

**OQ SAOC and its subsidiaries**

**REPORT AND CONSOLIDATED FINANCIAL  
STATEMENTS**

**For the year ended 31 December 2025**

# OQ SAOC and its subsidiaries

## REPORT AND CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

<i><b>Index</b></i>	<i><b>Pages</b></i>
Chairman message, GCEO message and Financial Performance Analysis	1
Independent auditor's report	2(a) – 2(e)
Consolidated statement of financial position	3 – 4
Consolidated statement of profit or loss and other comprehensive income	5
Consolidated statement of changes in equity	6 – 7
Consolidated statement of cash flows	8 – 9
Notes to the consolidated financial statements	10 – 101



## Chairman's Message

On behalf of the Board of Directors, I am proud to reflect on another strong year for the OQ Group, marking several strategic milestones, robust achievements, international collaborations and key financial developments in 2025.

Despite a volatile market environment and ongoing geopolitical disruptions, OQ remained steadfast in its commitment to delivering value to its shareholders and meeting financial targets, delivering a stronger performance in 2025 compared with the previous year. The Group achieved an EBITDA of **OMR 1,348 Mn** and a net profit of **OMR 641 Mn**. Reflecting these strong results, OQ secured an investment grade BBB- rating with a stable outlook from S&P Global. This financial milestone represented OQ's second investment-grade credential alongside Fitch Ratings, who elevated OQ's Long-Term Issuer Default Rating to BBB- in December of 2025.

As part of the strategic steps in developing Oman's energy infrastructure and further solidifying Oman's role in the global energy ecosystem, OQ participated as part of the state visit of His Majesty Sultan Haitham bin Tarik to the Netherlands. In conjunction with the visit, a Joint Development Agreement was signed to study establishing the world's first commercial scale liquid hydrogen corridor linking Oman to Europe, with OQ developing the liquefied hydrogen plant and associated facilities, including storage and export infrastructure. This collaboration illustrates OQ's status as a trusted partner of choice and adds to the Group's long history of international cooperation.

In addition to the Group's financial and strategic accomplishments, OQ maintained its focus on future growth in 2025. The Group witnessed numerous project milestones during the year spanning the energy value chain and OQ's diversified portfolio. Notably, OQ continued to progress Oman's energy transition efforts, with OQ Alternative Energy (OQAE) signing Power Purchase Agreements for three utility-scale projects totalling over 740 MW of renewable energy and concluding the year with the historic arrival of the largest wind turbines ever delivered to Oman for the Riyah wind projects. Furthermore, OQ's existing projects likewise climbed to unprecedented heights, with OQ RPI delivering a record performance of more than 93 Mn barrels of oil processed during the year and OQ8 marking the export of its 500th shipment. These milestones reflect OQ's operational strength and its ability to extract value from its portfolio.

The Group continued to lead in the field of digital transformation and innovation. In 2025, OQ completed the first SAP Joint Venture accounting implementation in the GCC oil and gas sector and executed 11 research and development projects during the year. Importantly, the OQ Accelerator Programme celebrated the graduation of its first cohort,

/// Despite a volatile market environment and ongoing geopolitical disruptions, OQ remained steadfast in its commitment to delivering value to its shareholders and meeting financial targets, delivering a stronger performance in 2025 compared with the previous year. ///

encompassing 13 technology-driven startups and more than 210 hours of mentorship delivered. All together, these initiatives reflect OQ's commitment to operational excellence, adopting technological advancements and supporting the growth of Oman's innovation ecosystem.

As a major contributor to the national economy and a supporter of the development of local businesses, OQ further strengthened its in-country value practices during the year. In 2025, the Group's local spend exceeded **OMR 460 Mn**, marking a 19% increase compared to 2024, with approximately **OMR 117 Mn** dedicated to small and medium-sized enterprises. In recognition of these efforts, OQ was awarded the Oman Investment Authority ICV Award at the Annual Rawabit Forum.

The year also marked the successful relocation of OQ to its new headquarters, located in Madinat Al Irfan Business Park. The nine-storey facility comfortably accommodates more than 1,200 employees. Accumulating more than 900,000 safe man hours, the relocation was completed ahead of schedule thanks to the dedication demonstrated by the project execution team. The new office embodies OQ's commitment to the wellbeing of its employees while also aligning with LEED and WELL certification standards.

Similarly, recognising its responsibility to empower Omani graduates, OQ welcomed more than 1,000 trainees in 2025 as part of the internship programme, which represented a 16% increase in intern onboarding compared to 2024. Significant progress was also accomplished towards embedding a culture of excellence and continuous improvement across the Group, with more than 773 employees equipped with the skills necessary to lead improvement initiatives. These capability-building efforts contributed to the implementation of 24 Lean PDCA projects and 16 Lean Six Sigma Green Belt projects across the Group, resulting in financial savings of approximately OMR 12 Mn.

In conclusion, the Board of Directors would like to extend its sincere appreciation to the Government of Oman for its continuous support under the wise leadership of His Majesty Sultan Haitham bin Tarik. Looking ahead, I am confident in OQ's ability to continue unlocking opportunities, advance national priorities and deliver outstanding value to Oman.

**H.E. Mulham Basheer Al Jarf**  
OQ Chairman



## Group CEO Message

Strengthened by our shared vision and unwavering determination, I am pleased to report that 2025 was another year of exceptional operational, financial and strategic progress for OQ Group, progress that continues to drive us toward a brighter future for Oman.

OQ continued to treat safety as a top priority, showcasing an industry-leading HSSE performance in 2025. With more than 47 Mn manhours, OQ's lost time injuries demonstrated a consistent downward trend, decreasing from 7 injuries logged in 2023 to only 3 recorded in 2025.

Despite continued volatility in global energy markets, OQ delivered a resilient financial performance in 2025 and further continues to generate shareholder value. The Group reported a consolidated EBITDA and net profit of **OMR 1,348 Mn** and **OMR 641 Mn**, respectively, representing more than 25% increase in net profit compared to 2024 results. In addition, the Group recorded another year of revenue growth and reported the highest revenue in its history, reflecting enhanced operational efficiency, successful transformation initiatives across the portfolio and volume growth. OQ SAOC also delivered solid results, generating dividend income of **OMR 460 Mn** and achieving a net profit of **OMR 450 Mn**, demonstrating robust financial discipline.

Amongst other noteworthy operational developments, OQ continued its efforts to transform and generate value for some of the challenged assets, achieving remarkable results in 2025. These enhancements reflect OQ's focus on maximising profitability and strengthening portfolio asset reliability to ensure long-term sustainability and competitiveness.

This year, OQ placed an emphasis on growth through successful partnerships. OQ signed an agreement with the Integrated Gas Company (IGC), paving the way for the Saih Nihayda NGL Extraction Project. Moreover, OTTCO and Royal Vopak signed a shareholder agreement to establish a joint venture aimed at developing and operating world-class energy storage and terminal infrastructure leveraging Duqm's strategic location. Additionally, OQ signed a Memorandum of Understanding with Mawarid Turbines to establish the first regional wind turbine manufacturing plant, which aims to support local production of renewable energy technologies.

OQ has also signed two more agreements to study a liquid hydrogen corridor to Europe and to explore hydrogen and CO<sub>2</sub> pipeline infrastructure. Moreover, OQ signed agreements with Botswana Oil covering joint studies, regional energy trade and product supply, while OTTCO and OQT signed agreements with Iraq's State Oil Marketing Organization (SOMO) to establish a 10 Mn BBL crude storage facility at Ras Markaz and to collaborate on international marketing of Iraqi crude.

// 2025 was a strong year for OQ, filled with significant financial, operational and national achievements spanning the entire portfolio. Moving ahead, we remain committed to delivering value to our shareholder, expanding our role as a reliable regional and international partner and actively contributing to the economic and social development of Oman. //

In line with our objectives to support local industries, promote economic diversification and attract foreign direct investment in Oman, OQ continues its efforts toward the Ladayn Polymer Programme, with a total of 27 agreements signed and more than OMR 85 Mn secured in total commitments, of which 9 companies began production in 2025.

In 2025, OQ progressed its social investment projects, focusing on economic development, healthcare, education, environmental sustainability and youth empowerment. Notably, the Sultan Qaboos University Auditory Staff Training Programme supported hearing-impaired students and academic staff. OQ employees also contributed more than 11,900 volunteer hours, underscoring the Group's commitment to community engagement and social responsibility.

Furthermore, we are proud to have signed several agreements to provide more than 1,000 job opportunities for Omani job seekers and graduates within the OQ Group, which will contribute to developing local talent. Furthermore, in our efforts to amplify diverse perspectives and empower future leaders, we launched the OQ Youth Council, which will serve as a bridge between early-career employees and senior leadership across the organisation.

In closing, I would like to extend my appreciation to our shareholders, the Oman Investment Authority, our Board of Directors, the Executive Leadership team and to our employees, our partners for their efforts to propel OQ and contribute to Oman's growth. 2025 was a strong year for OQ, filled with significant financial, operational and national achievements spanning the entire portfolio. Moving ahead, we remain committed to delivering value to our shareholder, expanding our role as a reliable regional and international partner and actively contributing to the economic and social development of Oman.

**Ashraf Al Mamari**

Group Chief Executive Officer



## Consolidated Financial Results

Global energy markets in 2025 remained volatile, shaped by moderating crude prices, fluctuating refining margins and persistent geopolitical uncertainty. These dynamics continued to exert pressure on revenue generation across the energy sector. Against this backdrop, OQ delivered a stronger year-on-year performance, reporting a consolidated net profit of OMR 641 Mn and an EBITDA of OMR 1,348 Mn. In addition, OQ SAOC generated dividend income of OMR 460 Mn and a net profit of OMR 450 Mn.

This improvement was underpinned by enhanced operational efficiency, volume growth and the execution of targeted cost optimisation programmes, including strategic and transformation initiatives across the Group's portfolio.

Globally, OQ further strengthened its position as a leading integrated energy company, advancing initiatives aligned with Oman's energy transition, industrial diversification and long-term economic resilience. The year was marked by tangible progress across renewable energy development, upstream performance, decarbonisation efforts, shareholder value creation and credit quality, reinforcing OQ's strategic contribution to Oman's sustainable growth.

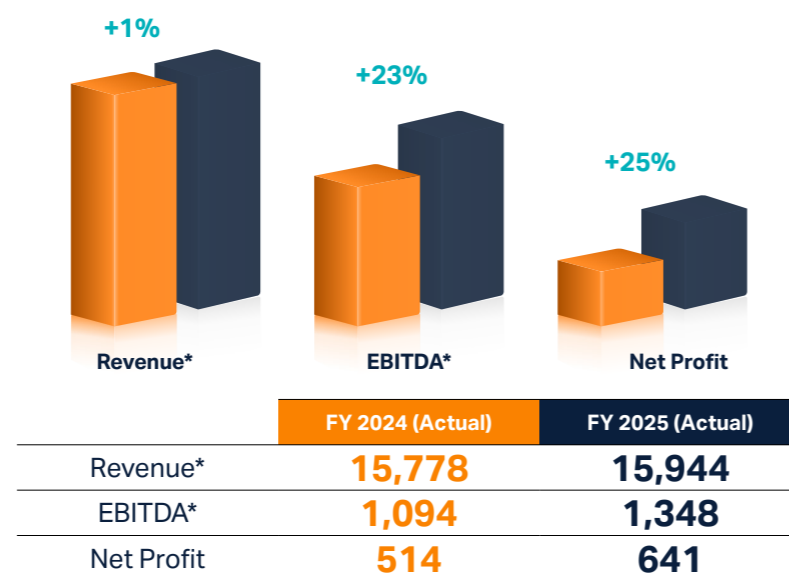
**2025 Financial  
Performance**

## A snapshot of the consolidated financial results is depicted below:

### Consolidated Financial Results (OMR Mn)

The Consolidated Group Revenue for 2025 was OMR 15,944 Mn, a slight improvement from the OMR 15,778 Mn achieved in 2024. The increase was primarily attributed to growth in OQ Trading's traded volumes.

The Consolidated EBITDA and Net Profit recorded in 2025 were OMR 1,348 Mn and OMR 641 Mn, respectively, representing a growth of 23% and 25% compared to 2024 results. This improvement in profitability reflects enhanced operational efficiency, volume growth and the successful execution of transformation plans and other strategic initiatives implemented across the portfolio.



\* Revenue and EBITDA are restated and adjusted to reflect OQEP's representation of corporate income taxes under EPSA. In previous years, the revenues and taxes from EPSA were presented on a net basis.

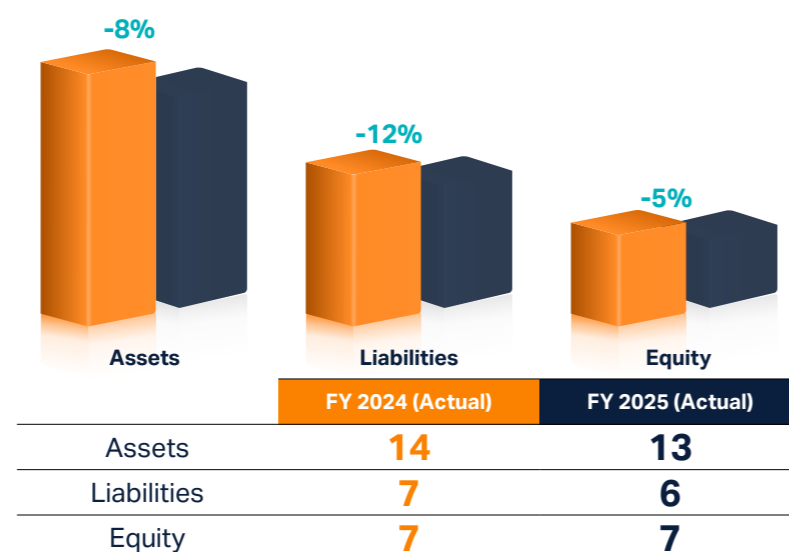
Within the business segments, Upstream profitability declined compared to 2024, largely due to lower OEB prices (USD 81/bbl in 2024 versus USD 71/bbl in 2025). Despite this price-led pressure, key strategic initiatives, such as the Bisat C expansion in Block 60 and the further investment in Block 53, secured long-term resource availability, supporting the sustainability of future profitability.

On the Downstream side, profitability and margins improved compared to 2024. OQ RPI achieved higher profits, supported by stronger Gross Refining Margins (GRM), operational efficiencies, and the impact of the ongoing Transformation Plan. After excluding the OMR 175 Mn one-off accounting adjustment, OQ RPI's underlying net profit increased by OMR 153 Mn compared to 2024. OQ8 also significantly narrowed its net losses, underpinned by favourable price and volume impact and the OMR 52 Mn value creation from its Transformation Plan. OQT delivered higher net profit compared to 2024, marked by growth in traded volumes and expansion of product capabilities. OMIFCO and SAC reported stronger net profit, benefiting from higher volumes as well as improved market fundamentals.

Reflecting this improved financial and operational performance, OQ secured an investment-grade BBB- rating with a stable outlook from S&P Global. This milestone represents our second investment-grade credential, complementing the Fitch rating which was elevated to BBB- in December 2025. Collectively, these ratings highlight the resilience of OQ's operating model, disciplined balance-sheet management and strengthened financial profile.

### Consolidated Financial Position (OMR Bn)

The overall balance sheet structure of the Group shows a slight reduction, reflecting the shrinkage of OQ's portfolio resulting from the divestment of OQ Chemicals (OQC) as well as OQ SAOC's distribution of dividends to its shareholder in 2025.

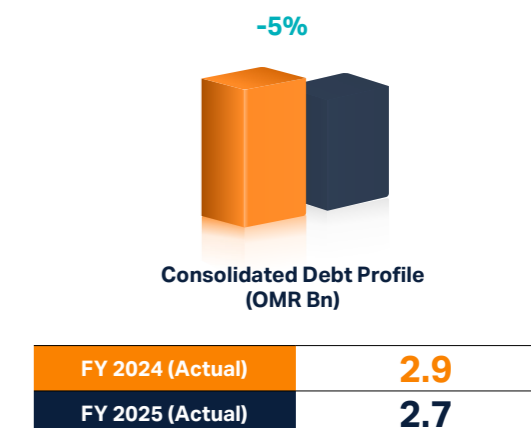


## Consolidated Assets

OQ's consolidated assets as of December 31, 2025, declined by 8% compared to the previous year. The decrease was primarily driven by the divestment of OQC and lower cash and cash equivalent following dividend payments to shareholder.

## Consolidated Liabilities

OQ's consolidated liabilities as of December 31, 2025, amounted to OMR 6 Bn, reflecting a decrease compared to the prior year's closing balance, largely driven by OQC divestment. Additionally, the Group's consolidated debt profile continued to reduce over the years, standing at OMR 2.7 Bn as of December 31, 2025, in line with OQ's ongoing commitment to its financial discipline strategy and prudent financial management.



## OQ SAOC Financial Results

OQ SAOC recorded a net profit of OMR 450 Mn in 2025. Although this is lower than the reported profit of OMR 1,157 Mn in 2024, last year's result included one-off gains of OMR 834 Mn arising from the Group's IPO transactions. Excluding this non-recurring gains, the underlying net profit for 2025 was higher than the prior year, reflecting stronger performance and stable income streams.

Dividend income for 2025 was primarily driven by contributions from OQEP OMR 206 Mn, OQT OMR 77 Mn, OMIFCO OMR 54 Mn, SAC OMR 42 Mn, OQBi OMR 25 Mn and OQGN OMR 23 Mn. In addition, OQ SAOC generated OMR 74 Mn in finance income during the year.

During the year, the value of OQ's investments in subsidiaries, associates and joints arrangements increased slightly from OMR 4,044 Mn in 2024 to OMR 4,129 Mn in 2025. This uplift was due to an investment of OMR 77 Mn into OQ RPI and OMR 20 Mn into OQ AE.

While OQ SAOC profitability remains robust, the underlying trends point to increasing pressure on income streams. This is primarily driven by a narrowing dividend base. In response, OQ is prioritising sustainable growth through a balanced portfolio of greenfield and brownfield projects and pursuing targeted M&A opportunities supported by disciplined cost management and optimum capital allocation.



Ernst & Young LLC  
P.O. Box 1750, Ruwi 112  
5th floor, Landmark Building  
Opposite Al Ameen Mosque  
Bowsher, Muscat  
Sultanate of Oman

Tel: +968 22 504 559  
Fax: +968 22 060 810  
muscat@om.ey.com  
ey.com

Tax Card No. 8218320

C.R. No. 1224013  
P.R. No. HMH/15/2015; HMA/9/2015

## INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF OQ SAOC AND ITS SUBSIDIARIES

### Report on the audit of the consolidated financial statements

#### **Opinion**

We have audited the consolidated financial statements of OQ SAOC (the "Company") and its subsidiaries (together, the "Group"), which comprise the consolidated statement of financial position as at 31 December 2025, and the consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including material accounting policy information.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as at 31 December 2025 and its consolidated financial performance and consolidated 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 financial statements* section of our report. We are independent of the Group in accordance with the International Ethics Standards Board for Accountants' *International Code of Ethics for Professional Accountants (including International Independence Standards)* (IESBA Code) together with the ethical requirements that are relevant to our audit of the consolidated financial statements in Sultanate of Oman, and we have 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.

#### **Other matter**

The consolidated financial statements of the Group for the year ended 31 December 2024, were audited by another auditor, who expressed an unmodified opinion on those consolidated financial statements on 23 March 2025.

#### **Key audit matters**

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated 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 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 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 financial statements.

**INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF  
OQ SAOC AND ITS SUBSIDIARIES**

**Report on the audit of the consolidated financial statements (continued)**

**Key audit matters (continued)**

Key audit matter	How our audit addressed the key audit matter
<p><b>Revenue recognition on petroleum products</b></p>	
<p>Revenue from petroleum products represents approximately 95% of the Group's total revenue and is recognised based on the transfer of control to customers, which depends on the applicable contractual and shipping terms.</p>	<p>We performed the following audit procedures, among others:</p> <ul style="list-style-type: none"> <li>▶ We evaluated the Group's revenue recognition policies for petroleum products by assessing their compliance with the requirements of IFRS 15, including the identification of performance obligations and the determination of when control transfers to customers under the relevant contractual and shipping terms;</li> <li>▶ We obtained an understanding of, and tested the design and operating effectiveness of, key controls over revenue recognition on this revenue stream, including controls relating to: <ul style="list-style-type: none"> <li>• recording of product liftings and volumes,</li> <li>• determination of the point of transfer of control, and</li> <li>• pricing of petroleum products revenue, including provisional pricing mechanisms;</li> </ul> </li> <li>▶ On a sample basis, we tested revenue recognised from petroleum products by inspecting sales contracts, shipping documentation (including bills of lading), and invoices, with a particular focus on liftings occurring close to the reporting date, to assess whether revenue was recognised in the appropriate accounting period;</li> <li>▶ We evaluated management's methodology for estimating revenue from provisionally priced sales by: <ul style="list-style-type: none"> <li>• assessing the contractual pricing mechanisms,</li> <li>• testing the completeness and accuracy of volumes and pricing data used in the calculations, and</li> <li>• obtaining the subsequent final invoices to identify any price-related adjustments that should be reflected in 2025 revenue;</li> </ul> </li> <li>▶ We assessed the adequacy and completeness of the related disclosures included in the consolidated financial statements, including disclosures relating to revenue recognition, significant judgements and estimates, and financial instruments.</li> </ul>
<p>The recognition of revenue involves significant judgement, particularly in determining the point at which control transfers for product liftings occurring close to the reporting date, assessing the completeness and accuracy of volumes delivered, and estimating revenue arising from provisionally priced sales, where the final sales price is determined after the reporting date based on future market prices.</p>	
<p>The accounting policies relating to revenue recognition, including provisionally priced sales, are set out in Note 4.14 to the consolidated financial statements entitled "Material accounting policy information". The related critical accounting estimates and judgements are disclosed in Note 5.</p>	
<p>Given the magnitude of petroleum products revenue, the complexity of contractual arrangements, the use of estimates and judgements, and the susceptibility of this revenue stream to error or manipulation, we identified revenue recognition on petroleum products as a key audit matter.</p>	



## INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF OQ SAOC AND ITS SUBSIDIARIES

### Report on the audit of the consolidated financial statements (continued)

#### ***Other information***

The other information comprises of Chairman's message, Group Chief Executive Officer's message and Financial Performance Analysis. Management is responsible for the other information.

Our opinion on the consolidated 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 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 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.

#### ***Responsibilities of management and Board Audit and Risk Committee for the consolidated financial statements***

Management is responsible for the preparation and fair presentation of the consolidated 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 of the Sultanate of Oman, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Group'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 or to cease operations, or has no realistic alternative but to do so.

Board Audit and Risk Committee is responsible for overseeing the Group's financial reporting process.

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

Our objectives are to obtain reasonable assurance about whether the consolidated 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 financial statements.



## INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF OQ SAOC AND ITS SUBSIDIARIES

### Report on the audit of the consolidated financial statements (continued)

#### *Auditor's responsibilities for the audit of the consolidated 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 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'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'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 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 to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated 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 Board Audit and Risk 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.



Shape the future  
with confidence

## INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF OQ SAOC AND ITS SUBSIDIARIES

### Report on other legal and regulatory requirements

As required by the applicable provisions of the Commercial Companies Law of 2019 and the Ministerial Decision 146/2021, we report that:

- we have obtained all the information and explanations we considered necessary for the purposes of our audit;
- the Group has maintained accounting records and the consolidated financial statements are in agreement therewith;
- the Group has carried out physical verification of inventories;
- the financial information included in the Chairman's message, Group Chief Executive Officer's message and Financial Performance Analysis is consistent with the books of accounts of the Group; and
- based on the information that has been made available to us, nothing has come to our attention, which causes us to believe that the Group has contravened, during the year ended 31 December 2025, any of the applicable provisions of the Commercial Companies Law of 2019 or its Articles of Association, which would materially affect the financial performance of the Group for the year ended 31 December 2025 or its financial position as at 31 December 2025.

