OQBI Board Chairman