| Auditors Report | English 01/01/2025-31/12/2025 |
|---|---|
| **DISCLOSURE AUDITOR'S REPORT** | |
| **DISCLOSURE OF AUDITOR'S REPORT** | |
| **AUDITOR'S OPINION** | |
| Unmodified Opinion | Yes |
| **AUDITOR'S OPINION BASIS** | |
| Opinion and basis of Opinion | Ref #1 |
| Key Audit Matters | Ref #2 |
| Other Matter | Ref #3 |
| Other information | Ref #4 |
| Responsibilities of Management and Those Charged with Governance for the Financial Statements | Ref #5 |
| Auditor's Responsibilities for the Audit of the Financial Statements | Ref #6 |
| Report on Other Legal and Regulatory Requirements | Ref #7 |

**# 1**

***Opinion***

We have audited the consolidated and separate financial statements of OQ Base Industries (SFZ) SAOG (the "Parent Company") and its subsidiary (together the "Group"), which comprise the consolidated and separate statement of financial position as at 31 December 2025, and the consolidated and separate statement of profit or loss and other comprehensive income, consolidated and separate statement of changes in equity and consolidated and separate statement of cash flows for the year then ended, and notes to the consolidated and separate financial statements, including material *accounting policy information.*

In our opinion, the accompanying consolidated and separate financial statements present fairly, in all material respects, the consolidated and separate financial position of the Group and Parent Company as at 31 December 2025 and its consolidated and separate financial performance and consolidated and separate cash flows for the year then ended in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board (IASB).

***Basis for opinion***

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the consolidated and separate financial statements* section of our report. We are independent of the Group and Parent Company in accordance with the International Ethics Standards Board for Accountants' *International Code of Ethics for Professional Accountants (including International Independence Standards)* (IESBA Code), as applicable to audits of financial statements of public interest entities, together with the ethical requirements that are relevant to audits of the financial statements of public interest entities in Sultanate of Oman. We have also fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

**# 2**

***Key audit matters***

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated and separate financial statements of the current period. These matters were addressed in the context of our audit of the consolidated and separate financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have fulfilled the responsibilities described in the *Auditor's responsibilities for the audit of the consolidated and separate financial statements* section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the consolidated and separate financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying consolidated and separate financial statements.

| **Key audit matter** | **How our audit addressed the key audit matter** |
|---|---|
| **Accrued liability for rich gas (only for consolidated financial statements)** | |
| As disclosed in note 2(g), on 11 June 2017 the Group has entered into a 25-year Natural Gas Supply Agreement (NGSA) with the Ministry of Energy and Minerals (MEM). Under the NGSA, the Group is responsible for building, owning, operating and transferring the Liquified Petroleum Gas (LPG) plant for duration of the agreement.<br><br>Under the NGSA, MEM supplies rich gas to the Group at zero cost, which is utilized in the production of LPG. The amount of accrued liability is recognised based on a complex recovery mechanism dependent on future projections of LPG such as production levels, sales performance, and profitability, with 80% of the residual cash payable to MEM in accordance with the terms of the NGSA. | Our audit procedures in this area included the following:<br><br>• We inquired with the management to obtain an understanding of the process relating to estimation of accrued liability for rich gas.<br><br>• We tested the design and implementation of the relevant internal controls over estimation of accrued liability for rich gas.<br><br>• We reviewed the significant assumptions used in the model including future gas prices by referencing external data with industry benchmarks and also evaluated management's future production estimates and profitability projections by critically assessing the assumptions used. |

As at 31 December 2025, the Group recognised an accrued liability for rich gas amounting to RO 99.2 million (31 December 2024: RO 101.4 million), a notional cost relating to rich gas for RO 39.4 million under cost of sales (31 December 2024: RO 41.8 million) and, a discounting impact of RO 7.6 million in finance income (31 December 2024: RO 4.8 million in finance costs).

Due to complexity of the payment mechanism, we considered the accrued liability for rich gas to be a key audit matter due to significant judgements required and the materiality of the amounts involved.

The accounting policies, estimates and assumptions and disclosures relating to accrued liability for rich gas are set out in notes 3.3(h)(ii), 4(iv), 4(vi) and 26 to the consolidated and separate financial statements, respectively.

- We performed a retrospective assessment in order to accurately estimate the accrued liability for rich gas and to check for indications of estimation bias over time.
- We recalculated the carrying amount of the financial liability related to the accrued liability for rich gas by independently checking the accuracy of the calculations and assessing whether they reflect the assumptions and data inputs provided by management.
- We evaluated the adequacy of the financial statements disclosures, including disclosure of key judgements.