*Ernst & Young*

*Imtiaz*

Imtiaz Ibrahim  
12 March 2026  
Muscat



OQ SAOC and its subsidiaries

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 December 2025

<b>Assets</b>	<i>Notes</i>	<b>2025</b> <b>₹'000</b>	<b>2024</b> <b>₹'000</b>
<b>Non-current assets</b>			
Property, plant and equipment	6	<b>3,932,007</b>	4,018,872
Oil and gas production and development assets	7a	<b>889,643</b>	899,843
Exploration and evaluation assets	7b	<b>15,044</b>	8,362
Right-of-use assets	8	<b>289,407</b>	211,215
Intangible assets	9	<b>17,404</b>	10,059
Investment in associates	10	<b>164,144</b>	161,651
Interest in joint ventures	11	<b>754,622</b>	793,424
Deferred tax assets	40	<b>39,639</b>	32,156
Concession receivables	12	<b>1,002,537</b>	909,265
Lease receivables	13	<b>197,939</b>	204,858
Contract assets	14	<b>151,912</b>	117,787
Due from related parties	30	<b>117,082</b>	94,220
Other financial assets	17	<b>99,423</b>	102,217
Other non-current assets	18	<b>46,745</b>	43,258
<b>Total non-current assets</b>		<b>7,717,548</b>	<b>7,607,187</b>
<b>Current assets</b>			
Inventories	19	<b>711,949</b>	832,201
Trade and other receivables	20	<b>1,334,400</b>	1,551,166
Concession receivables – current portion	12	<b>32,312</b>	30,869
Lease receivables – current portion	13	<b>6,919</b>	12,682
Due from related parties – current portion	30	<b>237,087</b>	119,861
Other financial assets – current portion	17	<b>171,889</b>	122,333
Short-term deposits	16	<b>1,295,725</b>	961,333
Cash and cash equivalents	21	<b>1,213,856</b>	2,018,209
Assets held for sale	15	<b>49,850</b>	666,111
<b>Total current assets</b>		<b>5,053,987</b>	<b>6,314,765</b>
<b>Total assets</b>		<b>12,771,535</b>	<b>13,921,952</b>

The accompanying notes from 1 to 50 form an integral part of these consolidated financial statements.

OQ SAOC and its subsidiaries

CONSOLIDATED STATEMENT OF FINANCIAL POSITION (continued)

As at 31 December 2025

	Notes	2025 R'000	2024 R'000
<b>Equity and liabilities</b>			
<b>Equity</b>			
Share capital	22	3,556,447	3,556,447
Share capital pending registration		-	194
Statutory reserve	23	737,899	669,379
Other reserve	24	115,975	372,555
Hedge and fair value reserve	25	34,465	84,990
Translation reserve		(18,031)	(12,542)
Retained earnings		1,613,678	1,752,268
<b>Equity attributable to equity holders of the parent</b>		<b>6,040,433</b>	<b>6,423,291</b>
Non-controlling interests	45	812,955	811,562
<b>Total equity</b>		<b>6,853,388</b>	<b>7,234,853</b>
<b>Non-current liabilities</b>			
Loans and borrowings	26	2,073,332	2,444,625
Lease liabilities	27	247,541	186,625
Employees' end-of-service benefits	28	17,072	17,996
Provisions	29	266,454	183,780
Due to related parties	30	85,679	9,242
Deferred tax liabilities	40	141,308	118,127
Derivatives	17 (iv)	304	-
Other liabilities	31	63,946	33,458
<b>Total non-current liabilities</b>		<b>2,895,636</b>	<b>2,993,853</b>
<b>Current liabilities</b>			
Trade and other payables	32	1,031,681	1,371,558
Loans and borrowings – current portion	26	685,843	470,356
Lease liabilities – current portion	27	48,411	39,810
Provisions – current portion	29	24,937	24,691
Derivatives – current portion	17 (iv)	105,381	62,121
Due to related parties – current portion	30	1,036,353	1,035,567
Income tax	40	88,114	72,412
Liabilities directly associated with the assets held for sale	15	1,791	616,731
<b>Total current liabilities</b>		<b>3,022,511</b>	<b>3,693,246</b>
<b>Total liabilities</b>		<b>5,918,147</b>	<b>6,687,099</b>
<b>Total equity and liabilities</b>		<b>12,771,535</b>	<b>13,921,952</b>

These consolidated financial statements and the accompanying notes were approved and authorized for issuance by the Board of Directors on 12 March 2026.



Chairman



Board Member



Group Chief Executive Officer

The accompanying notes from 1 to 50 form an integral part of these consolidated financial statements.

OQ SAOC and its subsidiaries

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER  
COMPREHENSIVE INCOME

For the year ended 31 December 2025

	Notes	2025 RMB'000	2024 RMB'000 Restated (note 3.5)
<b>Continuing operations</b>			
Revenue	33	15,943,633	15,777,452
Cost of sales	34	(14,619,058)	(14,539,530)
<b>Gross profit</b>		<b>1,324,575</b>	<b>1,237,922</b>
Share of results of equity accounted investments	35	94,409	(16,339)
Other income / (expenses) – net	36	52,376	60,646
Administrative expenses	37	(363,828)	(335,433)
Impairment losses – (charged) / released - net	38	(4,038)	228,573
<b>Operating profit</b>		<b>1,103,494</b>	<b>1,175,369</b>
Finance income	39	149,451	138,331
Finance cost	39	(181,868)	(226,662)
Foreign exchange loss	39	(3,093)	(4,718)
<b>Profit before tax from continuing operations</b>		<b>1,067,984</b>	<b>1,082,320</b>
Income tax expense	40	(429,101)	(463,144)
<b>Profit for the year from continuing operations</b>		<b>638,883</b>	<b>619,176</b>
<b>Discontinued operations</b>			
Profit / (loss) after tax for the year from discontinued operations	15	2,391	(105,064)
<b>Profit for the year</b>		<b>641,274</b>	<b>514,112</b>
<b>Other comprehensive income / (expense):</b>			
<i>Items that may be reclassified subsequently to profit or loss</i>			
Foreign currency translation difference on investment in subsidiaries		(1,367)	-
Foreign currency translation difference on investment in associates and joint ventures	10, 11	2,936	(16,535)
Share of other comprehensive loss of associates and joint ventures	25	(21,429)	(3,290)
Net movement on cash flow hedges	25	(29,096)	(35,345)
Foreign currency translation differences reclassified to profit or loss upon disposal of foreign subsidiary	15 (iv)	(7,058)	9,655
<i>Items not to be reclassified to profit or loss in subsequent periods</i>			
Remeasurement gain / (loss) on defined benefit plans	28	1,538	(30)
<b>Other comprehensive expense, net of tax</b>		<b>(54,476)</b>	<b>(45,545)</b>
<b>Total comprehensive income for the year</b>		<b>586,798</b>	<b>468,567</b>
<b>Profit for the year attributable to:</b>			
- Equity holders of the parent		510,702	467,405
- Non-controlling interests		130,572	46,707
<b>Profit for the year</b>		<b>641,274</b>	<b>514,112</b>
<b>Total comprehensive income attributable to:</b>			
- Equity holders of the parent		456,263	421,860
- Non-controlling interests		130,535	46,707
<b>Total comprehensive income for the year</b>		<b>586,798</b>	<b>468,567</b>
<b>Earnings per share</b>			
Basic and diluted earnings per share – RMB	41	0.181	0.145
<b>Earnings per share - continuing operations</b>			
Basic and diluted earnings per share – RMB	41	0.180	0.174

The accompanying notes from 1 to 50 form an integral part of these consolidated financial statements.

OQ SAOC and its subsidiaries

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the year ended 31 December 2025

	<i>Share capital</i>	<i>Share capital pending registration</i>	<i>Statutory reserve</i>	<i>Other reserve</i>	<i>Hedge and fair value reserve</i>	<i>Translation reserve</i>	<i>Retained earnings</i>	<i>Equity attributable to equity holders of the parent</i>	<i>Non-controlling interests</i>	<i>Total equity</i>
	<i>₹'000</i>	<i>₹'000</i>	<i>₹'000</i>	<i>₹'000</i>	<i>₹'000</i>	<i>₹'000</i>	<i>₹'000</i>	<i>₹'000</i>	<i>₹'000</i>	<i>₹'000</i>
<b>At 1 January 2025</b>	<b>3,556,447</b>	<b>194</b>	<b>669,379</b>	<b>372,555</b>	<b>84,990</b>	<b>(12,542)</b>	<b>1,752,268</b>	<b>6,423,291</b>	<b>811,562</b>	<b>7,234,853</b>
Profit for the year	-	-	-	-	-	-	510,702	510,702	130,572	641,274
Other comprehensive income for the year	-	-	-	-	(50,525)	(5,489)	1,575	(54,439)	(37)	(54,476)
Total comprehensive income for the year	-	-	-	-	(50,525)	(5,489)	512,277	456,263	130,535	586,798
Dividend paid	-	-	-	-	-	-	(831,289)	(831,289)	(125,663)	(956,952)
Reclassification of reserves on disposal of OQ Chemicals Group (note 24)	-	-	-	58,162	-	-	(58,162)	-	-	-
Transfer to statutory reserve (note 23)	-	-	68,904	-	-	-	(68,904)	-	-	-
Other movements	-	(194)	(384)	(7,922)	-	-	668	(7,832)	(3,479)	(11,311)
Transfer to retained earnings	-	-	-	(306,820)	-	-	306,820	-	-	-
Total transactions with owner	-	(194)	68,520	(256,580)	-	-	(650,867)	(839,121)	(129,142)	(968,263)
	<b>3,556,447</b>	<b>-</b>	<b>737,899</b>	<b>115,975</b>	<b>34,465</b>	<b>(18,031)</b>	<b>1,613,678</b>	<b>6,040,433</b>	<b>812,955</b>	<b>6,853,388</b>

The accompanying notes from 1 to 50 form an integral part of these consolidated financial statements.

OQ SAOC and its subsidiaries

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (continued)

For the year ended 31 December 2025

	<i>Share capital</i> <u>₹'000</u>	<i>Share capital pending registration</i> <u>₹'000</u>	<i>Statutory reserve</i> <u>₹'000</u>	<i>Other reserve</i> <u>₹'000</u>	<i>Hedge and fair value reserve</i> <u>₹'000</u>	<i>Translation reserve</i> <u>₹'000</u>	<i>Retained earnings</i> <u>₹'000</u>	<i>Equity attributable to equity holders of the parent</i> <u>₹'000</u>	<i>Non-controlling interests</i> <u>₹'000</u>	<i>Total equity</i> <u>₹'000</u>
At 1 January 2024	3,556,447	194	508,450	(132,706)	123,625	(5,662)	1,910,042	5,960,390	432,060	6,392,450
Profit for the year	-	-	-	-	-	-	467,405	467,405	46,707	514,112
Other comprehensive income for the year	-	-	-	-	(38,635)	(6,880)	(30)	(45,545)	-	(45,545)
Total comprehensive income for the year	-	-	-	-	(38,635)	(6,880)	467,375	421,860	46,707	468,567
Dividend paid	-	-	-	-	-	-	(497,000)	(497,000)	(57,234)	(554,234)
Initial Public Offerings (IPOs) (note 24)	-	-	-	538,041	-	-	-	538,041	390,029	928,070
Other movements	-	-	-	(21,378)	-	-	21,378	-	-	-
Transfer to statutory reserve (note 23)	-	-	160,929	(11,402)	-	-	(149,527)	-	-	-
Total transactions with owner	-	-	160,929	505,261	-	-	(625,149)	41,041	332,795	373,836
At 31 December 2024	<u>3,556,447</u>	<u>194</u>	<u>669,379</u>	<u>372,555</u>	<u>84,990</u>	<u>(12,542)</u>	<u>1,752,268</u>	<u>6,423,291</u>	<u>811,562</u>	<u>7,234,853</u>

The accompanying notes from 1 to 50 form an integral part of these consolidated financial statements.

## OQ SAOC and its subsidiaries

### CONSOLIDATED STATEMENT OF CASH FLOWS

For the year ended 31 December 2025

	Notes	2025 R'000	2024 R'000 <i>Restated</i> <i>(note 3.5)</i>
<b>Cash flows from operating activities</b>			
Profit before tax – continuing operations		1,067,984	1,082,320
Profit / (loss) before tax – discontinued operations		1,741	(113,498)
<i>Adjustments for:</i>			
Impairment losses – charged / (released) - net	38	4,038	(228,573)
Share of results of equity accounted investees	35	(94,409)	16,339
Depreciation and amortisation	6	596,948	548,123
Accrual for end of service benefits	28	3,943	2,967
Loss / (gain) on disposal of property, plant and equipment		259	(15)
Exploration and evaluation assets written off block 42	7b	-	2,828
Provision for impairment on exploration and evaluation assets of block 52	7b	-	6,502
Provision for natural gas	29	39,434	41,837
Unwinding of discount on site restoration and abandonment cost	29	6,943	7,273
Unwinding of commitment to Ministry of Energy of Minerals (MEM)	29	(7,609)	4,831
Finance cost	39	182,534	214,558
Lease income	36	(20,454)	(21,509)
Finance income	39	(149,451)	(138,331)
Unrealized gain financial instruments through profit and loss account	36	(6,655)	-
Foreign currency translation reserve reclassified to profit and loss on disposal	15	(7,058)	-
Dividend income on investments	36	(1,337)	(1,117)
Impairment losses recognised on discontinued operation	15	4,786	83,256
Gain on termination of lease		(607)	-
EPSA taxes	40	(354,986)	(401,491)
		<u>1,266,044</u>	<u>1,106,300</u>
<b>Changes in:</b>			
Inventories		120,252	(172,248)
Trade and other receivables		215,391	(228,958)
Concession receivables		35,122	24,929
Contract assets		(1,887)	2,912
Trade and other payables		(339,877)	366,638
Due from related parties		(140,088)	115,157
Due to related parties		96,225	93,190
Other movement in other non-current asset		(36,901)	(114,609)
Other movements in non-current liabilities		30,488	31,871
		<u>1,244,769</u>	<u>1,219,358</u>
<b>Cash generated from operating activities</b>			
Employees' end of service benefits paid	28	(3,329)	(3,130)
Payment for rich gas provision	29	(34,029)	-
Income tax paid		(42,716)	(136,671)
<b>Net cash from operating activities</b>		<u>1,164,695</u>	<u>1,079,557</u>

The accompanying notes from 1 to 50 form an integral part of these consolidated financial statements.

OQ SAOC and its subsidiaries

CONSOLIDATED STATEMENT OF CASH FLOWS (continued)

For the year ended 31 December 2025

	Notes	2025 R'000	2024 R'000 <i>Restated (note 3.5)</i>
<b>Cash flows from investing activities</b>			
Acquisition of property, plant and equipment	6	(140,389)	(141,169)
Acquisition of oil and gas exploration and production assets	7	(251,000)	(240,653)
Payment for intangible assets	9	(6,963)	(3,152)
Payment for exploration and evaluation assets	7b	(6,682)	(11,017)
Lease receipts	13	33,136	33,750
Acquisition of contract assets and concession receivables	12 & 14	(159,836)	(36,996)
Proceeds from disposal of property, plant and equipment		7,953	9,213
Dividend received on investments		1,337	1,117
Additions of investment in equity accounted investees - net	10 & 11	(5,028)	(168,126)
Dividend received from equity-accounted investees	10 & 11	112,083	99,479
Net cash disposed as part of disposal of discontinued operations		(45,039)	-
Payments for term deposits	17	(334,392)	(240,990)
Interest income received	39	130,449	138,331
<b>Net cash used in investing activities</b>		<b>(664,371)</b>	<b>(560,213)</b>
<b>Cash flows from financing activities</b>			
Interest paid		(203,794)	(274,372)
Purchase of treasury shares		(10,751)	-
Dividends paid to non-controlling interests		(125,663)	(57,234)
Dividend paid to equity holder		(831,289)	(497,000)
Repayment of loans and borrowings – net	44	(155,806)	(236,225)
Proceeds from IPOs, net of transaction costs		-	928,070
Proceeds on settlement of derivative instruments		35,906	72,985
Repayment of lease liabilities	27	(59,051)	(55,401)
<b>Net cash used in financing activities</b>		<b>(1,350,448)</b>	<b>(119,177)</b>
<b>Net change in cash and cash equivalents</b>		<b>(850,124)</b>	<b>400,167</b>
Translation adjustments		1,568	8,292
Cash and cash equivalents at the beginning of the year		2,063,248	1,654,789
<b>Cash and cash equivalents at end of the year</b>	21	<b>1,214,692</b>	<b>2,063,248</b>

The accompanying notes from 1 to 50 form an integral part of these consolidated financial statements.

# OQ SAOC and its subsidiaries

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

### 1 LEGAL STATUS AND PRINCIPAL ACTIVITIES

OQ SAOC (the “Parent” or the “Parent Company”) is a closed joint stock company domiciled in the Sultanate of Oman. The consolidated financial statements as at and for the year ended 31 December 2025 comprise the Parent Company and its subsidiaries (together referred to as the “Group”) and the Group’s interest in associates and joint ventures. The Parent Company is primarily involved in the business of identifying, acquiring, managing, operating interests in petroleum and other energy related enterprises and dealing in investments related to petroleum and other energy industry. The Group is primarily engaged in exploration, production, marketing and distribution of petroleum and petroleum by-products. The Group operates in the Sultanate of Oman, United Arab Emirates (UAE), India, Pakistan, Korea, China, Spain, Netherlands, United Kingdom, Singapore, United States of America, Cayman Island, Bermuda, Kazakhstan and Turkey. The registered address of the Parent Company is P O Box 261, Postal Code 118, Sultanate of Oman.

The Parent Company is wholly owned by the Oman Investment Authority (“OIA” or the “Shareholder”). The Group is ultimately owned by the Government of Sultanate of Oman.

The Parent Company has debt securities listed on the London Stock Exchange.

### 2 GROUP ENTITIES

The Group has the following investments in subsidiaries:

<i>Company name</i>	<i>Notes</i>	<i>Country of incorporation</i>	<i>Effective Holding % 2025</i>	<i>Effective Holding % 2024</i>
<b>A Wholly owned</b>				
Oman Tank Terminal Company LLC (OTTCO)		Sultanate of Oman	100%	100%
OQ Salalah Storage Company (SFZ) LLC (formerly Duqm Petroleum Terminal Company LLC (DPTC))		Sultanate of Oman	100%	100%
Oman Oil Services Limited (OOSL)		Bermuda	100%	100%
Oman Oil Holdings Spain SL (OOHS)		Spain	100%	100%
Oman Pearls Company Limited (OPCL)		Cayman Islands	100%	100%
Oman Pearls Company Limited – UK		United Kingdom	100%	100%
Oman Oil Company Limited (OOCL)	v	Bermuda	100%	100%
Oman Energy Trading Company Limited (OETCL)		Bermuda	100%	100%
Oman Oil International Limited (OOIL)		Bermuda	100%	100%
Oman Oil Holding Europe B.V (OOHE)		Netherlands	100%	100%
Majan Energy B.V		Netherlands	100%	100%
OQ Chemicals International Holdings GMBH (OQC)	iii	Germany	-	100%
OIG OQ Infrastructure GMBH	iii	Germany	-	100%
Takamul Investment Company LLC (TIC)		Sultanate of Oman	100%	100%
Oman Aluminium Rolling Company LLC (OARC)		Sultanate of Oman	100%	100%
Takamul Holding Company Limited		Cayman Islands	100%	100%
Sohar Paper Cores LLC (SPC)		Sultanate of Oman	100%	100%
Oman Purified Isophthalic Acid Company LLC		Sultanate of Oman	100%	100%
OQ Refineries and Petroleum Industries LLC (OQ RPI)		Sultanate of Oman	100%	100%
OQ Refineries LLC		Sultanate of Oman	100%	100%
OQ Aromatics LLC		Sultanate of Oman	100%	100%
OQ Polymers LLC (formerly, OQ Plastics LLC)		Sultanate of Oman	100%	100%
OQ Depots LLC		Sultanate of Oman	100%	100%
OQ Marketing LLC		Sultanate of Oman	100%	100%
OQ Logistics LLC		Sultanate of Oman	100%	100%
OQ Warehousing (FZC) SPC		Sultanate of Oman	100%	100%
OQ Marketing LLP		India	100%	100%
OQ Marketing LLC (Singapore branch)		Singapore	100%	100%
OQ Marketing (Shanghai) Company Ltd		China	100%	100%
OQ Polymer Management Ltd (DIFC)		United Arab Emirates	100%	100%

## OQ SAOC and its subsidiaries

### NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

For the year ended 31 December 2025

#### 2 GROUP ENTITIES (continued)

<i>Company name</i>	<i>Notes</i>	<i>Country of incorporation</i>	<i>Effective Holding % 2025</i>	<i>Effective Holding % 2024</i>
<b>A Wholly owned (continued)</b>				
OQ Turkey Performance Chemicals Marketing Limited		Turkey	100%	100%
OQ Alternative Energy LLC (OQ AE)		Sultanate of Oman	100%	100%
Oman Oil Facilities Development Company LLC (OOFDC)		Sultanate of Oman	100%	100%
OQ Salalah Industries SAOC		Sultanate of Oman	100%	100%
Majis Industrial Services SAOC		Sultanate of Oman	100%	100%
OQX LLC		Sultanate of Oman	100%	-
OQ Trading Limited (OQT)		United Arab Emirates	100%	100%
OQ Trading (UK) Services Ltd.		United Kingdom	100%	100%
OQ Trading (Europe) B.V.		Netherlands	100%	100%
OQ Trading (Shanghai) Co. Ltd.		China	100%	100%
OQ Trading (US) Inc.		United States of America	100%	100%
Oman Oil Company Limited (Branch in Aktau City)		Kazakhstan	100%	100%
Clean Energy SPC		Sultanate of Oman	100%	-
Oman Energy Development Company SPC (OED)		Sultanate of Oman	100%	-
<b>B Subsidiaries with non-controlling interests</b>				
Oman Oil Marketing Company SAOG (OOMCO)	ii	Sultanate of Oman	49%	49%
Abraj Energy Services SAOG (Abraj)		Sultanate of Oman	51%	51%
OQ Exploration and Production SAOG (OQEP)	i	Sultanate of Oman	75%	75%
Abu Tubul LLC		Sultanate of Oman	75%	75%
Musandam Gas Plant LLC		Sultanate of Oman	75%	75%
Makarim Gas Development LLC		Sultanate of Oman	75%	75%
Almajd Gas Development LLC		Sultanate of Oman	75%	75%
Almuzn Liquefied Natural Gas LLC		Sultanate of Oman	75%	75%
Alziz Gas Development LLC		Sultanate of Oman	75%	75%
Musandam Oil & Gas Company SPC LLC		Sultanate of Oman	75%	75%
OQ Gas Networks SAOG (OQ GN)		Sultanate of Oman	51%	51%
Energy Infrastructure Company LLC (“EIC”) (formerly Gas Transmission Company LLC (GTC))		Sultanate of Oman	51%	51%
Duqm Management & Services LLC		Sultanate of Oman	70%	70%
OQ LPG (SFZ) SPC		Sultanate of Oman	51%	51%
OQ Base Industries (SFZ) SAOG (OQ BI)		Sultanate of Oman	51%	51%
OQ Exploration and Production Jaleel Development LLC		Sultanate of Oman	75%	-
OQ Exploration and Production New Venture LLC		Sultanate of Oman	75%	-
OQ Exploration and Production Block 54 LLC		Sultanate of Oman	75%	75%
OQ Exploration and Production Mukhaizna Development LLC		Sultanate of Oman	75%	-
Sohar Sulphur Fertilizer LLC	iv	Sultanate of Oman	-	68.75%

## OQ SAOC and its subsidiaries

### NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

For the year ended 31 December 2025

#### 2 GROUP ENTITIES (continued)

(i) The Group has the following material interests, all of which are located within the Sultanate of Oman:

<i>Name</i>	<i>Participating Interest</i>		<i>Operator</i>	<i>Activity</i>
	<i>2025</i>	<i>2024</i>		
Block 60	<b>60%</b>	60%	OQEP	Exploration and production
Block 48	<b>60%</b>	60%	OQEP	Exploration
Block 9	<b>45%</b>	45%	Occidental	Exploration and production
Block 61	<b>30%</b>	30%	BP	Exploration and production
Block 65	<b>49%</b>	49%	Occidental	Exploration
Block 10	<b>13.4%</b>	13.4%	Shell	Exploration and production
Block 53	<b>20%</b>	20%	Occidental	Exploration and production
Block 47	<b>10%</b>	10%	ENI	Exploration
Block 11	<b>10%</b>	10%	SDO	Exploration
Block 54	<b>60%</b>	-	OQ EP	Exploration

All interests in the table above are treated as joint operations.

Block 54 EPSA was entered on 10 March 2025 between OQ Exploration & Production SAOG (60% participating interest, operator) and Genel Energy plc (40% participating interest), with the Ministry of Energy and Minerals of the Sultanate of Oman. The initial phase of the agreement, lasting three years, will involve investments of up to US\$ 25 million. This includes the execution of 3D seismic surveys, the drilling of exploration wells, and the re-evaluation of existing wells.

