

Board of Directors report

Dear Shareholders,

On behalf of the Board of Directors, I am pleased to present the unaudited financial results of OQ Base Industries (SFZ) S.A.O.G. (“OQBI” or the “Company”) and its subsidiary for the nine-month period ended 30 September 2025.

Throughout this period, the disciplined execution of our strategic priorities has delivered exceptional financial outcomes. Net profit grew by **134.2%** compared to the same period in 2024, reflecting the success of our operational improvements and strategic focus. This significant growth demonstrates the resilience of our business model and reinforces our commitment to generating sustainable, long-term value for our shareholders.

Our performance, which exceeded ambitious internal targets, underscores the strength of our operational rigor and strategic clarity. Looking ahead, we remain focused on driving innovation, optimizing efficiency, and capitalizing on emerging opportunities to ensure continued growth and value creation.

In a significant strategic milestone, we are proud to announce our inclusion in the Ideal Ratings Index — a globally recognized benchmark for ethical, ESG, and Shariah-compliant investments. This achievement reflects our unwavering commitment to the highest standards of corporate governance, transparency, and responsible business practices. It also enhances our visibility and appeal among a broader, values-driven investor base, further strengthening our position in the global investment landscape.

Health, Safety, Security & Environment (HSSE)

The Group has maintained a strong HSSE performance for 2025, in line with its annual objectives and regulatory expectations. As of 30 September 2025, a total of 1,917,107 cumulative safe manhours has been achieved without a Lost Time Injury (LTI), underscoring a proactive safety culture across all assets. The Group’s operational permits remain valid, reflecting effective governance and compliance with regulatory requirements. Furthermore, HSSE has initiated blood donation and hazards hunting campaigns in Q3 2025.

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 OQBI Group had an increase of 2.1% higher production cumulatively for Methanol and Ammonia (1161.1 kMT) for nine months period ended 30 September 2025 compared to (1137.6 kMT) for the same period ended 30 September 2024. The increase in production was due to reliable plant operations for Methanol and Ammonia plants with higher average plant availability of 98.23% compared with 97.95% for the same period ended September 2024. LPG plant operated at a higher throughput resulting in 0.5% higher production due to higher demand from downstream gas consumers. This was around 270.15 kMT for nine months period ended 30 September 2025 compared to 268.92 kMT in same period last year.

Group Financial Performance Analysis

Our financial performance for the nine-month period ended 30 September 2025 clearly reflects the successful execution of our operational and commercial strategies. Group revenue reached OMR 170.7 million, marking a notable increase of OMR 10.8 million or 6.7% compared to OMR 160 million in the same period last year. This strong revenue growth was driven by a strategic blend of higher sales volumes and optimized pricing, demonstrating our ability to capture market opportunities while maintaining commercial discipline.

Revenue growth during the period was primarily driven by strong contributions from our Methanol and Ammonia segments, which recorded increases of OMR 5.6 million (52%) and OMR 0.9 million (8%), respectively. Additionally, our LPG business delivered a solid performance, with revenue rising by OMR 4.2 million (39%), supported by higher sales volumes resulting from carry-over inventory. These results highlight the resilience and diversification of our product portfolio, as well as our ability to capitalize on market dynamics.

This strong revenue performance translated into a significant uplift in profitability. Earnings Before Interest, Tax, Depreciation, and Amortization (EBITDA) increased by OMR 10.7 million, or 19.2%, reaching OMR 66.7 million for the nine-month period ended 30 September 2025. This improvement was primarily driven by robust revenue growth and the absence of additional provisions for receivables during the period. These gains were partially offset by an OMR 4.0 million increase in gas consumption charges for Methanol and Ammonia with an additional OMR 0.5 million notional gas charge for LPG. Additional offset is driven by OMR 1.3 million rise in administrative expenses.

This operational strength ultimately translated into a substantial improvement in bottom-line performance. Net profit for the nine-month period surged to OMR 32.3 million, representing an increase of OMR 18.5 million or 134.2% compared to OMR 13.8 million in the same period last year. In addition to the strong EBITDA growth, profitability was further supported by OMR 6.3 million reduction in finance costs, primarily driven by the successful refinancing of term loans at more favourable interest rates. These results reflect the effectiveness of our financial strategy and disciplined capital management.

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