***Key audit matters (continued)***

| Key audit matter | How our audit addressed the key audit matter |
|---|---|
| Revenue from sale of hydrocarbon products | |
| For the year ended 31 December 2025, the Group and the Parent Company have recognised a revenue of RO 226.0 million (31 December 2024: RO 234.8 million) and RO 153.1 (31 December 2024: RO 153.7 million), respectively.<br><br>The Group generates revenue from its principal business activities which involve the production of methanol and ammonia, propane, butane, condensate and cooking gas.<br><br>Revenue is measured based on the consideration specified in a contract with the customer and is recognised when performance obligation is satisfied by transferring a good or service to a customer.<br><br>The timing of revenue recognition is particularly critical in the context of hydrocarbon sales. As there is a risk that the revenue may be recorded in an incorrect period, leading to potential material misstatements in the consolidated and separate financial statements, therefore, we considered the recognition of revenue from sale of hydrocarbon products as a key audit matter. | Our audit procedures in this area included the following:<br><br>• We inquired with the management to obtain an understanding of the process relating to revenue recognition.<br><br>• We assessed the design and implementation and tested the operating effectiveness of relevant controls over the revenue cycle for a sample of revenue transactions.<br><br>• We evaluated the appropriateness of the Group and Parent Company's accounting policies for revenue recognition with the requirements of IFRS 15 and understanding of the business.<br><br>• We obtained contracts with the customers on a sample basis to understand key delivery terms and assessed whether revenue is recognised based on satisfaction of the performance obligation and the Group and Parent Company's accounting policy for revenue recognition.<br><br>• We selected a sample of revenue transactions before |

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| The accounting policies and disclosures relating to revenue recognition are set out in notes 3.3(m) and 5 to the consolidated and separate financial statements, respectively. | and after the year end to test whether revenue is recorded in the appropriate period.<br><br>• We evaluated the adequacy of the financial statements disclosures, including disclosure of key judgements. |

# 3

***Other matters***

The consolidated and separate financial statements of the Group and Parent Company for the year ended 31 December 2024 were audited by another auditor who expressed an unmodified opinion on those consolidated and separate financial statements on 04 March 2025.

# 4

***Other information***

Other information consists of the information included in the Group and Parent Company's 2025 Annual Report other than the consolidated and separate financial statements and our auditor's report thereon. Management is responsible for the other information. We obtained the following information prior to the date of our auditor's report, and we expect to obtain the published 2025 Annual Report after the date of our auditor's report:

- Chairman's report
- Corporate governance report
- Management discussion and analysis

Our opinion on the consolidated and separate financial statements does not cover the other information, and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated and separate financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated and separate financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed on the other information obtained prior to the date of the auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

# 5

***Responsibilities of management and Audit Committee for the consolidated and separate financial statements***

Management is responsible for the preparation and fair presentation of the consolidated and separate financial statements in accordance with IFRS Accounting Standards as issued by the IASB and their preparation in compliance with the relevant requirements of the Commercial Companies Law of 2019 and the Financial Services Authority (the "FSA") of the Sultanate of Oman, and for such internal control as management determines is necessary to enable the preparation of consolidated and separate financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated and separate financial statements, management is responsible for assessing the Group and Parent Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group and the Parent Company or to cease operations, or has no realistic alternative but to do so.

The Audit Committee is responsible for overseeing the Group and Parent Company's financial reporting process.

# 6

***Auditor's responsibilities for the audit of the consolidated and separate financial statements***

Our objectives are to obtain reasonable assurance about whether the consolidated and separate financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated and separate financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated and separate financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group and Parent Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group and Parent Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated and separate financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group and Parent Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated and separate financial statements, including the disclosures, and whether the consolidated and separate financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the Group as a basis for forming an opinion on the consolidated financial statements. We are responsible for the direction,

supervision and review of the audit work performed for the purposes of the group audit. We remain solely responsible for our audit opinion.

We communicate with Audit Committee regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide Audit Committee with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with Audit Committee we determine those matters that were of most significance in the audit of the consolidated and separate financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

# 7

**Report on other legal and regulatory requirements**

We report that the consolidated and separate financial statements comply, in all material respects, with the relevant requirements of the Commercial Companies Law of 2019 and FSA of the Sultanate of Oman.

| Auditors Report | English<br>01/01/2025-31/12/2025 |
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| **DISCLOSURE OF AUDITOR'S DETAILS** | |
| **DISCLOSURE OF AUDITOR'S DETAILS** | |
| Name of partner signing off auditor's report | Mohamed Al Qurashi |
| Name of audit firm | ERNST AND YOUNG LLC |
| Registration number of Audit firm | 1224013 |
| Date of certification from auditor | 18/02/2026 |