(ii) Oman Oil Marketing Company SAOG

OQ SAOC consolidates Oman Oil Marketing Company SAOG (“OOMCO”) as a subsidiary in accordance with IFRS 10 – Consolidated Financial Statements, as it has control over OOMCO despite holding 49% of the ordinary shares. Control is determined based on Article 5 of OOMCO’s Articles of Association, which grants OQ multi-vote shares carrying two votes per share. As OQ holds 100% of these multi-vote shares, it controls 51.43% of total voting rights, enabling it to direct key decisions and relevant activities of OOMCO. This majority voting power establishes control under IFRS 10, leading to full consolidation of OOMCO in the Group’s consolidated financial statements.

(iii) OQ Chemicals Group

As of 31 December 2024, the Group held 100% equity interest in OQ Chemicals International Holdings GmbH and OIG OQ Infrastructure GmbH (together, the “OQ Chemicals Group”). Due to financial distress within the OQ Chemicals Group since 2023, the Board resolved in 2024 not to provide further funding. In May 2024, the Group’s key creditors proposed emergency liquidity support, conditional upon initiating a mergers and acquisitions process to identify a buyer. Consequently, the Board resolved to transfer control of the OQ Chemicals Group to its creditors under an arrangement facilitated through an intermediary. In line with these developments, management classified the OQ Chemicals Group as an ‘asset held for sale’ in accordance with IFRS 5 – non-current assets held for sale and discontinued operations. Under the agreed arrangement, all disposal proceeds were to be applied to settle the external liabilities in full. As the offer price was not expected to exceed the outstanding liabilities, management wrote down the net carrying amount of the disposal group to nil during 2024, recognising an impairment loss of ~~83.3~~ 83.3 million.

In 2025, the sale agreement for the OQ Chemicals Group was finalised with a partnership of European investment firms, and the disposal was completed in April 2025. Upon disposal and the resulting loss of control, the accumulated reserves attributable to OQ Chemicals Group were reclassified to retained earnings.

(iv) Sohar Sulphur Company LLC

During the year, the Group disposed of its shareholding in Sohar Sulphur Company LLC.

(v) Oman Oil Company Limited (OOCL)

The Group has a 20% interest (joint operation) in the exploration rights and license for exploring for oil in an oilfield concession located in Dunga, Kazakhstan through OOCL, a 100% subsidiary of the Group.

## OQ SAOC and its subsidiaries

### NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

For the year ended 31 December 2025

#### 3 BASIS OF PREPARATION

##### 3.1 Statement of compliance and basis of measurement

These consolidated financial statements are in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board (IFRS Accounting Standards), and the applicable requirements of the Commercial Companies Law 2019 and Ministerial Decision 146/2021 issuing Commercial Companies' Regulations.

The consolidated financial statements are prepared under the historical cost convention except for investments at fair value through profit and loss and derivatives, which are measured at fair value, employees' end of service benefits which are measured at present value of defined benefit obligation, commodity trading inventories which are measured at fair value less cost to sell and assets held for sale which is measured at lower of carrying value or fair value less cost to sell.

The consolidated financial statements are prepared under the going concern assumption.

##### Functional and presentation currency

The Group comprises operations with a number of functional currencies. The Parent Company's functional currency is US\$. However, management uses  $\text{€}$  for controlling and maintaining the performance and financial position of the Group and accordingly the consolidated financial statements are presented in  $\text{€}$ .

All financial information presented in  $\text{€}$  has been rounded to the nearest thousand, unless otherwise indicated.

A substantial number of transactions of the Group are denominated in US\$ and exchange rate used for conversion is 0.3845 (2024: US\$ 1 =  $\text{€}$  0.3845).  $\text{€}$  is effectively pegged to US\$. Apart from US\$, the Group has transactions and balances in Euro. The relevant exchange rates have been disclosed in note 43 (ii).

##### 3.2 Basis of consolidation

The consolidated financial statements comprise the financial statements of the Parent Company and its subsidiaries as at 31 December 2025. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee.

Specifically, the Group controls an investee if and only if the Group has:

- Power over the investee (i.e. existing rights that give it the current ability to direct the relevant activities of the investee),
- Exposure, or rights, to variable returns from its involvement with the investee, and
- The ability to use its power over the investee to affect its returns.

When the Group has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- The contractual arrangement with the other vote holders of the investee.
- Rights arising from other contractual arrangements.
- The Group's voting rights and potential voting rights.

The Group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Assets, liabilities, income, and expenses of a subsidiary acquired or disposed of during the year are included in the statement of comprehensive income from the date the Group gains control until the date the Group ceases to control the subsidiary.

Profit or loss and each component of other comprehensive income are attributed to the equity holders of the parent of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance. When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies in line with the Group's accounting policies. All intra-group assets and liabilities, equity, income, expenses, and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

## OQ SAOC and its subsidiaries

---

### NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

For the year ended 31 December 2025

#### 3 BASIS OF PREPARATION (continued)

##### 3.2 Basis of consolidation (continued)

A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction. If the Group loses control over a subsidiary, it:

- derecognises the assets (including goodwill) and liabilities of the subsidiary
- derecognises the carrying amount of any non-controlling interests
- derecognises the cumulative translation differences recorded in equity
- recognises the fair value of the consideration received
- recognises the fair value of any investment retained
- recognises any surplus or deficit in profit or loss
- reclassifies the parent's share of components previously recognised in other comprehensive income to profit or loss or retained earnings, as appropriate, as would be required if the Group had directly disposed of the related assets or liabilities.

##### **Transactions with non-controlling interests**

The Group treats transactions with non-controlling interests as transactions with equity owners of the Group. For purchases from non-controlling interests, the difference between any consideration paid and the relevant share acquired of the carrying value of net assets of the subsidiary is recorded in equity. Gains or losses on disposals to non-controlling interests are also recorded in equity.

When the Group ceases to have control or significant influence, any retained interest in the entity is remeasured to its fair value, with the change in carrying amount recognised in profit or loss.

The fair value is the initial carrying amount for the purposes of subsequently accounting for the retained interest as an associate, joint venture or financial asset. In addition, any amounts previously recognised in other comprehensive income in respect of that entity are accounted for as if the Group had directly disposed of the related assets or liabilities. This may mean that amounts previously recognised in other comprehensive income are reclassified to profit or loss.

##### **Investment in associates and joint ventures**

An associate is an entity over which the Group has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over those policies.

A joint venture is a type of joint arrangement whereby the parties that have joint control of the arrangement and have rights to the net assets of the arrangement. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require the unanimous consent of the parties sharing control.

The considerations made in determining significant influence or joint control are similar to those necessary to determine control over subsidiaries.

The Group's investments in its associate and joint venture are accounted for using the equity method.

Under the equity method, the investment in an associate or a joint venture is initially recognised at cost.

The carrying amount of the investment is adjusted to recognise changes in the Group's share of net assets of the associate or joint venture since the acquisition date. Goodwill relating to the associate or joint venture is included in the carrying amount of the investment and is not separately tested for impairment.

The consolidated statement of profit or loss reflects the Group's share of the results of operations of the associate or joint venture. Any change in other comprehensive income (OCI) of those investees is presented as part of the Group's OCI. In addition, when there has been a change recognised directly in the equity of the associate or joint venture, the Group recognises its share of any changes, when applicable, in the statement of changes in equity. Unrealised gains and losses resulting from transactions between the Group and the associate or joint venture are eliminated to the extent of the interest in the associate or joint venture.

## OQ SAOC and its subsidiaries

### NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

For the year ended 31 December 2025

#### 3 BASIS OF PREPARATION (continued)

##### 3.2 Basis of consolidation (continued)

###### **Investment in associates and joint ventures (continued)**

The aggregate of the Group's share of profit or loss of an associate and a joint venture is shown on the face of the statement of profit or loss and represents share of profit or loss after tax and non-controlling interests in the subsidiaries of the associate or joint venture.

The financial statements of the associate or joint venture are prepared for the same reporting period as the Group. When necessary, adjustments are made to bring the accounting policies in line with those of the Group.

After application of the equity method, the Group determines whether it is necessary to recognise an impairment loss on its investment in its associate or joint venture. At each reporting date, the Group determines whether there is objective evidence that the investment in the associate or joint venture is impaired. If there is such evidence, the Group calculates the amount of impairment as the difference between the recoverable amount of the associate or joint venture and its carrying value, and then recognises the loss as 'Impairment' in the statement of profit or loss.

Upon loss of significant influence over the associate or joint control over the joint venture, the Group measures and recognises any retained investment at its fair value. Any difference between the carrying amount of the associate or joint venture upon loss of significant influence or joint control and the fair value of the retained investment and proceeds from disposal is recognised in profit or loss.

###### **Investment in joint operations**

A joint operation is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the assets and obligations for the liabilities of that arrangement. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require unanimous consent of the parties sharing control.

When a Group entity undertakes its activities under joint operations, the Group as a joint operator recognises in relation to its interest in a joint operation:

- Its assets, including its share of any assets held jointly.
- Its liabilities, including its share of any liabilities incurred jointly.
- Its revenue from the sale of its share of the output arising from the joint operation.
- Its share of the revenue from the sale of the output by the joint operation.
- Its expenses, including its share of any expenses incurred jointly.

The Group accounts for the assets, liabilities, revenues and expenses relating to its interest in a joint operation in accordance with the IFRSs applicable to the particular assets, liabilities, revenues and expenses.

When a Group entity transacts with a joint operation in which a Group entity is a joint operator (such as a sale or contribution of assets), the Group is considered to be conducting the transaction with the other parties to the joint operation, and gains and losses resulting from the transactions are recognised in the Group's consolidated financial statements only to the extent of other parties' interests in the joint operation.

When a Group entity transacts with a joint operation in which a Group entity is a joint operator (such as a purchase of assets), the Group does not recognise its share of the gains and losses until it resells those assets to a third party.

###### **Transactions with related parties**

The Group has applied the exemption under IAS 24 paragraphs 25 and 26, and has reduced the level of disclosure about the related parties' transactions and outstanding balances, including commitments related to:

- (a) a government that has control or joint control of, or significant influence over, the reporting entity; and
- (b) another entity that is a related party because the same government has control or joint control of, or significant influence over, both the reporting entity and the other entity.

In applying the exemption, the Group has disclosed the following related to the transactions and related outstanding balances:

**3 BASIS OF PREPARATION (continued)**

**3.2 Basis of consolidation (continued)**

**Transactions with related parties (continued)**

- (a) the name of the government and the nature of its relationship with the reporting entity (i.e. control, joint control or significant influence);
- (b) the following information in sufficient detail to enable users of the entity's financial statements to understand the effect of related party transactions on its financial statements:
  - (i) the nature and amount of each individually significant transaction; and
  - (ii) for other transactions that are collectively, but not individually, significant, a qualitative or quantitative indication of their extent.

**3.3 Application of new and revised International Financial Reporting Standards (IFRSs)**

**New and amended standard adopted by the Group**

The Group applied for the first-time certain standards and amendments, which are effective for annual periods beginning on or after 1 January 2025 (unless otherwise stated). The Group has not early adopted any other standard, interpretation or amendment that has been issued but is not yet effective.

**Lack of exchangeability – Amendments to IAS 21**

For annual reporting periods beginning on or after 1 January 2025, *Lack of Exchangeability – Amendments to IAS 21 The Effects of Changes in Foreign Exchange Rates* specifies how an entity should assess whether a currency is exchangeable and how it should determine a spot exchange rate when exchangeability is lacking. The amendments also require disclosure of information that enables users of its financial statements to understand how the currency not being exchangeable into the other currency affects, or is expected to affect, the entity's financial performance, financial position and cash flows.

The amendment did not have a material impact on the Group's consolidated financial statements.

**3.4 Standards issued but not yet effective**

The new and amended standards and interpretations that are issued, but not yet effective, up to the date of issuance of the Group's financial statements are disclosed below. The Group intends to adopt these new and amended standards and interpretations, if applicable, when they become effective.

**IFRS 18 Presentation and Disclosure in Financial Statements**

In April 2024, the IASB issued IFRS 18, which replaces IAS 1 *Presentation of Financial statements*. IFRS 18 introduces new requirements for presentation within the statement of profit or loss, including specified totals and subtotals. Furthermore, entities are required to classify all income and expenses within the statement of profit or loss into one of five categories: operating, investing, financing, income taxes and discontinued operations, whereof the first three are new.

The standard requires disclosure of newly defined management-defined performance measures, subtotals of income and expenses, and it also includes new requirements for aggregation and disaggregation of financial information based on the identified 'roles' of the primary financial statements (PFS) and the notes.

In addition, narrow-scope amendments have been made to IAS 7 *Statement of Cash Flows*, which include changing the starting point for determining cash flows from operations under the indirect method, from 'profit or loss' to 'operating profit or loss' and removing the optionality around classification of cash flows from dividends and interest. In addition, there are consequential amendments to several other standards.

IFRS 18, and the amendments to the other standards, are effective for reporting periods beginning on or after 1 January 2027, but earlier application is permitted and must be disclosed. IFRS 18 will apply retrospectively.

The Group is currently working to identify all impacts the amendments will have on the primary consolidated financial statements and notes to the financial statements.

## OQ SAOC and its subsidiaries

### NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

For the year ended 31 December 2025

#### 3 BASIS OF PREPARATION (continued)

##### 3.4 Standards issued but not yet effective (continued)

###### **IFRS 19 Subsidiaries without Public Accountability: Disclosures**

In May 2024, the IASB issued IFRS 19, which allows eligible entities to elect to apply its reduced disclosure requirements while still applying the recognition, measurement and presentation requirements in other IFRS accounting standards. To be eligible, at the end of the reporting period, an entity must be a subsidiary as defined in IFRS 10, cannot have public accountability and must have a parent (ultimate or intermediate) that prepares consolidated financial statements, available for public use, which comply with IFRS accounting standards.

IFRS 19 will become effective for reporting periods beginning on or after 1 January 2027, with early application permitted.

As the Group's equity instruments are publicly traded, it is not eligible to elect to apply IFRS 19.

###### **Amendments to the Classification and Measurement of Financial Instruments—Amendments to IFRS 9 and IFRS 7**

In May 2024, the IASB issued *Amendments to IFRS 9 and IFRS 7, Amendments to the Classification and Measurement of Financial Instruments* (the Amendments). The Amendments include:

- A clarification that a financial liability is derecognised on the 'settlement date' and the introduction of an accounting policy choice (if specific conditions are met) to derecognise financial liabilities settled using an electronic payment system before the settlement date
- Additional guidance on how the contractual cash flows for financial assets with environmental, social and corporate governance (ESG) and similar features should be assessed
- Clarifications on what constitute 'non-recourse features' and what are the characteristics of contractually linked instruments
- The introduction of disclosures for financial instruments with contingent features and additional disclosure requirements for equity instruments classified at fair value through other comprehensive income (OCI)

The Amendments are effective for annual periods starting on or after 1 January 2026 with early adoption permitted for classification of financial assets and related disclosures only. The Group does not anticipate that the amendments will have a material effect on the Group's consolidated financial statements.

###### **Annual Improvements to IFRS Accounting Standards - Volume 11**

In July 2024, the IASB issued nine narrow scope amendments as part of its periodic maintenance of IFRS accounting standards. The amendments include clarifications, simplifications, corrections or changes to improve consistency in IFRS 1 *First-time Adoption of International Financial Reporting Standards*, IFRS 7 *Financial instruments: Disclosure and its accompanying Guidance on implementing IFRS 7*, IFRS 9 *Financial Instruments*, IFRS 10 *Consolidated Financial Statements* and IAS 7 *Statements of Cash Flows*. The amendments will be effective for reporting periods beginning on or after 1 January 2026. Earlier application is permitted and must be disclosed.

The amendments are not expected to have a material impact on the Group's consolidated financial statements.

##### 3.5 Refinement in presentation of income taxes under EPSAs

Under the terms of the EPSAs, the share of the profit oil to which the Government of the Sultanate of Oman is entitled is deemed to include a notional amount of corporate income tax paid by the Government on behalf of the Group. Following a reassessment of the presentation of these arrangements, taking into account developments in international tax regulations, including the OECD BEPS Pillar Two framework, the Group has refined the presentation of notional corporate income taxes under EPSAs. From 1 January 2025, the notional corporate income tax is presented as an income tax expense in accordance with IAS 12 *Income Taxes*, resulting in a gross-up of revenue with a corresponding increase in income tax expense. In prior years, revenues and taxes arising from EPSAs were presented on a net basis. This refinement in presentation has been implemented to more accurately reflect the Group's income tax obligations under EPSAs, taking into account developments in international tax regulations, and to enhance comparability with other entities in the sector.

## OQ SAOC and its subsidiaries

### NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

For the year ended 31 December 2025

#### 3 BASIS OF PREPARATION (continued)

##### 3.5 Refinement in presentation of income taxes under EPSAs (continued)

This refinement represents a change in presentation applied retrospectively in accordance with IAS 8 *Accounting Policies, Changes in Accounting Estimates and Errors*. Prior period balances have been restated to conform to the current year presentation.

As a result of this refinement, consolidated revenue for the year ended 31 December 2024 increased from ₪ 15,376 million to ₪ 15,777 million, whilst income tax expense increased from ₪ 62 million to ₪ 463 million. There is no impact on profit / (loss) for the year nor on basic and diluted earnings per share. In addition, the restatement had no impact on reported net assets, cash flows or total equity. Accordingly, an additional balance sheet as at 1 January 2024 has not been presented.

Other than the above, the Group's accounting policies are consistent with the prior year.

#### 4 MATERIAL ACCOUNTING POLICY INFORMATION

The material accounting policies applied in the preparation of these consolidated financial statements are set out below. These policies have been consistently applied to the periods presented, unless otherwise stated.

##### 4.1 Oil and gas properties and exploration and evaluation (E&E) assets

Cost related to exploration and evaluation of oil and gas reserves are accounted for using the successful efforts method of accounting.

###### **Pre-licence costs**

Pre-licence costs are expensed in the period in which they are incurred.

###### **Licence and property acquisition costs**

Exploration license acquisition costs are capitalised as intangible assets and are presented within E&E assets.

License costs paid in connection with a right to explore in an existing exploration area are capitalised and are presented within E&E assets. License acquisition costs are reviewed at each reporting date to confirm that there is no indication that the carrying amount exceeds the recoverable amount. Upon estimation of proved and probable reserves and internal approval for development, the relevant expenditure is transferred to oil and gas properties.

###### **Exploration and evaluation costs**

Exploration and evaluation (E&E) activity involves the search for hydrocarbon resources, the determination of technical feasibility and the assessment of commercial viability of an identified resource. Costs directly associated with exploration wells are capitalised as E&E intangible assets until the drilling of the well is complete and the results have been evaluated. Costs include directly attributable to employee remuneration, materials and fuel used, rig costs and payments made to contractors. Geological and geophysical costs are expensed as incurred.

If no potentially commercial hydrocarbons are discovered, the E&E asset is written off. If potentially commercial hydrocarbons are found the costs continue to be carried as an intangible asset while the discovery is appraised. Costs directly associated with appraisal activity are initially capitalised as an intangible asset.

All capitalised E&E costs are subject to technical, commercial and management review, as well as a review for indicators of impairment at least once a year. Where it is determined that a discovery is not potentially commercial the costs are written off as an exploration expense. On commencement of development, capitalised E&E expenditure is first assessed for impairment and (if required) any impairment loss is recognised, then the remaining balance is transferred to oil and gas production and development assets. Amortisation of the E&E assets commence once the oil field is ready to commence operations.

###### **Farm-outs - in the exploration and evaluation phase**

The Group does not record any expenditure made by the farmee on its account. It also does not recognise any gain or loss on its exploration and evaluation farm-out arrangements but redesignates any costs previously capitalised in relation to the whole interest as relating to the partial interest retained. Any cash consideration received directly from the farmee is credited against costs previously capitalised in relation to the whole interest with any excess accounted for by the Group as a gain on disposal.

**4 MATERIAL ACCOUNTING POLICY INFORMATION (continued)**

**4.1 Oil and gas properties and exploration and evaluation (E&E) assets (continued)**

**Farm-outs - other than in the exploration and evaluation**

In accounting for a farm-out arrangement other than in the exploration and evaluation phase, the Group:

- Derecognises the proportion of the asset that it has sold to the farmee.
- Recognises the consideration received or receivable from the farmee, which represents the cash received and/or the farmee's obligation to fund the capital expenditure in relation to the interest retained by the farmer, and which is calculated in accordance with IFRS 15
- Recognises a gain or loss on the transaction for the difference between the net disposal proceeds and the carrying amount of the asset disposed of. A gain is recognised only when the value of the consideration can be determined reliably. If not, then the Group accounts for the consideration received as a reduction in the carrying amount of the underlying assets
- Tests the retained interests for impairment if the terms of the arrangement indicate that the retained interest may be impaired

**Development costs**

Expenditure on the construction, installation, or completion of infrastructure facilities such as platforms, pipelines and the drilling of development wells or delineation wells, is capitalised within oil and gas properties.

**4.2 Oil and gas production and development assets and other property, plant and equipment**

**Initial recognition**

Oil and gas production and development assets and other property, plant and equipment are stated at cost, less accumulated depreciation, and accumulated impairment losses. The initial cost of an asset comprises its purchase price or construction cost, any costs directly attributable to bringing the asset into operation, the initial estimate of the decommissioning obligation and, for qualifying assets, borrowing costs. The purchase price or construction cost is the aggregate amount paid and the fair value of any other consideration given to acquire the asset. The depreciation on right of use assets that is being used for developing an asset is also included within property, plant, and equipment.

When a development project moves into the production stage, the capitalisation of development costs ceases, and costs are either regarded as part of the cost of inventory or expensed, except for costs which qualify for capitalisation relating to asset additions, improvements, or new developments. If significant parts of an item of property, plant and equipment have different useful lives, then they are accounted for as separate items (major components) of property, plant, and equipment.

**Major maintenance, inspection and repairs**

Expenditure on major maintenance, refits, inspections, or repairs comprises the cost of replacement assets or parts of assets, inspection costs and overhaul costs. Where an asset, or part of an asset that was separately depreciated and is now written off is replaced and it is probable that future economic benefits associated with the item will flow to the Group, the expenditure is capitalised.

Where part of the asset replaced was not separately considered as a component and therefore not depreciated separately, the replacement value is used to estimate the carrying amount of the replaced asset(s) and is immediately written off. Inspection costs associated with major maintenance programmes are capitalised and amortised over the period to the next inspection. All other day-to-day repairs and maintenance costs are expensed as incurred.

**Depreciation / amortization**

The net book value of oil and gas producing properties is depreciated on a unit-of-production basis over the total proven and probable reserves of the field concerned, except in the case of assets whose useful life is shorter than the lifetime of the field, in which case the straight-line method is applied. The total proven and probable reserves of the field are reviewed at least annually. The unit-of- production rate calculation considers expenditures incurred to date, together with sanctioned and projected future development expenditure.

Other property, plant and equipment are generally depreciated on a straight-line basis over their estimated useful lives, and major inspection costs are amortised over three to five years, which represents the estimated period before the next planned major inspection.

## OQ SAOC and its subsidiaries

### NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

For the year ended 31 December 2025

#### 4 MATERIAL ACCOUNTING POLICY INFORMATION (continued)

##### 4.2 Oil and gas production and development assets and other property, plant and equipment (continued)

###### Depreciation / amortization (continued)

Items of property, plant and equipment are measured at cost less accumulated depreciation / amortisation and impairment losses.

An item of property, plant and equipment and any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the statement of profit or loss and other comprehensive income when the asset is derecognised.

The asset's residual values, useful lives and methods of depreciation/amortisation are reviewed at each reporting period and adjusted prospectively, if appropriate.

The consideration receivable on disposal of an item of property, plant and equipment is recognised initially at its fair value by the Group. However, if payment for the item is deferred, the consideration received is recognised initially at the cash price equivalent. The difference between the nominal amount of the consideration and the cash price equivalent is recognised as interest revenue.

Any part of the consideration that is receivable in the form of cash is treated as a financial asset and is accounted for at amortised cost, if it meets the criteria of (Solely Payments of Principal and Interest) SPPI test.

The estimated useful lives of all the other assets for current and comparative periods are as follows:

	<i>Years</i>
Oil and gas assets	Remaining life cycle
Buildings	2 - 40
Furniture and office equipment	2 - 15
Plant, equipment and vehicles	2 – 40
Capital spare parts	3 – 20
Site restoration costs	Based on life cycle of underlying asset

###### Capital work-in-progress

Capital work-in-progress is stated at cost less any impairment losses. When commissioned, capital work-in-progress is transferred to the appropriate plant and equipment category and depreciated in accordance with depreciation policies of the Group.

##### 4.3 Business combinations and goodwill

Business combinations are accounted for using the acquisition method except for transactions under common control. The cost of an acquisition is measured as the aggregate of the consideration transferred measured at acquisition date fair value and the amount of any non-controlling interests in the acquiree.

For each business combination, the Group elects whether to measure the non-controlling interests in the acquiree at fair value or at the proportionate share of the acquiree's identifiable net assets. Acquisition-related costs are expensed as incurred and included in administrative expenses.

When the Group acquires a business, it assesses the financial assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances and pertinent conditions as at the acquisition date. This includes the separation of embedded derivatives in host contracts by the acquiree.

If the business combination is achieved in stages, any previously held equity interest is re-measured at its acquisition date fair value and any resulting gain or loss is recognised in profit or loss. It is then considered in the determination of goodwill.

## OQ SAOC and its subsidiaries

### NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

For the year ended 31 December 2025

#### 4 MATERIAL ACCOUNTING POLICY INFORMATION (continued)

##### 4.3 Business combinations and goodwill (continued)

Any contingent consideration to be transferred by the acquirer will be recognised at fair value at the acquisition date. Contingent consideration classified as an asset or liability that is a financial instrument and within the scope of IFRS 9 Financial Instruments, is measured at fair value with changes in fair value recognised either in either profit or loss or as a change to OCI. If the contingent consideration is not within the scope of IFRS 9, then it is measured in accordance with the appropriate IFRS. Contingent consideration that is classified as equity is not re-measured and subsequent settlement is accounted for within equity.

Goodwill is initially measured at cost, being the excess of the aggregate of the consideration transferred and the amount recognised for non-controlling interests, and any previous interest held, over the net identifiable assets acquired and liabilities assumed. If the fair value of the net assets acquired is in excess of the aggregate consideration transferred, the Group re-assesses whether it has correctly identified all of the assets acquired and all of the liabilities assumed and reviews the procedures used to measure the amounts to be recognised at the acquisition date. If the reassessment still results in an excess of the fair value of net assets acquired over the aggregate consideration transferred, then the gain is recognised in profit or loss.

After initial recognition, goodwill is measured at cost less any accumulated impairment losses. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group's cash-generating units that are expected to benefit from the combination, irrespective of whether other assets or liabilities of the acquiree are assigned to those units.

Where goodwill has been allocated to a cash-generating unit and part of the operation within that unit is disposed of, the goodwill associated with the disposed operation is included in the carrying amount of the operation when determining the gain or loss on disposal. Goodwill disposed in these circumstances is measured based on the relative values of the disposed operation and the portion of the cash-generating unit retained.

##### Transactions under common control

The Group follows the predecessor accounting method when there is business combination under common control. Moreover, the Group adopts retrospective presentation method as if both acquirer and acquiree had always been combined or using the results from the date when either entity joined the Group, where such a date is later.

Under predecessor accounting method, the acquirer continues to adopt the value of the assets and liabilities as per the carrying value in the books of transferor entity, even after transfer of shareholding.

Gains or losses arising from transactions under common control, including transfers of entities within the Group, as well as gains arising on the initial public offering of certain subsidiaries, are recognised directly in equity and presented within "Other reserves".

Such balances are retained within Other reserves for a period determined by management in alignment with the Group's capital management policies and strategic considerations. After this period, and where appropriate, these reserves may be transferred to Retained earnings. Any transfer from Other reserves to Retained earnings does not impact the consolidated statement of profit or loss, cash flows, or total equity. Transfers are made in accordance with Board approvals and are disclosed in the consolidated financial statements when effected.

##### 4.4 Intangible assets

Intangible assets acquired separately are measured on initial recognition at cost. The cost of intangible assets acquired in a business combination is their fair value at the date of acquisition. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses. Expenditure incurred for internally generated intangibles, excluding capitalised development costs, are not capitalised and are reflected in profit or loss in the period in which the expenditure is incurred.

The useful lives of intangible assets are assessed as either finite or indefinite.

Intangible assets with finite lives are amortised over the useful economic life and assessed for impairment, whenever there is an indication that the intangible asset may be impaired. The amortisation methods, useful lives and residual values are reviewed at each reporting date.

## OQ SAOC and its subsidiaries

### NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

For the year ended 31 December 2025

#### 4 MATERIAL ACCOUNTING POLICY INFORMATION (continued)

##### 4.4 Intangible assets (continued)

Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are considered to modify the amortisation period or method, as appropriate, and are treated as changes in accounting estimates. The amortisation expense on intangible assets with finite lives is recognised in the statement of profit or loss in the expense category that is consistent with the function of the intangible assets.

Intangible assets with indefinite useful lives are not amortised, but are tested for impairment annually, either individually or at the cash-generating unit level. The assessment of indefinite life is reviewed at each reporting date, to determine whether the indefinite life continues to be supportable at the reporting date. If assessment does not to carry intangible assets with indefinite useful lives, then change in useful life from indefinite to finite is made on a prospective basis.

Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the consolidated statement of profit or loss when the asset is derecognised.

##### 4.5 Inventories

Inventories are stated at the lower of cost and net realisable value. Costs comprise purchase cost and where applicable, direct labour costs and those overheads that have been incurred in bringing the inventories to their present location and condition. Net realisable value represents the estimated selling price less all estimated costs to be incurred in selling. The cost of the inventory is determined using FIFO method.

The valuation approach for OQT inventory is based on OQT's specific activities in relation to each product. Physical commodities principally acquired for the purpose of selling in the near future and generating a profit from fluctuations in price or broker-traders' margin are held at fair value less costs to sell. These commodities include crude oil, refined products, petrochemicals and liquefied natural gas. Movements in the fair value of inventory between reporting dates are directly recognised in cost of sales. The fair value is measured with reference to observable market prices.

##### 4.6 Employees' end-of-service benefits

Group entities registered in Oman make payments to the Omani Government Social Security scheme under Royal Decree 72/91 for Omani employees, calculated as a percentage of the employees' salary. The Group's obligations are limited to these contributions, which are expensed when due.

The Group entities operating in Oman also provide end-of-service benefits to its expatriate employees.

End-of-service benefits are accrued in accordance with the terms of employment of the Group's employees at the reporting date, having regard to the requirements of the Oman Labour Law 2003 and its amendments subject to the completion of a minimum service period. The expected costs of these benefits are accrued over the period of employment. The liability for end of service benefits recognized based on actuarial valuation using projected unit credit method.

Employee entitlements to annual leave and leave passage are recognised when they accrue to employees and an accrual is made for the estimated liability arising as a result of services rendered by employees up to the reporting date. These accruals are included in current liabilities, while that relating to end of service benefits is disclosed as a non-current liability.

##### 4.7 Foreign currency transactions

Transactions in foreign currencies are translated into Rial Omani at exchange rates ruling at the value dates of the transactions. Monetary assets and liabilities denominated in foreign currencies (including monetary assets and liabilities considered as a net investment in foreign operation) are translated into Rial Omani at exchange rates ruling at the reporting date. The foreign currency gain or loss on monetary items is the difference between amortised costs in the Rial Omani at the beginning of the period, adjusted for effective interest and payments during the period and the amortised costs in foreign currency translated at the exchange rate at the end of the period.

**4 MATERIAL ACCOUNTING POLICY INFORMATION (continued)**

**4.7 Foreign currency transactions (continued)**

Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the statement of comprehensive income, except when deferred in other comprehensive income as qualifying cash flow hedges and qualifying net investment hedges.

Non-monetary assets and liabilities denominated in foreign currencies that are measured at fair value are translated to Rial Omani at the exchange rate at the date that the fair value was determined. Translation differences on non-monetary financial assets and liabilities such as equities held at fair value through profit or loss are recognised in profit or loss as part of the fair value gain or loss.

On consolidation, the assets and liabilities of foreign operations are translated into Rial Omani at the rate of exchange prevailing at the reporting date. The statement of income and corresponding profits and losses of group entities denominated in a foreign currency are translated at monthly average exchange rates which approximate the exchange rate at the dates of the transactions. The exchange differences arising on translation for consolidation are recognised in other comprehensive income and a separate component of equity. On disposal of a foreign entity, the deferred cumulative amount recognised in equity relating to that particular foreign operation is recognised in the profit or loss. Any goodwill arising on the acquisition of a foreign operation and any fair value adjustments to the carrying amounts of assets and liabilities arising on the acquisition are treated as assets and liabilities of the foreign operations and translated at closing rate.

**4.8 Leases**

**Group as a lessee**

The Group assesses whether contract is or contains a lease, at inception of the contract. The Group recognises a right-of-use asset and a corresponding lease liability with respect to all lease arrangements in which it is the lessee, except for short-term leases (defined as leases with a lease term of 12 months or less) and leases of low value assets. For these leases, the Group recognises the lease payments as an operating expense on a straight-line basis over the term of the lease unless another systematic basis is more representative of the time pattern in which economic benefits from the leased assets are consumed.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted by using the rate implicit in the lease. If this rate cannot be readily determined, the Group uses its incremental borrowing rate.

Lease payments included in the measurement of the lease liability comprise of:

- fixed lease payments (including in-substance fixed payments), less any lease incentives;
- variable lease payments that depend on an index or rate, initially measured using the index or rate at the commencement date;
- the amount expected to be payable by the lessee under residual value guarantees;
- the exercise price of purchase options, if the lessee is reasonably certain to exercise the options;
- lease payments in an optional renewal period, if the Group is reasonably certain to exercise an extension option;
- payments of penalties for terminating the lease, if the lease term reflects the exercise of an option to terminate the lease.

The lease liability is presented as a separate line item in the consolidated statement of financial position.

The lease liability is subsequently measured by increasing the carrying amount to reflect interest on the lease liability (using effective interest method) and by reducing the carrying amount to reflect the lease payments made.

The Group re-measures the lease liability (and makes a corresponding adjustment to the related right-of-use asset) whenever:

- The lease term has changed or there is a change in the assessment of exercise of a purchase option, in which case the lease liability is remeasured by discounting the revised lease payments using a revised discount rate.

**4 MATERIAL ACCOUNTING POLICY INFORMATION (continued)**

**4.8 Leases (continued)**

**Group as a lessee (continued)**

- The lease payments change due to changes in an index or rate or a change in expected payment under a guaranteed residual value, in which cases the lease liability is remeasured by discounting the revised lease payments using the initial discount rate (unless the lease payments change is due to a change in a floating interest rate, in which case a revised discount rate is used).
- A lease contract is modified, and the lease modification is not accounted for as a separate lease, in which case the lease liability is remeasured by discounting the revised lease payments using a revised discount rate.
- Following the transition from LIBOR to SOFR, the group remeasures the lease liability by discounting the revised lease payments using the revised discount rate that reflects the change to an alternative benchmark interest rate.

The Group did not make any such adjustments during the periods presented.

The right-of-use assets are depreciated over the shorter period of lease term and useful life of the underlying asset. If a lease transfers ownership of the underlying asset or the cost of the right-of-use of asset reflects that the Group expects to exercise a purchase option, the related right-of-use asset is depreciated over the useful life of the underlying asset. The depreciation starts at the commencement date of the lease.

The right-of-use of assets are presented as a separate line in the consolidated statement of financial position. The Group applies IAS36 to determine whether a right-of-use asset is impaired and accounts for an identified impairment loss as described in the 'impairment of non-financial assets' policy.

Variable rents that do not depend on an index or rate are not included in the measurement of the lease liability and the right-of-use asset. The related payments are recognised as an expense in the period in which the event or condition that triggers those payments occurs and are included in the line 'Other expenses' in the consolidated statement of profit or loss.

As a practical expedient, IFRS16 permits a lessee not to separate non-lease components, and instead account for any lease and associated non-lease components as a single arrangement. The Group has not used this practical expedient.

**Group as a lessor**

Leases for which the Group is a lessor are classified as finance or operating leases. Whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee, the contract is classified as a finance lease. All other leases are classified as operating leases.

When the Group is an intermediate lessor, it accounts for the head lease and the sublease as two separate contracts. The sublease is classified as a finance or operating lease by reference to the right-of-use asset arising from the head lease.

Rental income from operating leases is recognised on a straight-line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised on a straight-line basis over the lease term.

Amounts due from lessees under finance leases are recognised as receivables at the amount of the Group net investment in the leases.

Finance lease income is allocated to accounting periods so as to reflect a constant periodic rate of return on the Group net investment outstanding in respect of the leases.

When a contract includes lease and non-lease components, the Group applies IFRS 15 to allocate consideration under the contract to each component.

## OQ SAOC and its subsidiaries

### NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

For the year ended 31 December 2025

#### 4 MATERIAL ACCOUNTING POLICY INFORMATION (continued)

##### 4.9 Concession arrangement

The Group has applied IFRIC 12 in relation to the concession agreement with the Government of Sultanate of Oman.

Management has evaluated the applicability of IFRIC 12 and concluded that the concession agreement falls within the purview of the "financial assets" & "intangible assets" model as defined in IFRIC 12.

IFRIC 12 applies to public service concession contracts in which the grantor of the concession controls / regulates:

- the services to be rendered by the operator (through utilization of the infrastructure), to whom and at what price; and
- any residual interest over the infrastructure at the end of the contract.

IFRIC 12 defines the following models to account for the concession agreement:

- (i) Financial asset model – when the operator has the unconditional contractual right to receive cash or other financial asset from the grantor;
- (ii) Intangible asset model – when the operator receives from the conceding entity the right to collect a tariff based on use of the structure;
- (iii) Bifurcated/ mixed model – when the concession includes simultaneously commitments of guaranteed remuneration by the grantor and commitments of remuneration dependent on the level of utilization of the concession infrastructures.

Management decided that the most suitable model for its concession agreement is the financial asset model as the Group has unconditional right to receive the cash for the construction services and there is no demand risk. The Group receives return on assets based on a pre-determined amount and an allowance for depreciation of the assets which is not dependent on the utilization of the assets.

##### **Financial asset model**

In accordance with the requirements of the IFRIC 12, the Group recognised the assets recorded under the old arrangement as property, plant and equipment, as financial asset. The financial asset is increased by the various projects relating to the concession being recorded based on construction revenue, acquisition of infrastructure assets, finance income recognised using the effective interest rate method on the financial asset, and decreased by the payments received from the grantor. The financial asset is accounted for in line with the accounting policies stated below relating to the financial assets.

##### Contract asset

A contract asset is initially recognised for revenue earned from construction services. Upon completion of construction, the amount recognised as contract assets is reclassified to concession receivables.

##### Contract liability

A contract liability is recognised if the payments received or payments due (whichever is earlier) from the grantor exceed the revenue which the Group is entitled to under RAB revenue rules re-calculated based on the actual cost drivers.

##### Income on concession assets

Income on concession receivable and contract assets is recognized using the effective interest method. This income is only notional income and does not represent actual interest income received by the Group.

If the arrangement had not fallen under IFRIC 12, the Group would have recorded property, plant and equipment and revenue calculated under the RAB revenue rules. Further the cash outflows relating to construction services have been classified under investing activities in the cashflow statement as they reflect cash outflows resulting in the recognition of assets.

##### **Intangible asset model**

Under the BOOT (Build-Own-Operate-Transfer) agreement, the Group has entered into a performance obligation to construct a facility and subsequently operate and maintain it over the concession period.

**4 MATERIAL ACCOUNTING POLICY INFORMATION (continued)**

**4.9 Concession arrangement (continued)**

**Intangible asset model (continued)**

The nature of this arrangement indicates that the Grantor benefits from the asset as it is being constructed and ultimately transfers the control and ownership the end of the term.

During the construction phase of a service concession arrangement, the Group recognises revenue for construction services progressively as those services are performed. Revenue is recognised over time by measuring progress towards complete satisfaction of the performance obligation using the stage of completion method, in accordance with IFRS 15. The performance obligation is considered satisfied over time because the constructed infrastructure has no alternative use to the Group, and the Group has an enforceable right to payment for performance completed to date.

Any billings made to the Government during the construction phase that do not meet the criteria for revenue recognition under IFRS 15 are recorded as unearned or deferred income. These amounts represent consideration received in advance of the performance of construction services and are recognised as a liability. The liability is reduced and revenue is recognised as construction services are performed.

The service fee reimbursement received during construction does not include any mark-up or profit margin. Accordingly, construction revenue is recognised at the fair value of the construction services rendered, without recognising any additional margin or financing element. This reflects the cost-based nature of the reimbursement and aligns with the intangible asset model under IFRIC 12.

The consideration received in exchange for construction services is recognised as an intangible asset, representing the right to charge users of the public service, rather than as a cash or financial receivable.

Upon completion of the construction phase of a service concession arrangement, the Group recognises an intangible asset representing the right to charge users for access to the public service infrastructure. The intangible asset is measured at the fair value of the construction services provided.

The intangible asset is amortised over the concession period from the date the infrastructure is available for use, on a systematic basis that reflects the pattern in which the asset's economic benefits are consumed by the Group, typically using the straight-line method unless another method better reflects the pattern of consumption.

Subsequent to initial recognition, the intangible asset is carried at cost less accumulated amortisation and accumulated impairment losses, if any, in accordance with IAS 38. The Group tests the intangible asset for impairment whenever there is an indication that the asset may be impaired, following the guidance in IAS 36 Impairment of Assets.

Revenue from user charges during the operational phase is recognised in accordance with IFRS 15 Revenue from Contracts with Customers, as the Group satisfies its performance obligations by providing users access to the public service.

The borrowing which shall be obtained shall be specifically for the construction of the infrastructure asset. Hence, the borrowing costs, on such specific borrowing obtained, incurred till the construction of the project shall be identified as borrowing costs applicable to the construction and hence are eligible for capitalisation.

**4.10 Financial instruments**

In the normal course of business, the Group uses financial instruments, principally investments in equity securities, trade and other receivables, cash and cash equivalents, term deposits, concession receivables, lease receivables, dues from related parties, due to related parties, loans and borrowings, trade and other payables, derivatives and other financial assets.

**Recognition / derecognition**

A financial asset or a financial liability is recognized when the Group becomes a party to the contractual provisions of the instrument.

## OQ SAOC and its subsidiaries

### NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

For the year ended 31 December 2025

#### 4 MATERIAL ACCOUNTING POLICY INFORMATION (continued)

##### 4.10 Financial instruments (continued)

###### Recognition / derecognition (continued)

A financial asset (in whole or in part) is derecognized when the contractual rights to receive cash flows from the financial asset has expired or the Group has transferred substantially all risks and rewards of ownership and has not retained control. If the Group has retained control, it continues to recognize the financial asset to the extent of its continuing involvement in the financial asset.

A financial liability is derecognized when the obligation under the liability is discharged, cancelled or expires.

Where an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and recognition of a new financial liability based on modified terms at fair value. On derecognition of a financial liability, the difference between the carrying amount extinguished and the consideration paid (including any non-cash assets transferred or liabilities assumed) is recognised in profit or loss.

All regular way purchase and sale of financial assets are recognized using settlement date accounting.

Changes in fair value between the trade date and settlement date are recognized in the consolidated statement of profit or loss or in the consolidated statement of comprehensive income in accordance with the policy applicable to the related instrument. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame generally established by regulations or conventions in the marketplace.

###### Classification

###### Financial assets

The Group classifies its financial assets as follows:

- Financial assets at amortised cost
- Financial assets at Fair Value Through Other Comprehensive Income (FVOCI)
- Financial assets at Fair Value Through Profit or Loss (FVTPL)

To determine their classification and measurement category, all financial assets, except equity instruments and derivatives, is assessed based on a combination of the entity's business model for managing the assets and the instruments' contractual cash flow characteristics.

The derivatives embedded in contracts where the host is a financial asset in the scope of the standard are never separated. Instead, the hybrid financial instrument as a whole is assessed for classification.

###### Business model assessment

The Group determines its business model at the level that best reflects how it manages groups of financial assets to achieve its business objective. That is, whether the Group's objective is solely to collect the contractual cash flows from the assets or is to collect both the contractual cash flows and cash flows arising from the sale of assets. If neither of these are applicable (i.e. financial assets are held for trading purposes), then the assets that are held for trading or managed and whose performance is evaluated on a fair value basis are measured at FVTPL.

###### Contractual cash flow characteristics test

The Group assesses whether the financial instruments' cash flows represent Solely the Payments of Principal and Interest (the 'SPPI'). The most significant elements of interest within a lending arrangement are typically the consideration for the time value of money and credit risk.

The Group reclassifies a financial asset only when its business model for managing those assets changes. The reclassification takes place from the start of the first reporting period following the change. Such changes are expected to be very infrequent.

###### Measurement

A financial asset (unless it is a trade receivable without a significant financing component) or financial liability is initially measured at fair value plus or minus, for an item not at FVTPL, transaction costs that are directly attributable to its acquisition or issue.

## OQ SAOC and its subsidiaries

### NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

For the year ended 31 December 2025

#### 4 MATERIAL ACCOUNTING POLICY INFORMATION (continued)

##### 4.10 Financial instruments (continued)

###### Measurement (continued)

A trade receivable without a significant financing component is initially measured at the transaction price.

###### Financial assets at FVOCI

A debt instrument is measured at FVOCI if it is not designated as at FVTPL and satisfies the SPPI test and is held within a business model whose objective is to hold assets to collect contractual cash flows and to sell.

These assets are subsequently measured at fair value, with change in fair value recognized in OCI. Interest income calculated using effective interest method, foreign exchange gains/losses and impairment are recognized in the consolidated statement of profit or loss. On de-recognition, gains and losses accumulated in the OCI are reclassified to consolidated statement of profit and loss.

For an equity instrument; upon initial recognition, the Group may elect to classify irrevocably some of its equity investments as equity instruments at FVOCI when they meet the definition of equity under IAS 32 *Financial Instruments: Presentation* and are not held for trading. Such classification is determined on an instrument-by-instrument basis. Gains and losses on these equity instruments are never recycled to consolidated statement of profit or loss. Dividends are recognised as income in profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognised in OCI and are never reclassified to profit or loss. Equity instruments at FVOCI are not subject to an impairment assessment.

Upon disposal cumulative gains or losses may be reclassified from fair value reserve to retained earnings in the consolidated statement of changes in equity.

###### Financial asset at FVTPL

Financial assets that do not meet the criteria for amortized cost or FVOCI are measured at FVTPL. This also includes equity instruments held-for-trading and are recorded and measured in the consolidated statement of financial position at fair value.

Changes in fair values and dividend income are recorded in the consolidated statement of profit or loss according to the terms of the contract, or when the right to receive has been established.

###### Financial assets at amortised cost

These assets are subsequently measured at amortised cost under the effective interest method. The gross carrying amount is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognised in profit or loss. Any gain or loss on derecognition is recognised in profit or loss.

###### Financial liabilities

Financial liabilities are classified as measured at amortised cost or FVTPL. A financial liability is classified as at FVTPL if it is classified as held-for-trading, it is a derivative, or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognised in profit or loss.

Other financial liabilities are measured at amortised cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognised in profit or loss. Any gain or loss on derecognition is also recognised in profit or loss.

###### Financial guarantees

Financial guarantees are initially recognized at fair value. Subsequently it is measured at the higher of the amount initially recognized less any cumulative amortization and the best estimate of the present value of the amount required to settle any financial obligation arising as a result of the guarantee.

###### Impairment

Group recognizes expected credit losses (ECL) for all financial assets at amortised cost; contract assets, concession receivable and lease receivable using the general approach and uses the simplified approach for trade receivables as allowed by IFRS 9.

**4 MATERIAL ACCOUNTING POLICY INFORMATION (continued)**

**4.10 Financial instruments (continued)**

**Impairment (continued)**

*General approach*

The Group applies three-stage approach to measuring ECL. Assets migrate through the three stages based on the change in credit quality since initial recognition. Financial assets with significant increase in credit risk since initial recognition, but not credit impaired, are transitioned to stage 2 from stage 1 and ECL is recognized based on the probability of default (PD) of the counter party occurring over the life of the asset. All other financial assets are considered to be in stage 1 unless it is credit impaired and an ECL is recognized based on the PD of the customer within next 12 months. When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECLs, the Group considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Group's historical experience and informed credit assessment, that includes forward-looking information. Financial assets are assessed as credit impaired when there is a detrimental impact on the estimated future cash flows of the financial asset.

*Simplified approach*

The Group applies simplified approach to measuring credit losses, which uses a lifetime expected loss allowance for all trade receivables. To measure the expected credit losses, trade receivables have been grouped based on shared credit risk characteristics and the days past due.

**Measurement of ECLs**

ECL is the discounted product of the Probability of Default (PD), Exposure at Default (EAD), and Loss Given Default (LGD). The PD represents the likelihood of a borrower defaulting on its financial obligation, either over the next 12 months (12M PD), or over the remaining lifetime (Lifetime PD) of the obligation. EAD represents the expected exposure in the event of a default.

The Group derives the EAD from the current exposure to the financial instruments and potential changes to the current amounts allowed under the contract including amortisation. The EAD of a financial asset is its gross carrying amount. The LGD represents expected loss conditional on default, its expected value when realised and the time value of money.

The Group considers the following as constituting an event of default for internal credit risk management purposes as historical experience indicates that financial assets that meet either of the following criteria are generally not recoverable:

- when there is a breach of financial covenants by the debtor; or
- information developed internally or obtained from external sources indicates that the debtor is unlikely to pay its creditors, including the Group, in full (without taking into account any collateral held by the Group).

Irrespective of the above analysis, the Group considers that default has occurred when a financial asset is more than 90 days past due unless the Group has reasonable and supportable information to demonstrate that a more lagging default criterion is more appropriate.

The Group incorporates forward-looking information based on expected changes in macro- economic factors in assessment of whether the credit risk of an instrument has increased significantly since its initial recognition and its measurement of ECL.

*Write off*

The gross carrying amount of a financial asset is written off (either partially or in full) to the extent that there is no realistic prospect of recovery. This is generally the case when the Group determines that the debtor does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off.

**Derivative financial instruments and hedging activities**

The Group enters into a derivative financial instrument to manage its exposure to interest rate and commodity price due to market fluctuation. Further details of derivative financial instruments are disclosed in note 17 (iv).

## OQ SAOC and its subsidiaries

### NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

For the year ended 31 December 2025

#### 4 MATERIAL ACCOUNTING POLICY INFORMATION (continued)

##### 4.10 Financial instruments (continued)

###### **Derivative financial instruments and hedging activities (continued)**

Derivatives are recognised initially at fair value at the date a derivative contract is entered into and are subsequently remeasured to their fair value at each reporting date.

The resulting gain or loss is recognised in profit or loss immediately unless the derivative is designated and effective as a hedging instrument, in which event the timing of the recognition in profit or loss depends on the nature of the hedge relationship.

In addition to the above, the Group enters into transactions to manage its exposure to changes in commodity prices (without actual receipt or delivery of non-financial items), into forward exchange contracts to manage its exposure to changes in foreign exchange rates and interest rate swaps to manage its exposure to changes in interest rates.

A derivative with a positive fair value is recognised as a financial asset whereas a derivative with a negative fair value is recognised as a financial liability. Derivatives are not offset in the consolidated financial statements unless the Group has both legal right and intention to offset.

A derivative is presented as a non-current asset or a non-current liability if the remaining maturity of the instrument is more than 12 months and it is not Hedges directly affected by interest rate benchmark reform expected to be realised or settled within 12 months. Other derivatives are presented as current assets or current liabilities.

###### **Hedge accounting**

The Group designates derivatives as hedging instruments in respect of interest rate risk in cash flow hedges and commodity price due to market fluctuation.

At the inception of the hedge relationship, the Group entity documents the relationship between the hedging instrument and the hedged item, along with its risk management objectives and its strategy for undertaking various hedge transactions. Furthermore, at the inception of the hedge and on an ongoing basis, the Group entity documents whether the hedging instrument is effective in offsetting changes in fair values or cash flows of the hedged item attributable to the hedged risk, which is when the hedging relationships meet all of the following hedge effectiveness requirements:

- there is an economic relationship between the hedged item and the hedging instrument;
- the effect of credit risk does not dominate the value changes that result from that economic relationship; and
- the hedge ratio of the hedging relationship is the same as that resulting from the quantity of the hedged item that the Company actually hedges and the quantity of the hedging instrument that the Company actually uses to hedge that quantity of hedged item.

If a hedging relationship ceases to meet the hedge effectiveness requirement relating to the hedge ratio but the risk management objective for that designated hedging relationship remains the same, the Group entity adjusts the hedge ratio of the hedging relationship (i.e. rebalances the hedge) so that it meets the qualifying criteria again.

Note 17 (iv) sets out details of the fair values of the derivative instruments used for hedging purposes. Movements in the hedging reserve in equity are detailed in note 25.

###### Cash flow hedges

The effective portion of changes in the fair value of derivatives and other qualifying hedging instruments that are designated and qualify as cash flow hedges is recognised in other comprehensive income and accumulated under the heading of cumulative changes in fair values, limited to the cumulative change in fair value of the hedged item from inception of the hedge.

The gain or loss relating to the ineffective portion is recognised immediately in profit or loss and is included in the 'other gains and losses' line item.

Amounts previously recognised in other comprehensive income and accumulated in equity are reclassified to profit or loss in the periods when the hedged item affects profit or loss, in the same line as the recognised hedged item.

**4 MATERIAL ACCOUNTING POLICY INFORMATION (continued)**

**4.10 Financial instruments (continued)**

**Derivative financial instruments and hedging activities (continued)**

**Hedge accounting (continued)**

*Cash flow hedges (continued)*

However, when the hedged forecast transaction results in the recognition of a non-financial asset or a non-financial liability, the gains and losses previously recognised in other comprehensive income and accumulated in equity are removed from equity and included in the initial measurement of the cost of the non-financial asset or non-financial liability. This transfer does not affect other comprehensive income. Furthermore, if the Group expects that some or all of the loss accumulated in the cash flow hedging reserve will not be recovered in the future, that amount is immediately reclassified to profit or loss.

The Group discontinues hedge accounting only when the hedging relationship (or a part thereof) ceases to meet the qualifying criteria (after rebalancing, if applicable). This includes instances when the hedging instrument expires or is sold, terminated or exercised. The discontinuation is accounted for prospectively.

*Cost of hedging reserve*

The cost of hedging reserve reflects gain or loss on the portion excluded from the designated hedging instrument that relates to the forward element of forward contracts. It is initially recognised in OCI and accounted for similarly to gains or losses in the hedging reserve.

Financial assets and financial liabilities are offset and reported on a net basis in the accompanying consolidated statement of financial position when a legally enforceable right to set off such amounts exists and when the Group intends to settle on a net basis or to realise the assets and settle the liabilities simultaneously.

**4.11 Impairment of non-financial assets**

The Group assesses at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Group estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's (CGU) fair value less costs of disposal and its value in use. The recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using a post-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

The Group bases its impairment calculation on detailed budgets and forecast calculations, which are prepared separately for each of the Group's CGUs to which the individual assets are allocated. These budgets and forecast calculations generally cover a period of five years. For longer periods, a long-term growth rate is calculated and applied to project future cash flows after the fifth year. Impairment losses of continuing operations, are recognised in the statement of profit or loss in expense categories consistent with the function of the impaired asset.

For assets excluding goodwill, an assessment is made at each reporting date to determine whether there is an indication that previously recognised impairment losses no longer exist or have decreased. If such indication exists, the Group estimates the asset's or CGU's recoverable amount.

A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised.

The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in the profit or loss.

**4 MATERIAL ACCOUNTING POLICY INFORMATION (continued)**

**4.11 Impairment of non-financial assets (continued)**

Goodwill is tested for impairment annually and when circumstances indicate that the carrying value may be impaired. Impairment is determined for goodwill by assessing the recoverable amount of each CGU (or group of CGUs) to which the goodwill relates. When the recoverable amount of the CGU is less than its carrying amount, an impairment loss is recognised. Impairment losses relating to goodwill cannot be reversed in future periods.

Intangible assets with indefinite useful lives are tested for impairment annually at the CGU level, as appropriate, and when circumstances indicate that the carrying value may be impaired.

**4.12 Provisions**

A provision is recognised if, as a result of a past event, the Group has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation.

Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The unwinding of this discounting is recognised as finance cost.

Amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the reporting date, taking into account the risks and uncertainties surrounding the obligation.

Site restoration costs are provided for at the present value of expected costs to settle the obligation using estimated cash flows and are recognised as part of the cost of the relevant asset. The cash flows are discounted at a current pre-tax rate that reflects the risks specific to the site restoration liability. The unwinding of the discount is expensed as incurred and recognised in the statement of profit or loss as a finance cost. The estimated future costs and discount rates of site restoration are reviewed at regular intervals and adjusted as appropriate. Changes in the estimated future costs, or in the discount rate applied, are added to or deducted from the cost of the asset.

**4.13 Fair values**

A number of the Group's accounting policies and disclosures require the determination of fair value, for both financial and non-financial assets and liabilities. Fair values have been determined for measurement and/or disclosure purposes based on a number of accounting policies and methods. Where applicable, information about the assumptions made in determining fair values is disclosed in the notes specific to that asset or liability.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability

The principal or the most advantageous market must be accessible to the Group.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

**4 MATERIAL ACCOUNTING POLICY INFORMATION (continued)**

**4.13 Fair values (continued)**

All assets and liabilities for which fair value is measured or disclosed in the consolidated financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 - Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- Level 2 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- Level 3 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For assets and liabilities that are recognised in the consolidated financial statements on a recurring basis, the Group determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

At each reporting date, the Group analyses the movements in the values of assets and liabilities which are required to be re-measured or re-assessed as per the Group's accounting policies. For this analysis, the Group verifies the major inputs applied in the latest valuation by agreeing the information in the valuation computation to contracts and other relevant documents.

**4.14 Revenue recognition**

IFRS 15 "Revenue from contracts with customers" outlines a single comprehensive model of accounting for revenue arising from contracts with customers.

The core principle of IFRS 15 is that an entity should recognize revenue to depict the transfer of promised goods and services to customers in an amount that reflects the consideration to which the entity expects to be entitled for those goods and services.

The process for applying the standard is separated into five steps:

- Step 1 – Identify the contract with a customer
- Step 2 – Identify the separate performance obligations in the contract
- Step 3 – Determine the transaction price
- Step 4 – Allocate the transaction price to the separate performance obligations in the contract
- Step 5 – Recognise revenue when (or as) the entity satisfies a performance obligation

The Group recognises revenue over time if any one of the following criteria is met:

- The customer simultaneously receives and consumes the benefits provided by the Group's performance as the Group performs; or
- The Group's performance creates or enhances an asset that the customer controls as the asset is created or enhanced; or
- The Group's performance does not create an asset with an alternative use to the Group and the entity has an enforceable right to payment for performance obligation completed to date.

For performance obligations where none of the above conditions are met, revenue is recognised at the point in time at which the performance obligation is satisfied.

Revenue comprises the fair value of the consideration received or receivable for the services rendered in the ordinary course of the Group's activities. Revenue is recognised only when it is probable that the economic benefits associated with a transaction will flow to the Group and the amount of revenue can be measured reliably and is stated net of sales taxes if applicable (such as VAT) and discounts. If advances are received from customers for future contractual services, the revenue is deferred until the services are provided.

**4 MATERIAL ACCOUNTING POLICY INFORMATION (continued)**

**4.14 Revenue recognition (continued)**

Where revenue contains a significant financing element, the financing element is shown as a financing item and revenues are adjusted by a corresponding amount.

The Group has concluded that it is the principal in all of its revenue arrangements, since it is the primary obligor, and is also exposed to the risk of loss of inventory except in the case of Gas Purchase and Sale agreement with Dolphin Energy.

The following table provides information about the nature and timing of the satisfaction of performance obligations in contracts with customers, including significant payment terms, and the related revenue recognition policies.

<i>Type of product / service</i>	<i>Nature and timing of satisfaction of performance obligations</i>	<i>Revenue recognition policies</i>
Sales of petroleum products	Customers obtain control when the risk and control of goods are passed to the customers to the customer in accordance to agreed shipping term. Invoices are generated at that point in time. No discounts are provided for products. Invoices are usually payable within 30 - 45 days.	Revenue related to the sale of goods is recognised at a point in time when title to the goods is transferred to the customer in accordance with the performance obligations under the contract and the buyer has gained control through their ability to direct the use of and obtain substantially all the benefits from the asset. For certain commodities, the sales price is determined on a provisional basis at the date of sale as the final selling price is subject to movements in market prices up to the date of final pricing (provisionally priced sales). Revenue on provisionally priced sales is recognised based on the estimated fair value of the total consideration receivable. The revenue adjustment mechanism embedded within provisionally priced sales arrangements has the character of a commodity derivative. Accordingly, the fair value of the final sales price adjustment is re-estimated continuously and changes in fair value are recognised as an adjustment to revenue. In all cases, fair value is estimated by reference to forward market prices.  Under the terms of the EPSA, the Group is not required to pay any corporate income taxes. The share of the profit oil which the Government of Sultanate of Oman is entitled to is deemed to include a portion representing the notional corporate income tax paid by the Government of Sultanate of Oman on behalf of the contractors. This portion of notional corporate income tax is presented as an income tax expenses with a corresponding amount recognised in revenue (refer note 3.5).
Sale of aluminum products	The Group recognizes revenue when (or as) it satisfies a performance obligation by transferring a good or service to a customer (point in time). An entity 'transfers' a good or service to a customer when the customer obtains control of that good or service. Invoices are usually payable within 30 days.	The revenue comprises of sale of aluminum coils that are recognized at the point in time as the performance obligation is satisfied. The Group assess the transfer of control to a customer based on agreed shipping term. There is no significant judgment involved on revenue recognition.

## OQ SAOC and its subsidiaries

### NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

For the year ended 31 December 2025

#### 4 MATERIAL ACCOUNTING POLICY INFORMATION (continued)

##### 4.14 Revenue recognition (continued)

<i>Type of product / service</i>	<i>Nature and timing of satisfaction of performance obligations</i>	<i>Revenue recognition policies</i>
Service revenue – Construction related revenue	<p>Under concession arrangements accounted for using the Intangible Asset Model in accordance with IFRIC 12, the Group recognises revenue from the construction or upgrade of infrastructure over time, based on surveys of performance completed to date, which determine the stage of completion. Construction revenue is recognised at cost with no markup, as the consideration received from the Grantor represents an intangible right to charge users of the public service. Any advance billings to the Grantor are recorded as deferred income until the related construction services are rendered.</p> <p>For concession arrangements falling under the Financial Asset Model in accordance with IFRIC 12, the Group recognises a financial asset to the extent that it has an unconditional contractual right to receive cash from the Grantor. The Group becomes entitled to invoice the Grantor upon completion and commissioning of the infrastructure asset, in accordance with the concession agreement and the applicable regulatory asset base (RAB) framework. Construction revenue is recognised over time based on the stage of completion, and unlike the Intangible Asset Model, the Group charges a markup on construction services as permitted under the regulatory framework. Revenue allowed under the RAB rules is invoiced to the Grantor as the related rights and obligations arise</p>	<p>Revenue from construction or upgrade services provided under service-concession arrangements is measured at the fair value of the consideration received or receivable from the Grantor, which is classified as either an intangible asset or a financial asset in accordance with IFRIC 12. Revenue is recognised over time as the construction or upgrade services are performed, based on the stage of completion, as the Grantor simultaneously receives and consumes the benefits of the Group's performance. The Group's performance obligations under these arrangements are therefore satisfied over time.</p>
Service revenue – Oil field services	<p>Invoices for services revenue are issued on a monthly basis or earlier in case work is done before month. The contract does not contain any significant financing component. Invoices are usually payable within 30 days.</p>	<p>Revenue is recognized over time as the services are provided. The stage of completion for determining the amount of revenue to recognize is assessed based on both input or output method depending on the nature of services.</p> <p>No revenue is recognized if there are significant uncertainties regarding recovery of the consideration due.</p>
Others	<p>Major other revenues consist of services such as processing and service fee, water treatment and tanking and terminal facilities. Performance obligation satisfied over the period of time based on the services provided. The invoicing arrangements is based on the contracts bond with the customer.</p>	<p>Revenue is recognized based on the services provided for the customers during the period.</p> <p>No revenue is recognized if there are significant uncertainties regarding recovery of the consideration due.</p>

**4 MATERIAL ACCOUNTING POLICY INFORMATION (continued)**

**4.15 Finance income and expenses**

Interest income is recognised as the interest accrues using the effective interest rate method, under which the rate used exactly discounts estimated future cash receipts through the expected life of the financial asset to the net carrying amount of the financial asset at the reporting date.

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are added to the cost of the respective assets. Interest revenue earned on deposits of borrowed funds is netted off against the cost of the borrowed funds as allowed by IAS 23. All other borrowing costs are recognised in profit or loss in the period in which they are incurred. Borrowing costs consist of interest and other costs that the Group incurs in connection with the borrowing of funds.

**4.16 Investment income**

Investment income comprises dividend income, gains and losses on sale of investments and fair value changes on investments held at fair value through profit and loss and held for trading. Dividend income is recognised when the right to receive the dividend is established.

**4.17 Income tax**

Income tax expense comprises current and deferred tax. Taxation is provided based on relevant laws of the respective countries in which the Group operates. Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at the reporting date and any adjustments to tax payable in respect of previous years.

Income tax is recognised in the profit or loss except to the extent that it relates to items recognised through OCI or directly in equity, in which case it is recognised through OCI or directly in equity respectively. Deferred tax assets/liabilities are calculated using the balance sheet method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes.

The amount of deferred tax provided is based on the expected manner of realisation or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantively enacted at the reporting date. The carrying amount of deferred income tax assets/liabilities is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilised.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period in the countries where the Group entity or an associate or a joint venture operates, and its subsidiaries and associates operate and generates taxable income.

Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions, where appropriate, on the basis of amounts expected to be paid to the tax authorities.

**4.18 Directors' remuneration**

The board of directors' remuneration is accrued within the limits and the requirements of the Commercial Companies Law 2019 of the Sultanate of Oman.

**4.19 Dividend on ordinary shares**

Dividends on ordinary shares are recognised as a liability and deducted from equity when they are approved by the shareholders. Interim dividends are deducted from equity when they are paid.

Dividends for the year that are approved after the reporting date are dealt with as an event after the reporting date.

**4 MATERIAL ACCOUNTING POLICY INFORMATION (continued)**

**4.20 Segmental reporting**

An operating segment is a component of the Group that engages in business activities from which it may earn revenues and incur expenses. All operating segment operating results are reviewed regularly by the Group Chief Executive Officer (Chief Operating Decision Maker) to make decisions about resources to be allocated to the segment and assess its performance, and for which discrete financial information is available.

The accounting policies of the operating segments are the same as the Group's accounting policies described in this note, except that IFRS requires that the measure of profit or loss disclosed for each operating segment is the measure that is provided regularly to the Chief Operating Decision Maker. For further information see note 46.

**4.21 Earnings per share**

The Group presents basic and diluted earnings per share data for its ordinary shares. Basic earnings per share is calculated by dividing the profit or loss attributable to ordinary shareholders of the Group by the weighted average number of ordinary shares outstanding during the year, adjusted for own shares held.

Diluted earnings per share is calculated by adjusting the profit and loss attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding to assume conversion of all dilutive potential ordinary shares.

**4.22 Assets held for sale**

Non-current assets, or disposal groups comprising assets and liabilities, are classified as held for sale if it is highly probable that they will be recovered primarily through sale rather than through continuing use.

Such assets, or disposal groups, are generally measured at the lower of their carrying amount and fair value less costs to sell. Any impairment loss on a disposal group is allocated first to goodwill, and then to the remaining assets and liabilities on a pro rata basis, except that no loss is allocated to inventories, financial assets, deferred tax assets, employee benefit assets, investment property or biological assets, which continue to be measured in accordance with the Group's other accounting policies. Impairment losses on initial classification as held-for-sale or held-for-distribution and subsequent gains and losses on remeasurement are recognised in profit or loss.

Once classified as held-for-sale, intangible assets and property, plant and equipment are no longer amortised or depreciated, and any equity-accounted investee is no longer equity accounted.

**4.23 Other reserves**

Other reserves comprise capital contributions from shareholders and gains arising from initial public offerings of subsidiaries (where control is retained) and merger-related reserves. Capital contributions are recognised directly in other reserves and are not subsequently transferred to retained earnings. IPO gains and merger-related reserves are initially recognised in other reserves and subsequently transferred to retained earnings. All movements represent transfers within equity and do not affect profit or loss.

**4.24 Events after the reporting date**

The Group consolidated financial statements are adjusted to reflect events that occurred between the reporting date and the date when the consolidated financial statements are authorised for issue, provided they give evidence of conditions that existed at the reporting date. Any post year-end events that are non-adjusting are disclosed in the consolidated financial statements when material.

## OQ SAOC and its subsidiaries

### NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

For the year ended 31 December 2025

#### 5 CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

The preparation of consolidated financial statements requires the management to make judgements, estimates and assumptions that affect the application of accounting policies and reported amounts of assets, liabilities, income and expenses.

The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about carrying values of assets and liabilities that are not readily apparent from other sources. The resulting accounting estimates will, by definition, seldom equal the related actual results.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

In the process of applying the Group's accounting policies, management has made the following judgments, apart from those involving estimations, which have the most significant effect on the amounts recognized in these consolidated financial statements.

##### **Control over investments in subsidiaries**

Management assesses whether or not the Group has control over its investment in subsidiaries based on whether the Group has the power to direct the relevant activities of the investees unilaterally.

Management considers the Group's absolute size of holding in subsidiaries and relative size of and dispersion of the shareholding owned by the other shareholders. After assessment, management concluded that the Group has a sufficiently dominant voting interest to direct the relevant activities of subsidiaries and therefore the Group has control over investment in subsidiaries. Refer note 2 for further details.

##### **Concession arrangement**

The analysis on whether the IFRIC 12 applies to an arrangement involves various factors and depends on the interpretation of contractual arrangement. Therefore, the application of IFRIC 12 requires judgment in relation with, amongst other factors:

- (i) the identification of certain infrastructures in the scope of IFRIC 12;
- (ii) the understanding of the nature of the payments in order to determine the classification of the infrastructure as a financial asset or as an intangible asset; and
- (iii) the recognition of revenue from construction and concessionary activity.

Changes in one or more of the factors may affect the conclusions as to the appropriateness of the application of IFRIC 12.

Management exercises significant judgement in determining the appropriate accounting model for concession agreements under IFRIC 12. This assessment requires evaluating whether the Group has an unconditional contractual right to receive cash from the Grantor, which results in recognition of a financial asset, or whether the Group instead receives the right to charge users for access to the public service, which results in recognition of an intangible asset. The classification affects the measurement of construction revenue, the presentation of cash flows, and the subsequent accounting applied to the asset.

Under certain concession agreements, the Group concluded that the conditions of the financial asset model are met, as the Group has an unconditional right to receive cash from the Grantor. In other agreements, the Group determined that the arrangement meets the requirements of the intangible asset model, as the Group receives a right to charge users and bears the demand risk. These assessments require significant judgement, including analysis of contractual terms, risk allocation, and expected cash flow patterns. Changes in any of these factors may affect the conclusions and result in different classification and measurement outcomes.

If the arrangement had not fallen under IFRIC 12, the Group would have recorded property, plant and equipment and revenue calculated as per IFRS 15. Further the cash outflows relating to construction services have been classified under investing activities in the cashflow statement as they reflect cash outflows resulting in the recognition of assets.

## OQ SAOC and its subsidiaries

### NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

For the year ended 31 December 2025

#### 5 CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY (continued)

##### **Concession arrangement (continued)**

The key assumptions concerning the future and other sources of estimation uncertainty at the financial position reporting date that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

##### **Determination of lease term**

In determining the lease term, management considers all facts and circumstances that create an economic incentive to exercise an extension option, or not exercise a termination option. Extension options (or periods after termination options) are only included in the lease term if the lease is reasonably certain to be extended (or not terminated).

##### **Site restoration obligation**

Provision for site restoration obligation is estimated based on the expected dismantling cost valued by the independent valuer. Further, management used discount rate to measure the present value and considered in the inflation impact of the future dismantling costs.

##### **Impairment of oil & gas production and development assets, and other property, plant and equipment**

###### Carrying value of oil & gas production and development assets, and other property, plant and equipment

Management performs impairment reviews on the Group's oil & gas properties and other property, plant and equipment assets at least annually with reference to indicators in IAS 36 Impairment of Assets. Where indicators are present and an impairment test is required, the calculation of the recoverable amount requires estimation of future cash flows within complex impairment models.

Key assumptions and estimates in the impairment models relate to: commodity prices and the long-term corporate economic assumptions thereafter, discount rates that are adjusted to reflect risks specific to individual assets, oil and gas reserves and the related cost profiles. Assumptions reflect all oil and gas reserves that a market participant would consider when valuing the asset.

Judgement is also required in establishing the appropriate grouping of assets into cash generating units.

###### Reserves estimates used in the calculation of Depreciation, Depletion and Amortisation (DD&A) and impairment of oil & gas properties and other property, plant and equipment

The determination of the Group's oil and gas reserves requires significant judgement and estimates to be applied. These are annually reviewed and updated. Proven and probable reserves are estimates of the amount of oil and gas that can be economically extracted from the Group's oil and gas assets. The Group estimates its reserves using standard recognised evaluation techniques applied by the in-house reserve engineer.

Further, these reserve estimates are evaluated by external reserve engineers once in three years. Proven and probable reserves are determined using estimates of oil and gas in place, recovery factors and future commodity prices, the latter having an impact on the total amount of recoverable reserves and the proportion of the gross reserves which are attributable to the government under the terms of the Exploration and Production Sharing Contracts.

Future development costs are estimated taking into account the level of development required to produce the reserves by reference to operators, where applicable, and internal engineers.

Estimates of oil and gas reserves are used to calculate depreciation, depletion and amortisation charges for oil and gas properties reviewed annually. The impact of changes in oil and gas reserves is dealt with prospectively. Oil and gas reserves also have a direct impact on the assessment of recoverability of asset carrying values. If oil and gas reserves are revised downwards, earnings could be affected by changes in depreciation expense or by immediate write-downs of asset carrying values.

##### **Useful lives of property, plant and equipment**

Depreciation is charged so as to write off the cost of assets over their estimated useful lives. The calculation of useful lives is based on management's assessment of various factors such as the operating cycles, the maintenance programs, and normal wear and tear using its best estimates. Refer note 4.2 for further details.

## OQ SAOC and its subsidiaries

### NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

For the year ended 31 December 2025

#### 5 CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY (continued)

##### **Impairment loss on investments in associates and joint ventures**

The Group reviews its investments in associates and joint ventures periodically and evaluates the objective evidence of impairment. Objective evidence includes the performance of associates and joint ventures, the future business model, local economic conditions and other relevant factors. Based on the objective evidence, the Group determines the need for impairment loss on investments in associates and joint ventures. Refer note 11 and 12 for further details.

##### **Income tax**

Uncertainties exist with respect to the interpretation of tax regulations and the amount and timing of future taxable income. Given the wide range of business relationships and nature of existing contractual agreements, differences arising between the actual results and the assumptions made, or future changes to such assumptions, could necessitate future adjustments to tax income and expense already recorded.

The Group establishes provisions, based on reasonable estimates, for possible consequences of finalisation of tax assessments of the Group. The amount of such provisions is based on various factors, such as experience of previous tax assessments and differing interpretations of tax regulations by the taxable entity and the responsible tax authority. Refer note 40 for details.

##### **Deferred tax**

Deferred tax assets are recognised for all unused tax losses to the extent that it is probable that taxable profit will be available against which the losses can be utilised. Significant management judgment is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and the level of future taxable profits together with future tax planning strategies. Refer note 40 for details.

##### **Accounting for commodity purchase and sale contracts**

At inception, physical commodity purchase and sales transactions which support Group entity's (OQT's) principal activities which are capable of net settlement and are not entered into (or continue to be held) for the purpose of receipt or delivery of a non-financial item in accordance with Group entity's expected purchase, sale or usage requirements fall within the scope of IFRS 9.

Certain physical commodity contracts do not fall within the scope of IFRS 9. These contracts are accounted for as executory contracts. Revenue from the sale of goods and provision of services under these contracts is recognised on an accrual basis as the resources are delivered or the services are provided. The related purchase costs are recognised on an accrual basis within cost of sales.

##### **Provision for rich gas**

The Group is required to share 80% of its future profits with the Integrated Gas Company (IGC) from the revenue generated on sale of Butane, Propane, Condensate and LPG (cooking gas) as a consideration for the rich gas supplied by the IGC. Management has estimated the amount payable based on the expected future cash flows from the plant and recognized a liability which involves applying certain critical estimates. As per the agreement with the IGC, any payments for this obligation will commence after the repayment of shareholder loans and senior secured debt provided by lenders, including any accrued interest thereon. Considering these payments are not at the discretion of the Group, this balance payable is classified as a liability in accordance with IAS 32.

The Group recognizes the cost of gas received (inventory) from IGC by projecting production, sales, and expenses over a 25-year period based on its operating model (based on NGSA/BOOT agreement). The net cash flows payable to IGC are determined based on this 25-year forecast. The price of gas is derived by dividing IGC's total share by the total quantity. The financial liability to IGC is measured at fair value through profit or loss (P&L), with future payments discounted to present value. The estimation process involves significant judgment and the use of assumptions, which are reviewed annually.

##### **Percentage of completion method**

The Group uses the output method to recognise revenue on the basis of Group's efforts or inputs to the satisfaction of a performance obligation in accounting for its construction contracts. This is done by measuring surveys of performance completed to date or milestones reached.

At each reporting date, the Group is required to estimate stage of completion. Effects of any revision to these estimates are reflected in the year in which the estimates are revised.

**5 CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION  
UNCERTAINTY (continued)**

**Percentage of completion method (continued)**

When it is probable that total contract costs will exceed total contract revenue, the total expected loss is recognised immediately, as soon as foreseen, whether or not work has commenced on these contracts.

The Group uses its project managers to measure the surveys of performance completed to date or milestones reached. Factors such as delays in expected completion date, changes in the scope of work, changes in material prices, increase in labour and other costs are included in the construction cost estimates based on best estimates updated on a regular basis.

OQ SAOC and its subsidiaries

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

For the year ended 31 December 2025

6 PROPERTY, PLANT AND EQUIPMENT (PPE)

	<i>Freehold land</i> <i>£'000</i>	<i>Buildings</i> <i>£'000</i>	<i>Furniture and office equipment</i> <i>£'000</i>	<i>Plant, equipment, and vehicles</i> <i>£'000</i>	<i>Site restoration cost</i> <i>£'000</i>	<i>Capital spare parts</i> <i>£'000</i>	<i>Capital work-in- progress</i> <i>£'000</i>	<i>Total</i> <i>£'000</i>
<b>Cost</b>								
At 1 January 2024	408	582,991	88,214	7,441,679	32,715	8,932	214,329	8,369,268
Additions	-	20,554	1,109	2,828	-	51	116,627	141,169
Reclassification within PPE	-	12,347	2,335	(14,682)	-	-	-	-
Reclassification to assets held for sale (note 15)	-	(92,022)	(9,237)	(561,927)	-	-	(67,211)	(730,397)
Construction completed	-	7,637	3,733	87,164	-	-	(98,534)	-
Disposals	-	(185)	(511)	(22,614)	-	-	-	(23,310)
Change in site restoration provision	-	-	-	-	446	-	-	446
At 31 December 2024	<u>408</u>	<u>531,322</u>	<u>85,643</u>	<u>6,932,448</u>	<u>33,161</u>	<u>8,983</u>	<u>165,211</u>	<u>7,757,176</u>
<b>At 1 January 2025</b>	<b>408</b>	<b>531,322</b>	<b>85,643</b>	<b>6,932,448</b>	<b>33,161</b>	<b>8,983</b>	<b>165,211</b>	<b>7,757,176</b>
Additions	-	856	1,670	1,641	-	-	136,222	140,389
Construction completed	-	6,089	4,431	94,848	-	4,260	(109,628)	-
Transferred to intangibles & contract assets (note 9 & 14)	-	-	-	-	-	-	(10,432)	(10,432)
Reclassification to assets held for sale (note 15)	-	(186)	-	(147)	-	-	-	(333)
Change in site restoration provision (note 29)	-	-	-	-	48,148	-	-	48,148
Disposals	-	(943)	(9,480)	(18,766)	-	-	(150)	(29,339)
Translation differences	-	34	36	-	-	-	-	70
At 31 December 2025	<u>408</u>	<u>537,172</u>	<u>82,300</u>	<u>7,010,024</u>	<u>81,309</u>	<u>13,243</u>	<u>181,223</u>	<u>7,905,679</u>

OQ SAOC and its subsidiaries

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

For the year ended 31 December 2025

6 PROPERTY, PLANT AND EQUIPMENT (PPE) (continued)

	<i>Freehold land</i> <i>£'000</i>	<i>Buildings</i> <i>£'000</i>	<i>Furniture and office equipment</i> <i>£'000</i>	<i>Plant, equipment, and vehicles</i> <i>£'000</i>	<i>Site restoration cost</i> <i>£'000</i>	<i>Capital spare parts</i> <i>£'000</i>	<i>Capital work-in- progress</i> <i>£'000</i>	<i>Total</i> <i>£'000</i>
<b>Accumulated depreciation and impairment</b>								
At 1 January 2024	-	175,633	57,197	3,793,363	4,054	7,054	32,088	4,069,389
Charge for the year	-	18,619	4,830	202,588	797	258	-	227,092
Reversal of impairment loss - net (i)	-	-	-	(238,369)	-	-	-	(238,369)
Reclassification to assets held for sale (note 15)	-	(24,354)	(6,688)	(274,654)	-	-	-	(305,696)
Disposals	-	(107)	(479)	(13,526)	-	-	-	(14,112)
At 31 December 2024	-	169,791	54,860	3,469,402	4,851	7,312	32,088	3,738,304
<b>At 1 January 2025</b>	-	<b>169,791</b>	<b>54,860</b>	<b>3,469,402</b>	<b>4,851</b>	<b>7,312</b>	<b>32,088</b>	<b>3,738,304</b>
Charge for the year	-	18,671	6,665	229,413	962	396	-	256,107
Impairment charge	-	-	-	420	-	-	-	420
Reclassification to assets held for sale (note 15)	-	(47)	-	(65)	-	-	-	(112)
Disposals	-	(380)	(9,341)	(11,406)	-	-	-	(21,127)
Translation differences	-	22	56	2	-	-	-	80
At 31 December 2025	-	188,057	52,240	3,687,766	5,813	7,708	32,088	3,973,672
<b>Net book value</b>								
31 December 2025	<u>408</u>	<u>349,115</u>	<u>30,060</u>	<u>3,322,258</u>	<u>75,496</u>	<u>5,535</u>	<u>149,135</u>	<u>3,932,007</u>
31 December 2024	<u>408</u>	<u>361,531</u>	<u>30,783</u>	<u>3,463,046</u>	<u>28,310</u>	<u>1,671</u>	<u>133,123</u>	<u>4,018,872</u>

## OQ SAOC and its subsidiaries

### NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

For the year ended 31 December 2025

#### 6 PROPERTY, PLANT AND EQUIPMENT (PPE) (continued)

##### (i) Impairment charge / (reversal)

Break up of impairment charge / (reversal) for the year:

	2025 ₹'000	2024 ₹'000
OTTCO (downstream) - plant, equipment, and vehicles	-	28,075
Abraj (others)- plant, equipment, and vehicles	420	2,706
OQ RPI (downstream) - plant, equipment, and vehicles	-	(269,150)
<b>Net impairment charge / (reversal) for the year</b>	<b>420</b>	<b>(238,369)</b>

During 2024, the Group recognised a net reversal of impairment of ₹ 238.37 million in the consolidated statement of profit or loss under “impairment losses - charged / (released) - net”. The net reversal primarily reflects a reversal of ₹ 269.15 million recognised for the OQ Polymers CGU, following a revision to feedstock price assumptions that improved forecast operating margins and reduced cost of sales. The recoverable amount of the OQ Polymers CGU as at 31 December 2024 was ₹ 1,572 million (which exceeded the carrying value of ₹ 1,257 million), determined on a value-in-use basis using the approved five-year business plan cash flow projections extrapolated using 1.9% inflation rate and discounted at a pre-tax rate of 8.81% (post-tax rate of 8.4%).

In addition to OQ Polymers, impairment assessments were performed for the OTTCO and Abraj CGUs. Their recoverable amounts were determined using VIU, applying the following methodologies:

- OTTCO: The recoverable amount was determined using five-year cash flow projections, extrapolated using the long-term inflation rate, and discounted at a pre-tax rate of 9.5%. The resulting assessment led to the impairment charge of ₹ 28.08 million.
- Abraj: The recoverable amount was based on ten-year cash flow projections, extrapolated using long-term inflation, and discounted at a pre-tax rate of 11.2%. This resulted in an impairment charge of ₹ 2.71 million.

During the year 2025, the Group performed impairment assessments for the OQ Polymers CGU, the OQ Refinery & Aromatics CGU, the OTTCO CGU, and the Abraj CGU. No impairment was required for OQ Polymers, OQ Refinery & Aromatics, or OTTCO. An additional impairment charge of ₹ 0.42 million was recognised for Abraj, presented within “impairment losses - charged / (released) - net” in the consolidated statement of profit or loss, based on updated recoverable-amount estimates.

- (ii) At 31 December 2025, certain property, plant and equipment were mortgaged as security for bank borrowings (refer note 26).
- (iii) During the year, the Group has not capitalized any borrowing cost in the cost of the capital-work-in-progress of qualifying assets (2024: ₹ 0.15 million).
- (iv) The depreciation and amortization charges for the year were as follows:

	2025 ₹'000	2024 ₹'000
Property, plant and equipment (note 6)	256,107	227,092
Intangible assets (note 9)	7,783	4,284
Oil and gas producing assets (note 7a)	273,840	265,076
Right-of-use assets (note 8)	59,073	51,601
Investment property (note 18 [ii])	145	70
	<b>596,948</b>	<b>548,123</b>
<i>Analyzed as follows:</i>		
Cost of sales (note 34)	565,987	516,492
Administrative expenses (note 37)	30,961	31,050
Capitalized in the cost of capital work in progress	-	581
	<b>596,948</b>	<b>548,123</b>

## OQ SAOC and its subsidiaries

### NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

For the year ended 31 December 2025

#### 7 (a) OIL AND GAS PRODUCTION AND DEVELOPMENT ASSETS

The details of the Group's share of oil production and development assets are as follow:

	<b>OQEP</b> <b>(i)</b> <b>₹'000</b>	<b>Dunga oil</b> <b>field</b> <b>(ii)</b> <b>₹'000</b>	<b>Total</b> <b>₹'000</b>
<b>Cost</b>			
Balance at 1 January 2024	3,379,602	114,183	3,493,785
Additions	234,365	6,288	240,653
Reversal of AI Muzn assets	(36,782)	-	(36,782)
Change in site restoration provision	(189)	-	(189)
Currency translation adjustment	3,153	1,241	4,394
Balance at 31 December 2024	<u>3,580,149</u>	<u>121,712</u>	<u>3,701,861</u>
<b>Balance at 1 January 2025</b>	<b>3,580,149</b>	<b>121,712</b>	<b>3,701,861</b>
<b>Additions</b>	<b>249,717</b>	<b>1,283</b>	<b>251,000</b>
<b>Change in site restoration provision (note 29)</b>	<b>30,033</b>	<b>-</b>	<b>30,033</b>
<b>Transfer to right of use assets (note 8)</b>	<b>(17,393)</b>	<b>-</b>	<b>(17,393)</b>
<b>Balance at 31 December 2025</b>	<b><u>3,842,506</u></b>	<b><u>122,995</u></b>	<b><u>3,965,501</u></b>
<b>Accumulated depreciation and impairment</b>			
Balance at 1 January 2024	2,451,690	85,795	2,537,485
Charge for the year	262,830	2,246	265,076
Reversal of AI Muzn assets	2,488	-	2,488
Currency translation adjustment	(3,031)	-	(3,031)
Balance at 31 December 2024	<u>2,713,977</u>	<u>88,041</u>	<u>2,802,018</u>
<b>Balance at 1 January 2025</b>	<b>2,713,977</b>	<b>88,041</b>	<b>2,802,018</b>
<b>Charge for the year</b>	<b>273,840</b>	<b>-</b>	<b>273,840</b>
<b>Balance at 31 December 2025</b>	<b><u>2,987,817</u></b>	<b><u>88,041</u></b>	<b><u>3,075,858</u></b>
<b>Net book value</b>			
<b>At 31 December 2025</b>	<b><u>854,689</u></b>	<b><u>34,954</u></b>	<b><u>889,643</u></b>
At 31 December 2024	<u>866,172</u>	<u>33,671</u>	<u>899,843</u>

#### (i) Impairment

During the year, the Group has conducted an impairment analysis for OQ EP Blocks showing indicators of impairment, such as changes in reserves, commodity prices, development plans, and regulatory changes. The valuation was based on discounted cash flows (DCF) using the Value in Use (VIU) approach, ensuring it exceeded the carrying value of the assets. Cash flows were discounted by applying a post-tax discount rate over the useful life of each Block.

The followings parameters were used for impairment testing:

- **Reserves:** Reserves form the basis of the production profiles within the discounted cash flow models. Cash flows were projected for each field based on the development plans approved by senior management and reasonable assumptions that an external party would apply in appraising the assets which, in some cases, may be broader in scope than proved and probable reserves. The Group engages independent third-party experts to verify reserves every three years. For all Blocks except Block 53, the reserve base was taken as of 31 December 2023 and adjusted for actual production during 2024 and 2025 to arrive at the reserves position as of 31 December 2025. For Block 53, an updated external reserves report as of 31 December 2024 was used, which reflects the EPSA extension from 2035 to 2050. In addition, the Board of Directors of OQEP approved the reserve base as at 1 January 2025. These externally validated and Board approved reserves form the basis for the Group's value-in-use assessments under IAS 36.
- **Inflation rates:** Inflation rates, derived from published indices, were set at 2% and is based on US\$ inflation rate (2024: 2%).

## OQ SAOC and its subsidiaries

### NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

For the year ended 31 December 2025

#### 7 (a) OIL AND GAS PRODUCTION AND DEVELOPMENT ASSETS (continued)

##### (i) Impairment (continued)

- Commodity prices: Future oil prices were estimated using Brent Crude forward curves and applicable inflation rates. Quality differentials were applied to estimate Mukhaini realized oil prices.
- Discount rate: The cash flows were discounted using a post-tax discount rate of 8.7% (2024: 8.61%).

The Group has conducted an impairment analysis on relevant assets and recognized no impairment losses during the year (2024: nil).

- (ii) The Group has a 20% interest in the exploration rights and license for exploring for oil in an oilfield concession located in Dunga, Kazakhstan. OOCL, a 100% subsidiary of the Group, has entered into a joint operating agreement with Parted (Kazakhstan) Limited and Maersk Oil, wherein Maersk Oil is the operator of the project.

#### 7 (b) EXPLORATION AND EVALUATION (E&E) ASSETS

	<i>Exploration assets – OQEP (i) ’000</i>
As at 1 January 2024	6,675
Additions	11,027
Asset written off Block 42	(2,828)
Provision for impairment against Block 52 assets	(6,502)
Translations adjustments	(10)
As at 31 December 2024	<u>8,362</u>
<b>As at 1 January 2025</b>	<b>8,362</b>
<b>Additions</b>	<b>6,682</b>
<b>As at 31 December 2025</b>	<b><u>15,044</u></b>

- (i) The exploration and evaluation assets (E&E) closing balance primarily pertains to Blocks 11,47 and 48 which are under exploration stage and accounted as per requirements of IFRS 6.
- (ii) During the year 2024, the Group concluded that Blocks 52 and 42, which were at the exploration stage, are not commercially viable. Accordingly, the associated exploration assets were written off / impaired through the income statement and the Blocks were relinquished to the Government.

#### 8 RIGHT-OF-USE ASSETS

The Group's leases mainly comprise leasehold land, plant and machinery, equipment and vehicles. Information about leases for which the Group is a lessee is presented below.

OQ SAOC and its subsidiaries

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

For the year ended 31 December 2025

**8 RIGHT-OF-USE ASSETS (continued)**

Set out below are the carrying amounts of right-of-use assets recognised and movement during the year:

	<i>Land and buildings</i> £'000	<i>Plant and equipment</i> £'000	<i>Vehicles</i> £'000	<i>Total</i> £'000
Balance as at 1 January 2024	145,626	63,852	5,702	215,180
Additions	33,787	26,978	3,432	64,197
Exchange differences	31	(55)	-	(24)
Modification	(2,659)	2,155	(8)	(512)
Depreciation expense	(21,486)	(27,603)	(2,512)	(51,601)
Reclassification to assets held for sale (note 15)	(2,817)	(8,941)	(200)	(11,958)
Terminations	(1,734)	-	(2,333)	(4,067)
Balance as at 31 December 2024	<u>150,748</u>	<u>56,386</u>	<u>4,081</u>	<u>211,215</u>
<b>Balance as at 1 January 2025</b>	<b>150,748</b>	<b>56,386</b>	<b>4,081</b>	<b>211,215</b>
<b>Additions</b>	<b>49,601</b>	<b>56,821</b>	<b>76</b>	<b>106,498</b>
<b>Exchange difference</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Modification</b>	<b>466</b>	<b>16,853</b>	<b>45</b>	<b>17,364</b>
<b>Depreciation expense</b>	<b>(22,077)</b>	<b>(35,983)</b>	<b>(1,013)</b>	<b>(59,073)</b>
<b>Transfers</b>	<b>(60)</b>	<b>17,393</b>	<b>-</b>	<b>17,333</b>
<b>Reclassification to assets held for sale (note 15)</b>	<b>(1,416)</b>	<b>-</b>	<b>-</b>	<b>(1,416)</b>
<b>Terminations</b>	<b>(518)</b>	<b>(1,826)</b>	<b>(170)</b>	<b>(2,514)</b>
<b>Balance as at 31 December 2025</b>	<b><u>176,744</u></b>	<b><u>109,644</u></b>	<b><u>3,019</u></b>	<b><u>289,407</u></b>

The Group entered into a new lease arrangement for oil and gas assets and made milestone payments prior to the commencement of operations in July 2025 amounting to £ 17.3 million. Upon commencement, these prepaid amounts were transferred from oil and gas properties to right-of-use assets and did not give rise to corresponding lease liabilities. Lease payments due from July 2025 to 2029 were recognised as additions to right-of-use assets with corresponding lease liabilities. In addition, the terms of certain existing oil and gas asset leases were amended during the year and accounted for as lease modifications, with the resulting adjustments recognised in both right-of-use assets and lease liabilities. These leases include purchase options at the end of the lease term; however, the Group has not considered the exercise of such options in determining the lease term, as their exercise is not reasonably certain at the reporting date.

Amount recognised in consolidated statement of profit and loss account:

	<i>2025</i> £'000	<i>2024</i> £'000
Depreciation on right-of-use assets	<u>(59,073)</u>	<u>(51,601)</u>
Interest on lease liabilities	<u>(14,646)</u>	<u>(13,171)</u>
Variable lease payments not included in the measurement of lease liabilities	-	(1,636)
Expenses relating to short-term leases (cost of sales)	<u>(156,188)</u>	<u>(180,727)</u>
Gain on retirement of right-of-use assets	<u>482</u>	<u>449</u>

OQ SAOC and its subsidiaries

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

For the year ended 31 December 2025

9 INTANGIBLE ASSETS

	<i>ERP and software</i> <i>₹'000</i> <i>(i)</i>	<i>Subsoil rights</i> <i>₹'000</i> <i>(ii)</i>	<i>Others</i> <i>₹'000</i>	<i>Total</i> <i>₹'000</i>
<b>Cost</b>				
At 1 January 2024	21,019	1,510	241,505	264,034
Additions	3,152	-	-	3,152
Reclassification to assets held for sale (note 15)	(5,755)	-	(222,422)	(228,177)
Reclassification to ERP and software	19,083	-	(19,083)	-
<b>At 1 January 2025</b>	<b>37,499</b>	<b>1,510</b>	<b>-</b>	<b>39,009</b>
<b>Additions</b>	<b>6,963</b>	<b>-</b>	<b>-</b>	<b>6,963</b>
<b>Transferred from property plant &amp; equipment</b>	<b>8,138</b>	<b>-</b>	<b>-</b>	<b>8,138</b>
<b>Disposals and write off</b>	<b>(184)</b>	<b>-</b>	<b>-</b>	<b>(184)</b>
<b>At 31 December 2025</b>	<b>52,416</b>	<b>1,510</b>	<b>-</b>	<b>53,926</b>
<b>Accumulated amortization and impairment</b>				
At 1 January 2024	18,552	1,230	203,288	223,070
Charge for the year	4,284	-	-	4,284
Reclassification to assets held for sale (note 15)	(5,045)	-	(193,359)	(198,404)
Reclassification to ERP and software	9,929	-	(9,929)	-
<b>At 1 January 2025</b>	<b>27,720</b>	<b>1,230</b>	<b>-</b>	<b>28,950</b>
<b>Charge for the year</b>	<b>7,783</b>	<b>-</b>	<b>-</b>	<b>7,783</b>
<b>Disposal and write off</b>	<b>(211)</b>	<b>-</b>	<b>-</b>	<b>(211)</b>
<b>At 31 December 2025</b>	<b>35,292</b>	<b>1,230</b>	<b>-</b>	<b>36,522</b>
<b>Net book value</b>				
<b>At 31 December 2025</b>	<b>17,124</b>	<b>280</b>	<b>-</b>	<b>17,404</b>
At 31 December 2024	9,779	280	-	10,059

(i) The Group has incurred expenditure to upgrade existing ERP software. The intangible assets are amortised over 3 years.

(ii) Subsoil rights relate to Dunga (OOCL) and Pearl (OPCL) oil fields.

## OQ SAOC and its subsidiaries

### NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

For the year ended 31 December 2025

#### 10 INVESTMENT IN ASSOCIATES

The Group has the following investments in associates:

<i>Company name</i>	<i>Country of incorporation</i>	<i>Principal activities</i>	<i> Holding </i>		<i> Carrying value </i>	
			<i>2025</i> %	<i>2024</i> %	<i>2025</i> <i>₹'000</i>	<i>2024</i> <i>₹'000</i>
GSEPS Company Limited (GSEPS)	Korea	Power generation	<b>30</b>	30	<b>105,671</b>	107,360
Advario Terminal Co LLC	Oman	Tank terminal management and storage facilities	<b>25</b>	25	<b>9,668</b>	9,471
Orient Power (Pvt) Ltd (OPC)*	Pakistan	Power generation	<b>42.8</b>	42.8	<b>12,203</b>	11,351
Haas Petroleum Group	East Africa	Trading in petroleum products	<b>40</b>	40	<b>22,499</b>	18,767
Muscat Gases Company SAOG	Oman	Industrial and cooking gases	<b>41.8</b>	41.8	<b>2,163</b>	2,190
Amin Renewable Energy Company SAOC	Oman	Operating of solar power plant	<b>30</b>	30	<b>2,518</b>	2,513
Musandum Power Company SAOG	Oman	Power generation	<b>42</b>	42	<b>6,077</b>	5,096
Air Liquide Sohar Industrial Gases LLC	Oman	Production and sale of industrial gases	<b>29.9</b>	29.9	<b>3,220</b>	3,470
Green Energy Oman LLC (GEO)	Oman	Power generation	<b>25</b>	25	-	913
Hyport Coordination Company LLC	Oman	Power generation	<b>25.5</b>	25.5	-	520
Nour Ibri SAOC	Oman	Solar power	<b>25</b>	-	<b>125</b>	-
					<b>164,144</b>	<b>161,651</b>

\*The Group's associate, Orient Power (Pvt) Ltd, based in Pakistan, prepares its financial statements to 30 June, which differs from the Group's reporting date of 31 December. This difference arises due to local regulatory requirements in Pakistan. The Group uses the associate's financial information drawn up to that date, with adjustments made for any significant transactions occurring between the two reporting dates.

OQ SAOC and its subsidiaries

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

For the year ended 31 December 2025

10 INVESTMENT IN ASSOCIATES (continued)

31-Dec-25

Summarized financial information of associates

Company name	Non-current assets ₹'000	Current assets ₹'000	Non-current liabilities ₹'000	Current liabilities ₹'000	Net assets ₹'000	Revenue ₹'000	Profit for the year ₹'000	Other comprehensive income ₹'000	Total comprehensive income ₹'000	Group's share of results ₹'000	Dividend received ₹'000
GS EPS	443,871	118,468	100,799	123,231	338,309	355,724	24,396	449	24,845	7,454	10,819
Advario	112,330	5,512	69,617	9,552	38,673	27,163	8,006	(216)	7,790	1,948	1,750
OPC	10,288	28,516	-	10,290	28,514	22,625	4,519	459	4,978	2,131	1,217
Haas	51,966	70,349	15,798	56,984	49,533	391,015	9,590	510	10,100	4,040	308
Others	78,170	51,266	73,865	14,238	41,333	43,393	6,311	-	6,311	2,428	1,719
	<u>696,625</u>	<u>274,111</u>	<u>260,079</u>	<u>214,295</u>	<u>496,362</u>	<u>839,920</u>	<u>52,822</u>	<u>1,202</u>	<u>54,024</u>	<u>18,001</u>	<u>15,813</u>

31-Dec-24

Summarized financial information of associates

Company name	Non-current assets ₹'000	Current assets ₹'000	Non-current liabilities ₹'000	Current liabilities ₹'000	Net assets ₹'000	Revenue ₹'000	Profit / (loss) for the year ₹'000	Other comprehensive income ₹'000	Total comprehensive income ₹'000	Group's share of results ₹'000	Dividend received ₹'000
GS EPS	450,366	155,027	154,166	108,013	343,214	429,389	50,693	5,713	56,406	16,922	21,021
Advario	114,323	5,510	73,963	7,988	37,883	26,538	8,609	(311)	8,298	2,074	3,000
OPC	11,079	23,772	-	8,331	26,520	11,944	2,612	3,683	6,295	2,694	1,526
Haas	48,879	58,306	13,649	54,310	39,226	313,801	4,416	1,355	5,771	2,309	-
Others	80,843	53,361	75,990	15,169	43,045	40,246	(15,445)	-	(15,445)	819	1,171
	<u>705,490</u>	<u>295,976</u>	<u>317,768</u>	<u>193,811</u>	<u>489,888</u>	<u>821,918</u>	<u>50,885</u>	<u>10,440</u>	<u>61,325</u>	<u>24,818</u>	<u>26,718</u>

## OQ SAOC and its subsidiaries

### NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

For the year ended 31 December 2025

#### 10 INVESTMENT IN ASSOCIATES (continued)

Below is the summary of carrying values of significant associates:

	<i>GS EPS</i>	<i>Advario</i>	<i>OPC</i>	<i>Haas Petroleum Group</i>
	<i>£'000</i>	<i>£'000</i>	<i>£'000</i>	<i>£'000</i>
<b>31 December 2025</b>				
Equity attributable to shareholders	<b>338,309</b>	<b>38,673</b>	<b>28,514</b>	<b>49,533</b>
Group's ownership	30%	25%	42.8%	40%
Equity at Group's ownership	<b>101,493</b>	<b>9,668</b>	<b>12,203</b>	<b>19,813</b>
Impairment (i)	-	-	-	<b>(3,851)</b>
Goodwill on acquisition	<b>4,396</b>	-	-	<b>6,928</b>
Others	<b>(218)</b>	-	-	<b>(391)</b>
	<b>105,671</b>	<b>9,668</b>	<b>12,203</b>	<b>22,499</b>
<b>31 December 2024</b>				
Equity attributable to shareholders	343,214	37,883	26,520	39,226
Equity at Group's ownership	30%	25%	42.8%	40%
Equity at Group's ownership	102,964	9,471	11,351	15,690
Impairment (i)	-	-	-	<b>(3,851)</b>
Goodwill on acquisition	4,396	-	-	6,928
	107,360	9,471	11,351	18,767

The movement in carrying value of investment in associates is as follows:

	<i>2025</i>	<i>2024</i>
	<i>£'000</i>	<i>£'000</i>
At 1 January	<b>161,651</b>	182,452
Investment during the year	<b>602</b>	6,105
Reclassification to disposal group	-	(2,309)
Share of profit (note 35)	<b>17,520</b>	21,063
Share of other comprehensive income of associates	<b>481</b>	3,755
Dividends received	<b>(15,813)</b>	(26,718)
Disposal of investment during the year	-	(4,610)
Loss on investments transferred from joint venture	-	(3,033)
Foreign currency translation	<b>1,614</b>	(15,054)
Provision for impairment on associates (i)	<b>(1,911)</b>	-
At 31 December	<b>164,144</b>	161,651

- (i) During the year, the Group recognised a total impairment loss of **£**1.911 million (2024: nil) relating to its investments in Green Energy Oman LLC (**£**0.914 million) and Hyport Coordination Company LLC (**£**0.997 million). Hyport's impairment followed an opening carrying amount of **£**0.520 million and an additional capital injection of **£**0.477 million during the year.

## OQ SAOC and its subsidiaries

### NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

For the year ended 31 December 2025

#### 11 INTEREST IN JOINT VENTURES

Company name*	Principal activities	Notes	Holding		Carrying value	
			2025	2024	2025	2024
			%	%	₹'000	₹'000
Oman India Fertilizer Company SAOC (OMIFCO)	Manufacturing of fertilizer products		50	50	105,830	98,744
Sohar Aluminum Company LLC (SAC)	Aluminum smelting		40	40	69,898	87,918
Duqm Refinery and Petrochemical Industries Company LLC (OQ8)	Processing of crude oil	i	50	50	502,850	544,148
Centralised Utilities Company LLC (CUC)	Water and power		51	51	22,718	18,355
Oman Sustainable Water Services SAOC (OSWS)	O&M Services		51	51	674	685
Marsa Liquefied Natural Gas LLC (MLNG)	Processing of LNG	ii	20	20	52,005	43,099
Electric Vehicle One LLC (EVO)	Initiate and operate electric vehicle charging station		50	50	264	244
Riyah Amin Energy LLC	Wind power generation		51	51	77	77
Shams Saih Nihayda Energy LLC	Solar power generation		51	51	77	77
Riyah Nimr Energy LLC	Wind power generation		51	51	77	77
TFG OOMCO LLC	Banker business operations		49	-	152	-
Al Batinah International School (ABIS)	Educational Institute	iii	50	50	-	-
					<u>754,622</u>	<u>793,424</u>

\*All of the above investees are incorporated in Sultanate of Oman.

## OQ SAOC and its subsidiaries

### NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

For the year ended 31 December 2025

#### 11 INTEREST IN JOINT VENTURES (continued)

Summarised financial information of joint ventures:

31 December 2025	<i>OMIFCO</i> <u>₹'000</u>	<i>SAC</i> <u>₹'000</u>	<i>OQ8</i> <u>₹'000</u>	<i>Others</i> <u>₹'000</u>
Non-current assets	134,480	336,200	2,441,863	757,085
Current assets	159,062	162,829	463,084	59,868
Non-current liabilities	21,276	253,219	1,532,468	600,086
Current liabilities	60,604	71,065	369,215	78,523
<b>Net assets</b>	<b>211,662</b>	<b>174,745</b>	<b>1,003,264</b>	<b>138,344</b>
Revenue	310,031	408,449	2,719,298	133,245
Profit / (loss) for the year	123,497	58,766	(41,942)	51,745
Other comprehensive loss	(385)	-	(43,434)	-
Total comprehensive income / (loss)	<u><b>123,112</b></u>	<u><b>58,766</b></u>	<u><b>(85,376)</b></u>	<u><b>51,745</b></u>
Cash and cash equivalents	48,795	28,345	178,205	38,331
Current financial liabilities (excluding trade and other payables and provisions)	23,798	14,662	295,939	14,025
Non-current financial liabilities (excluding trade and other payables and provisions)	21,276	208,803	1,508,189	584,294
Depreciation and amortization	(14,360)	(52,461)	(80,509)	(20,302)
Interest income	3,754	2,431	8,735	12,319
Interest expense	(447)	(14,647)	(76,408)	(17,230)
Total income tax expense	<u>(21,763)</u>	<u>(10,383)</u>	<u>-</u>	<u>(5,428)</u>
Group's share of total comprehensive income	<u><b>61,556</b></u>	<u><b>23,506</b></u>	<u><b>(42,688)</b></u>	<u><b>12,605</b></u>
Dividend received	<u><b>54,399</b></u>	<u><b>41,526</b></u>	<u>-</u>	<u><b>345</b></u>

## OQ SAOC and its subsidiaries

### NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

For the year ended 31 December 2025

#### 11 INTEREST IN JOINT VENTURES (continued)

Summarised financial information of joint ventures: (continued)

	<i>OMIFCO</i> <u>₹'000</u>	<i>SAC</i> <u>₹'000</u>	<i>OQ8</i> <u>₹'000</u>	<i>Others</i> <u>₹'000</u>
31 December 2024				
Non-current assets	137,059	363,939	2,566,558	516,860
Current assets	135,653	165,640	486,108	57,167
Non-current liabilities	22,296	229,172	1,514,778	439,894
Current liabilities	52,927	80,613	449,591	45,485
Net asset	197,489	219,794	1,088,297	88,648
Revenue	254,990	385,500	2,615,884	133,324
Profit / (loss) for the year	95,611	59,604	(231,536)	27,841
Other comprehensive (loss) / income	(580)	-	(15,127)	1,585
Total comprehensive income	<u>95,031</u>	<u>59,604</u>	<u>(246,663)</u>	<u>29,426</u>
Cash and cash equivalents	38,662	23,491	124,134	19,889
Current financial liabilities (excluding trade and other payables and provisions)	19,145	19,415	351,349	2,922
Non-current financial liabilities (excluding trade and other payables and provisions)	22,297	188,070	1,485,850	175,220
Depreciation and amortization	(14,063)	(49,720)	(87,821)	(5,453)
Interest income	3,837	2,531	4,123	8,601
Interest expense	(503)	(21,723)	(58,849)	(18,349)
Total income tax income/expense	<u>(16,897)</u>	<u>(10,533)</u>	<u>-</u>	<u>-</u>
Group's share of total comprehensive income	<u>47,516</u>	<u>23,842</u>	<u>(123,332)</u>	<u>7,527</u>
Dividend received	<u>48,586</u>	<u>23,839</u>	<u>-</u>	<u>336</u>

Reconciliation of net assets to the carrying value of investments for significant joint venture entities are as follows:

	<i>OMIFCO</i> <u>₹'000</u>	<i>SAC</i> <u>₹'000</u>	<i>OQ8</i> <u>₹'000</u>
<b>31 December 2025</b>			
Equity attributable to shareholders	<b>211,679</b>	<b>174,745</b>	<b>1,003,263</b>
Group's ownership percentage	<b>50%</b>	<b>40%</b>	<b>50%</b>
Equity at Group's ownership	<u><b>105,830</b></u>	<u><b>69,898</b></u>	<u><b>502,850</b></u>
31 December 2024			
Equity attributable to shareholders	197,489	219,794	1,088,297
Group's ownership percentage	50%	40%	50%
Equity at Group's ownership	<u>98,744</u>	<u>87,918</u>	<u>544,148</u>

## OQ SAOC and its subsidiaries

### NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

For the year ended 31 December 2025

#### 11 INTEREST IN JOINT VENTURES (continued)

The movement in carrying value of investment in joint ventures is as follows:

	2025 <u>₹'000</u>	2024 <u>₹'000</u>
At 1 January	793,424	705,846
Investments during the year	166	202,646
Dividends received	(96,270)	(72,761)
Share of profit (note 35)	76,889	(37,402)
Share of changes in other comprehensive loss, net of tax	(21,910)	(7,045)
Foreign currency translation	1,321	(1,481)
Liability for funding support (iii)	1,002	588
Investments transferred to investment in associate	-	3,033
At 31 December	<u>754,622</u>	<u>793,424</u>

- (i) The Parent Company holds 50% stake in OQ8 (Duqm Refinery and Petrochemical Industries Company LLC). During the year ended 31 December 2024, the Parent increased its investment in OQ8 by granting a subordinated loan of ₹ 167 million.
- (ii) Marsa Liquefied Natural Gas LLC (“Marsa”) is joint venture in which OQ EP, subsidiary of the OQ SAOC has joint control and a 20 percent ownership interest. Till 2023, OQ EP accounted the investment as a joint operation. However, effective from 1 January 2024, Marsa is structured as a separate vehicle and OQ EP has residual interest in the net assets of Marsa. Accordingly, OQ EP classified its interest in Marsa as a joint venture.

During the year 2025, OQ EP entered into a formal funding agreement with Marsa Liquefied Natural gas LLC, under which the amounts previously presented as “due from related party” are provided as interest-free loans with no contractual maturity. Repayment is at the discretion of Marsa. In substance, the arrangement represents a long-term interest that forms part of the Group’s net investment in Marsa. The outstanding balance of these loans amounted to ₹ 32 million as at 31 December 2025.

- (iii) In 2021, the Group fully impaired its investment in the joint venture, Al Batinah International School (ABIS), reducing its carrying amount to zero as at the reporting date. Following the losses incurred by ABIS during the year, the Group has recognized an associated liability reflecting its obligation to provide financial support to the joint venture.

#### 12 CONCESSION RECEIVABLES

	2025 <u>₹'000</u>	2024 <u>₹'000</u>
At 1 January	940,134	801,751
Acquisition during the year	41,254	-
Transferred from contract assets (note 14)	88,638	163,312
Transferred from investment property	-	892
Finance income during the year	70,072	62,079
Billed during the year	(105,194)	(87,900)
Disposals	(55)	-
At 31 December	<u>1,034,849</u>	<u>940,134</u>
<b>Current / non-current</b>		
Non-current portion	1,002,537	909,265
Current portion	32,312	30,869
	<u>1,034,849</u>	<u>940,134</u>

## OQ SAOC and its subsidiaries

### NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

For the year ended 31 December 2025

#### 12 CONCESSION RECEIVABLES (continued)

Concession receivables have effective interest rate of 7.39% (2024: 7.42%) per annum and will be settled / recovered over the term of the concession agreement. For the purposes of impairment assessment, the concession receivables are considered to have low credit risk as the counterparty of this receivable is Integrated Gas Company SAOC (which is ultimately owned by the Government of Oman). For the purpose of impairment assessment for these financial assets, the loss allowance is measured at an amount equal to 12 months ECL using general approach. None of the balances at the end of the reporting period are past due, and taking into account the historical default experience and the current credit ratings, the management of the Group has assessed that ECL is insignificant, and hence have not recorded any loss allowances on these balances. Further, credit rating is BBB- stable.

There has been no change in the estimation techniques or significant assumptions made during the current reporting period in assessing the loss allowance.

#### 13 LEASE RECEIVABLES

The lease payments are being made to the Group under the Supplementary Tariff Agreement (STA) which became effective from 1 January 2017, to cover the cost of infrastructure development and the annual operating cost of the Musandam Gas Plant and comprise of monthly payments over a period of 20 years.

	2025 ₹'000	2024 ₹'000
<b>Lease income</b>		
Finance income on net investment in lease (note 36)	<u>20,454</u>	<u>21,509</u>

The net investment in the lease constitutes the cost of construction of the underlying assets.

<b>Net investment in lease</b>		
Opening	217,540	229,781
Finance income on net investment in lease	20,454	21,509
Receipts	(33,136)	(33,136)
Foreign currency translation adjustment	-	(356)
Reclassified to asset held for sale (note 15)	-	(258)
<b>Closing</b>	<u>204,858</u>	<u>217,540</u>
<b>Presented as</b>		
Current asset	6,919	12,682
Non-current asset	197,939	204,858
	<u>204,858</u>	<u>217,540</u>
<b>Finance lease receivable</b>		
2025	-	33,136
2026	33,136	33,136
2027	33,136	33,136
2028	33,136	33,136
2029	33,136	33,136
Remaining	201,201	201,201
	333,745	366,881
Less: unearned finance income	(128,887)	(149,341)
<b>Present value of minimum lease payment receivable</b>	<u>204,858</u>	<u>217,540</u>

The credit risk associated with this receivable has not increased significantly, given that the Government of Oman has a stable BBB- credit rating and has shown historical growth. The balances of lease receivables are not past due and hence have not been considered as credit impaired. The expected credit loss on these receivables is assessed based on a 12-month expected loss model and the impact is not material.

## OQ SAOC and its subsidiaries

### NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

For the year ended 31 December 2025

#### 14 CONTRACT ASSETS

	2025			2024		
	₹'000	₹'000	₹'000	₹'000	₹'000	₹'000
	<i>Due from MEM</i>	<i>Others</i>	<i>Total</i>	<i>Due from MEM</i>	<i>Others</i>	<i>Total</i>
At 1 January	116,887	900	117,787	240,291	900	241,191
Transferred to concession receivables (note 12)	(88,638)	-	(88,638)	(163,312)	-	(163,312)
Additions during the year	118,582	-	118,582	36,996	-	36,996
Transfers from property, plant and equipment	2,294	-	2,294	-	-	-
Finance income during the year	8,146	-	8,146	12,588	-	12,588
Invoiced and transferred from / (to) related party	467	(900)	(433)	-	-	-
Adjustment	-	-	-	2,184	-	2,184
Received during the year	(5,950)	-	(5,950)	(11,860)	-	(11,860)
Transfer from ROU asset and lease liability	124	-	124	-	-	-
At 31 December	151,912	-	151,912	116,887	900	117,787

#### *OQGN Concession Arrangement under Financial Asset Model*

- (a) A contract asset is recognised for the period in which the construction services are performed to represent the Group's right to consideration for the services rendered to date. Under the RAB Revenue rules, the Group receives an allowed rate of return on the work in progress infrastructure asset. Accordingly, contract assets represent balances due from the Grantor under obligation of the Group relating to the construction of the infrastructure under the Concession Agreement and the return on those services under the RAB Revenue rules but not yet invoiced. Any amount previously recognised as a contract asset is reclassified to concession receivables at the point at which it is commissioned and becomes operational.
- (b) For the purpose of impairment assessment for these financial assets, the loss allowance is measured at an amount equal to 12 months ECL using the general approach. None of the amounts due from customers at the end of the reporting period is past due. Further, MEM is a government of Oman affiliated entity. Hence, credit rating is BBB- stable by S&P. There has been no change in the estimation techniques or significant assumptions made during the current reporting period in assessing the loss allowance for the amounts due from customers under construction contracts. There were no impairment losses recognised on any contract asset in the reporting period (2024: Nil).

#### *OQ Salalah Storage & OQ Depot Concession Arrangement under Intangible Asset Model*

- (a) On 29 September 2022, the Group and MEM entered into a Joint Development Agreement ("JDA") for the development of a Strategic Fuel Reserve ("SFR") project. The project has been developed under a Build-Own-Operate-Transfer ("BOOT") model. Accordingly, contract assets were recognized in line with IFRIC 12 for the construction and related services performed (note 4.9).

OQ SAOC and its subsidiaries

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

For the year ended 31 December 2025

15 ASSETS AND LIABILITIES HELD FOR SALE

	<i>OQ Chemicals (i)</i>		<i>UTICO (ii)</i>		<i>SECL (iii)</i>		<i>Total</i>	
	<i>2025</i>	<i>2024</i>	<i>2025</i>	<i>2024</i>	<i>2025</i>	<i>2024</i>	<i>2025</i>	<i>2024</i>
	<i>₹'000</i>	<i>₹'000</i>	<i>₹'000</i>	<i>₹'000</i>	<i>₹'000</i>	<i>₹'000</i>	<i>₹'000</i>	<i>₹'000</i>
Assets held for sale								
Fair value	-	-	<b>49,380</b>	49,380	-	-	<b>49,380</b>	49,380
Property, plant and equipment	-	424,701	-	-	<b>221</b>	-	<b>221</b>	424,701
Right -of-use assets	-	11,958	-	-	<b>1,416</b>	-	<b>1,416</b>	11,958
Inventories	-	110,203	-	-	<b>997</b>	-	<b>997</b>	110,203
Trade and other receivables	-	73,021	-	-	<b>1,786</b>	-	<b>1,786</b>	73,021
Cash and cash equivalents	-	45,039	-	-	<b>836</b>	-	<b>836</b>	45,039
Others	-	35,065	-	-	-	-	-	35,065
Total - gross	-	699,987	<b>49,380</b>	49,380	<b>5,256</b>	-	<b>54,636</b>	749,367
Less: impairment	-	(83,256)	<b>(4,354)</b>	-	<b>(432)</b>	-	<b>(4,786)</b>	(83,256)
Total Assets	-	616,731	<b>45,026</b>	49,380	<b>4,824</b>	-	<b>49,850</b>	666,111
Liabilities directly associated with the assets held for sale								
Loans and borrowings	-	445,057	-	-	-	-	-	445,057
Lease liabilities	-	12,978	-	-	<b>1,349</b>	-	<b>1,349</b>	12,978
Trade and other payables	-	77,329	-	-	<b>442</b>	-	<b>442</b>	77,329
Deferred tax liabilities	-	53,957	-	-	-	-	-	53,957
Others	-	27,410	-	-	-	-	-	27,410
Total liabilities	-	616,731	-	-	<b>1,791</b>	-	<b>1,791</b>	616,731

- (i) The disposal of OQ Chemicals Group was completed in April 2025. The Group has not consolidated the results of the OQ Chemicals Group from 1 January 2025 to the date of disposal, as control, together with all associated risks and rewards, has effectively transferred from 1 January 2025. Accordingly, no revenue, expenses, assets, or liabilities of the OQ Chemicals Group have been recognised in these consolidated financial statements.
- (ii) During the year 2025, the Group recorded a loss on remeasurement of its UTICO investment classified as held for sale amounting to ₹ 3.7 million, net of tax of ₹ 0.65 million. The investment remained in the held for sale category as Majis has signed a Share Purchase Agreement with Buyers. However, completion of the transaction is subject to the fulfilment of certain contractual terms and conditions. The Management expects these conditions to be satisfied during 2026, with the related sale proceeds anticipated to be received substantially in 2026 with some deferred consideration in 2027.

## OQ SAOC and its subsidiaries

### NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

For the year ended 31 December 2025

#### 15 ASSETS AND LIABILITIES HELD FOR SALE (continued)

- (iii) OOMCO signed an SPA on 15 January 2026 to sell its 100% stake in Sultanate Energy Company Limited (“the Subsidiary”) as part of its strategic portfolio review, with completion expected by the end of Q1 2026. SECL was accordingly classified as a discontinued operation under IFRS 5, with its assets and liabilities presented as held for sale and measured at the lower of carrying amount and fair value less costs to sell. Upon reclassification, the investment’s carrying amount of ~~₹~~ 3.4 million was written down to ~~₹~~ 3 million, resulting in an impairment loss of ~~₹~~ 0.431 million, and a further loss of ~~₹~~ 0.532 million was recognized during the period before classification as held for sale.
- (iv) Amount recognised in consolidated statement of profit and loss account (presented as profit / (loss) from discontinued operations) and cash flows are as follows:

	2025 <del>₹</del> '000	2024 <del>₹</del> '000
Revenue	11,315	544,492
Cost of good sold	(10,606)	(22,387)
Other income	26	-
Expenses	(947)	(475,109)
Finance income	-	12,939
Depreciation and impairment charged	(4,987)	(83,502)
Finance expenses	(118)	(89,931)
Foreign currency translation reserve reclassified to profit and loss on disposal	7,058	-
Profit / (loss) before tax	1,741	(113,498)
Income tax	650	8,434
Profit / (loss) from discontinued operation	<u>2,391</u>	<u>(105,064)</u>

Cash flows (used in) / from discontinued operations.

	2025 <del>₹</del> '000	2024 <del>₹</del> '000
Net cash (used in) / from operating activities	(269)	15,383
Net cash (used in) / from investing activities	(255)	11,592
Net cash used in financing activities	-	(13,069)
Net cash flows for the year	<u>(524)</u>	<u>13,906</u>

- (v) Profit / (loss) after tax from discontinued operations

	2025 <del>₹</del> '000	2024 <del>₹</del> '000
OQ Chemicals Group	7,058	(104,676)
UTICO	(3,704)	-
Sultanate Energy Company Limited	(963)	(388)
Profit / (loss) after tax from discontinued operations	<u>2,391</u>	<u>(105,064)</u>

- (vi) The Group has represented its comparative financial information to reflect the result of discontinued operations separately from continuing operations.

#### 16 SHORT-TERM DEPOSITS

	2025 <del>₹</del> '000	2024 <del>₹</del> '000
Short-term-deposits	<u>1,295,725</u>	<u>961,333</u>

## OQ SAOC and its subsidiaries

### NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

For the year ended 31 December 2025

#### 16 SHORT-TERM DEPOSITS (continued)

Deposits less than one year are denominated in US Dollars and Rial Omani and are held with commercial banks. They carry interest at effective annual rates ranging between 2.33% to 5.70% (2024: 2.33% to 6.00%), per annum with maturities ranging from four to twelve months from the reporting date. Interest on deposits accrues monthly.

Term deposits are assessed to have low credit risk of default since these banks are highly regulated by the central banks of the respective countries and having stable credit ratings range from A- to BB. Accordingly, the management estimates the loss allowance on balances with banks at the end of the reporting period at an amount equal to 12-month ECL. None of the balances with banks at the end of the reporting period are past-due and considering the historical default experience and the current credit ratings of the bank, the management of the Group has assessed that there is no significant expected credit loss.

#### 17 OTHER FINANCIAL ASSETS

	2025 <u>₹'000</u>	2024 <u>₹'000</u>
Restricted cash - i	14,957	57,251
Long term loan to external parties - ii	102,818	61,355
Investments at fair value through profit and loss - iii	19,977	2,765
Derivatives - iv	133,560	103,179
At 31 December	<u>271,312</u>	<u>224,550</u>
Current portion	<u>(171,889)</u>	<u>(122,333)</u>
Non-current portion	<u>99,423</u>	<u>102,217</u>

(i) Includes OQ Polymer's restricted cash balances amounting to ₹ 13.5 million (2024: ₹ 55.75 million) classified under long-term deposits. These balances are restricted due to Debt Service Reserve Account related to external borrowing arrangements. This restricted cash is not available for general operational purposes. During the year, ₹ 42.3 million was utilized to repay the debt service obligation of the related loan.

(ii) Loans to external parties presented as:

	2025 <u>₹'000</u>	2024 <u>₹'000</u>
Current portion	36,166	22,082
Non-current portion	66,652	39,273
	<u>102,818</u>	<u>61,355</u>

The long-term loans to external parties are provided by OQ Trading to Oando Trading DMCC, bearing interest at rates of 3-month SOFR plus margins ranging from 6.25% - 6.5% per annum, payable quarterly. The loans have respective maturities of 20 December 2028 and 15 September 2029. Expected credit losses (ECL) have been assessed to be immaterial and have therefore not been recognised. The overall security structure surrounding the loan remains strong, with robust collateral arrangements and risk mitigation measures in place.

(iii) Management assessed that the Group has no significant influence over these companies, hence these investments have been classified as fair value through profit and loss investments. Management has not exercised its irrevocable option to designate these investments at FVOCI on the initial application of IFRS 9.

	2025 <u>₹'000</u>	2024 <u>₹'000</u>
<b>Investments at FVTPL</b>		
Quoted investment (a)	16,808	-
Unquoted investments (b)	8,795	8,391
	<u>25,603</u>	<u>8,391</u>
Impairment provision (b)	<u>(5,626)</u>	<u>(5,626)</u>
	<u>19,977</u>	<u>2,765</u>

## OQ SAOC and its subsidiaries

### NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

For the year ended 31 December 2025

#### 17 OTHER FINANCIAL ASSETS (continued)

	2025 ₹'000	2024 ₹'000
Current portion	3,168	386
Non-current portion	<u>16,809</u>	<u>2,379</u>
	<u>19,977</u>	<u>2,765</u>

- (a) This represents investments in listed equity shares of Asyad Shipping Company SAOG (a related party). Fair values of these equity shares are determined by reference to published price quotations on the Muscat Stock Exchange.
- (b) During 2013, the Group acquired 16.48% shareholding in Perpetual Global Technologies Limited (PGTL), a company registered in Mauritius for a total consideration of ₹ 5.20 million. During 2013, the Group recorded an impairment loss towards its investment of ₹ 5.20 million on account of significant or prolonged decline in the value of investment. The Group further invested ₹ 0.43 million in 2015, which has been fully impaired in 2015. During the year 2024, the fair value increased by ₹ 0.221 million following the fair value assessment conducted by Takamul.

The Group holds a non-current equity investment in an unquoted company that provides digital trade services, in which it is both a customer and an investor. The investment is valued at ₹ 2.7 million as at 31 December 2025 (2024: ₹ 2.4 million), with the increase arising from foreign-exchange movements. The Group measures this investment at fair value through profit or loss with fair value determined using available market information.

#### (iv) Derivatives

	<i>Derivative assets</i>		<i>Derivative liabilities</i>	
	2025 ₹'000	2024 ₹'000	2025 ₹'000	2024 ₹'000
Derivatives held for trading	131,470	70,845	105,261	62,121
Cash flow hedges	<u>2,090</u>	<u>32,334</u>	<u>424</u>	<u>-</u>
	<u>133,560</u>	<u>103,179</u>	<u>105,685</u>	<u>62,121</u>
Current portion	<u>132,555</u>	<u>99,865</u>	<u>105,381</u>	<u>62,121</u>
Non-current portion	<u>1,005</u>	<u>3,314</u>	<u>304</u>	<u>-</u>

The Group uses interest rate swap contracts to manage exposure to interest rate risk resulting from borrowings. These hedges are designated as cash flow hedges.

The Group's physical and financial commodity contracts, other than those which do not meet the criteria under IFRS 9 hedging accounting, are classified as held for trading.

The below table summarize the nominal amounts of the derivatives designated as cash flow hedges for the interest rate swap:

	<i>Less than 6 months</i>	<i>6 to 12 months</i>	<i>1 to 2 years</i>	<i>2 to 5 years</i>	<i>More than 5 years</i>	<i>Total</i>
₹'000						
31 Dec 2025	<u>15,021</u>	<u>15,104</u>	<u>112,301</u>	<u>12,085</u>	<u>3,671</u>	<u>158,182</u>
₹'000						
31 Dec 2024	<u>189,616</u>	<u>706,155</u>	<u>25,381</u>	<u>93,609</u>	<u>13,948</u>	<u>1,028,709</u>

## OQ SAOC and its subsidiaries

### NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

For the year ended 31 December 2025

#### 17 OTHER FINANCIAL ASSETS (continued)

The below table summarize the profile tenor of the carrying amount of derivatives in the cash flow hedge relationship:

	<i>Less than 6 months</i>	<i>6 to 12 months</i>	<i>1 to 2 years</i>	<i>2 to 5 years</i>	<i>More than 5 years</i>	<i>Total</i>
<b>₹'000</b>						
<b>31 Dec 2025</b>	<b>628</b>	<b>339</b>	<b>858</b>	<b>(158)</b>	<b>(1)</b>	<b>1,666</b>
<b>₹'000</b>						
<b>31 Dec 2024</b>	<b>16,278</b>	<b>12,789</b>	<b>1,248</b>	<b>1,906</b>	<b>113</b>	<b>32,334</b>

The derivatives are entered into with bank and financial institution counterparties, which are rated AA- to B+, based on reputable credit rating agencies.

More details on derivatives and how they are used to hedge various risks are disclosed in note 43. Movement in fair value of cash flow hedges is disclosed in note 25.

#### 18 OTHER NON-CURRENT ASSETS

	<b>2025 ₹'000</b>	<b>2024 ₹'000</b>
Staff benefits & staff housing loans	<b>909</b>	766
Deferred expenditure	<b>13,708</b>	2,847
Deferred consideration - i	<b>23,698</b>	30,990
Investment property – ii	<b>3,526</b>	3,670
Goodwill	<b>3,683</b>	3,683
Long term advances	<b>1,204</b>	1,302
Advance tax	<b>17</b>	-
	<b>46,745</b>	<b>43,258</b>

- (i) On 22 August 2023, the Group entered into an agreement to divest its 40% working interest in Block 60 for a total consideration of ₹444.681 million. The transaction was approved by the Government of Oman through Royal Decree 85/2023, issued on 1 January 2023. Of the total consideration, ₹400.765 million was received in cash, while ₹43.916 million was recognized as deferred consideration. In accordance with the terms of the sale agreement, the deferred consideration is to be paid by the buyer (Medco) in six equal annual instalments, commencing on 1 December 2024 and concluding on 1 December 2029. As the payments extend beyond one year, the Group has discounted the future cash flows using a discount rate of 6%.

	<b>2025 ₹'000</b>	<b>2024 ₹'000</b>
Unwinding income on deferred consideration	<b>2,321</b>	2,538
Presented as:		
Current receivable	<b>9,613</b>	7,690
Non-current receivable	<b>23,698</b>	30,990
	<b>33,311</b>	<b>38,680</b>
As at 1 January	<b>38,680</b>	43,916
Payment received	<b>(7,690)</b>	(7,690)
Currency translation difference	-	(84)
Interest income	<b>2,321</b>	2,538
Closing balance	<b>33,311</b>	<b>38,680</b>

Medco is a well-established entity with a strong financial standing and a track record of timely payments. The Group has evaluated the creditworthiness of Medco based on recent financial information and historical performance with credit rating of BB-. Deferred consideration balance at the year-end is not past due.

## OQ SAOC and its subsidiaries

### NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

For the year ended 31 December 2025

#### 18 OTHER NON-CURRENT ASSETS (continued)

The Group has calculated the expected credit loss for this receivable based on a 12-month expected credit loss model. Given Medco's strong credit profile and historical payment behavior, the Group does not anticipate a significant increase in credit risk. The impact of the expected credit loss on the separate and consolidated financial statements is not material.

##### (i) Investment property

	2025 R'000	2024 R'000
Cost		
At 1 January	4,065	5,060
Transfer to concession receivables (note 12)	-	(995)
At 31 December	<u>4,065</u>	<u>4,065</u>
Accumulated depreciation		
At 1 January	394	324
Charge for the year	145	70
At 31 December	<u>539</u>	<u>394</u>
Net book value	<u><u>3,526</u></u>	<u><u>3,670</u></u>

#### 19 INVENTORIES

	2025 R'000	2024 R'000
Finished goods	384,201	483,042
Raw materials and work-in-progress	150,940	170,291
Stores and spares	182,839	184,619
	<u>717,980</u>	<u>837,952</u>
Allowance for obsolete and defective inventories	(6,031)	(5,751)
	<u><u>711,949</u></u>	<u><u>832,201</u></u>

Movement in allowance for slow-moving and obsolescence:

	2025 R'000	2024 R'000
At 1 January	5,751	4,343
Charge in cost of sales	617	1,173
Impairment charge during the year	7	235
Write off during the year	(344)	-
At 31 December	<u><u>6,031</u></u>	<u><u>5,751</u></u>

Certain inventories have been pledged against loans and borrowings (note 26).

Inventories amounting to R271 million (2024: R344.03 million) are held at net realizable value.

## OQ SAOC and its subsidiaries

### NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

For the year ended 31 December 2025

#### 20 TRADE AND OTHER RECEIVABLES

	2025 ₹'000	2024 ₹'000
Trade receivables	1,240,576	1,391,170
Less: allowance for expected credit losses - i	<u>(22,161)</u>	<u>(23,446)</u>
	1,218,415	1,367,724
Other receivables	85,614	155,714
Advances to suppliers	10,409	14,245
Advances to employees	200	440
Prepaid expenses	<u>19,762</u>	<u>13,043</u>
	<u><u>1,334,400</u></u>	<u><u>1,551,166</u></u>

(i) Movement in allowance for expected credit loss is as follows:

	2025 ₹'000	2024 ₹'000
At 1 January	23,446	19,903
Write off during the year	(2,660)	-
Provision made during the year	<u>1,375</u>	<u>3,543</u>
At 31 December	<u><u>22,161</u></u>	<u><u>23,446</u></u>

#### 21 CASH AND CASH EQUIVALENTS

	2025 ₹'000	2024 ₹'000
Bank balances (current and call accounts)	1,213,282	2,017,919
Cash balance	<u>574</u>	<u>290</u>
	<u><u>1,213,856</u></u>	<u><u>2,018,209</u></u>

Cash and cash equivalents included in the consolidated statement of cash flows include bank balances, cash and call deposits with a maturity of three months or less from the date of acquisition. Call deposits carry annual interest at rates ranging between 0.01% to 5.50% per annum (2024: 0.01% to 6.00% per annum).

The cash and cash equivalents are held with bank and financial institution counterparties, which are rated AA- to BB, based on reputable credit rating agencies. The Group considers that its cash and cash equivalents have low credit risk based on the external credit ratings of the counterparties.

An amount of ₹ 119.52 million (2024: ₹ 141.90 million) included in call deposits is subject to restrictions due to specific usage as instructed by the ministry to funding for fuel reserve project. However, as the amount remains readily available for withdrawal from the bank without penalty, it is classified under cash and cash equivalents.

For statement of cash flow, cash and cash equivalent includes:

	2025 ₹'000	2024 ₹'000
Bank balances (current and call accounts)	1,213,282	2,017,919
Cash balance	574	290
Cash and cash equivalents classified under held for sale	<u>836</u>	<u>45,039</u>
Cash and cash equivalents in the statement of cash flows	<u><u>1,214,692</u></u>	<u><u>2,063,248</u></u>

## OQ SAOC and its subsidiaries

### NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

For the year ended 31 December 2025

#### 22 SHARE CAPITAL

	<i>Authorised</i>		<i>Issued and paid up</i>	
	<i>2025</i>	<i>2024</i>	<i>2025</i>	<i>2024</i>
	<i>₹'000</i>	<i>₹'000</i>	<i>₹'000</i>	<i>₹'000</i>
Ordinary shares of ₹ 1 each, At 1 January	<u>5,000,000</u>	<u>5,000,00</u>	<u>3,556,447</u>	<u>3,556,447</u>
Ordinary shares of ₹ 1 each, At 31 December	<u>5,000,000</u>	<u>5,000,00</u>	<u>3,556,447</u>	<u>3,556,447</u>

#### Proposed dividend

At its meeting held on 12th March 2026, the Board of Directors proposed a dividend of up to ₹ 424.873 million [₹ 0.120 per share] (2024: ₹ 908 million [₹ 0.255 per share]) for the financial year ended 31 December 2025. The proposed dividend is subject to final approval at the Annual General Meeting scheduled for 16th March 2026.

#### 23 STATUTORY RESERVE

Article 132 of the Commercial Companies Law of 2019 requires that 10% of a company's net profit to be transferred to a non-distributable legal reserve until the amount of the legal reserve becomes equal to one-third of the Parent Company's fully paid share capital. Accordingly, during financial year 2025 ₹ 68.9 million (2024: ₹ 160.9 million) of the Parent Company and subsidiaries' annual profit was transferred to the legal reserve. The reserve is not available for distribution

#### 24 OTHER RESERVE

As at 31 December 2024, the Group's consolidated financial statements included reserves related to OQ Chemicals Group of negative ₹ 58.2 million in other reserves and ₹ 0.2 million in statutory reserves. Upon disposal of OQ Chemicals Group, these balances have been transferred to retained earnings during the year ended 31 December 2025, resulting in an increase in other reserves and a corresponding decrease in retained earnings.

The remaining balance in other reserves amounting to ₹ 430.7 million primarily related to the gain on IPO of OQ Exploration and Production SAOG and OQ Base Industries SAOG, as well as the merger reserve arising from the acquisition of Majis Industrial Services SAOC and OQ Refineries and Petroleum Industries LLC.

During the year 2025, the Group reassessed the composition and presentation of balances classified within "Other reserves" in the consolidated statement of changes in equity. These reserves primarily arose from historical transactions, including gains recognised on the initial public offering of certain subsidiaries and amounts recorded in connection with mergers under common control.

Following this review, and in line with the Group's current capital management objectives, management determined that the continued presentation of certain of these amounts within "Other reserves" are no longer required. Accordingly, the Group transferred an amount of ₹ 306.8 million from "Other reserves" to "Retained earnings" during the year 2025. This transfer has no impact on the consolidated statement of profit or loss, consolidated statement of cash flows, or total equity.

## OQ SAOC and its subsidiaries

### NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

For the year ended 31 December 2025

#### 25 HEDGE AND FAIR VALUE RESERVES

Movement in reserve during the year is as follows:

	<i>Hedging reserve</i> <i>₹'000</i>	<i>Share of other comprehensive income of associates and joint ventures</i> <i>₹'000</i>	<i>Total</i> <i>₹'000</i>
At 1 January 2024	65,837	57,788	123,625
Fair values movement in hedges	37,640	-	37,640
Settlement of cash flow hedges (note 39)	(72,985)	-	(72,985)
Share of OCI of joint ventures and associates	-	(3,290)	(3,290)
At 31 December 2024	<u>30,492</u>	<u>54,498</u>	<u>84,990</u>
Fair values movement in hedges	<b>6,810</b>		<b>6,810</b>
Settlement of cash flow hedges (note 39)	<b>(35,906)</b>	-	<b>(35,906)</b>
Reclassification	<b>34</b>	<b>(34)</b>	-
Share of OCI of joint ventures and associates	-	<b>(21,429)</b>	<b>(21,429)</b>
At 31 December 2025	<u><b>1,430</b></u>	<u><b>33,035</b></u>	<u><b>34,465</b></u>

#### 26 LOANS AND BORROWINGS

The following Group entities have availed loans and borrowings from banks and other financial instruments are detailed below:











	<i>2025</i> <i>₹'000</i>	<i>2024</i> <i>₹'000</i>
<b>Non-current liabilities</b>		
Secured bank loans	<b>623,181</b>	731,960
Unsecured bank loans	<b>1,162,842</b>	1,425,930
Unsecured bond issue	<b>287,309</b>	286,735
	<u><b>2,073,332</b></u>	<u>2,444,625</u>
<b>Current liabilities</b>		
Secured bank loans	<b>327,705</b>	309,623
Unsecured bank loans	<b>358,138</b>	160,733
	<u><b>685,843</b></u>	<u>470,356</u>
Carrying amount of loans and borrowings	<u><b>2,759,175</b></u>	<u>2,914,981</u>

OQ SAOC and its subsidiaries

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

For the year ended 31 December 2025

26 LOANS AND BORROWINGS (continued)

Particulars	Entity	Currency	Nominal interest rate	Year of maturity	2025		2024	
					Fair value	Carrying amount	Fair value	Carrying amount
Unsecured bank loan – i	OQ BI	US\$	SOFR + 1.4%	2036	159,029	157,803	165,796	164,443
Secured bank loans – ii	Takamul	US\$/ 	US\$ (SOFR + 1.40%).  (3.35%)	2026-2030	95,524	95,524	92,423	92,423
Secured bank loans – iii	Abraj	US\$/ 	 : CBO rate + margin, US\$: SOFR + margin	2027-2031	99,053	99,053	90,818	90,818
Unsecured bank loan - iv	OQ EP	US\$	SOFR + 1.25%	2031	192,250	190,360	192,250	190,556
Unsecured bank loan – iv	OQ EP	US\$	SOFR + 0.85%	2026	192,250	192,250	192,250	192,250
Secured bank loan – v	OTTCO	US\$/ 	SOFR + 2.25%	2030	105,697	105,563	116,398	116,263
Secured bank loan – vi	OQ Trading	US\$	SOFR+ margin  : CBO rate + 2%, US\$:	2026	172,275	172,275	183,373	183,373
Unsecured bank loan – vii	OQ GN	US\$/ 	SOFR + 1.25%	2030-2033	384,221	381,214	358,488	354,938
Unsecured bond issues–viii	OQ SAOC	US\$	5.125%	2028	288,375	287,309	288,375	287,311
Unsecured bank loan – ix	OOMCO	US\$/ 	Fixed rate	2026	60,000	60,000	60,000	60,000
Unsecured bank loan – x	OQ RPI	US\$	SOFR + 1.95%	2031	358,108	354,844	414,107	411,032
Unsecured bank loan -xi	OQ RPI	US\$	SOFR + 1.3% (2024: 1.9%)	2029	30,119	29,780	37,649	37,335
Secured bank loan – xii	OQ RPI	US\$	SOFR + 1.20% - 2.70% US\$ option: Term SOFR +1.40%. Optional  option:	2030-2031	454,220	414,840	530,664	486,388
Secured bank loan – xiii	OQ RPI	US\$	CBO + 0.67%	2026	42,295	42,295	46,140	46,140
Unsecured bank loan - xiv	OQ LPG	US\$	SOFR + 1.15%	2032	155,668	154,730	177,321	176,109
Secured bank loan - xv	Majis	US\$/ 	SOFR/CBO rate + margin	2030	21,428	21,335	25,714	25,602
					<b>2,810,512</b>	<b>2,759,175</b>	<b>2,971,766</b>	<b>2,914,981</b>

## OQ SAOC and its subsidiaries

### NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

For the year ended 31 December 2025

#### 26 LOANS AND BORROWINGS (continued)

- (i) During 2024, OQ BI has obtained an Islamic Syndicated Wakala facility (“Islamic Facility”) totaling **₹** 169.2 million under a facility agreement dated 24 December 2024, with the entire amount disbursed on 30 December 2024. The facility is repayable in twenty-four semi-annual installments, ranging from **₹** 3.4 million to **₹** 6.8 million, with a final bullet payment of **₹** 76.1 million due on 30 June 2036, and repayments commenced on 30 December 2024. The facility bears a profit rate of Term SOFR plus a applicable margin of 1.4% per annum. The facility is unsecured and does not carry any financial covenants, however, the facility includes general undertakings related to compliance with law, negative pledge, authorizations, asset disposal, mergers, and sanctions. Hence, there are no covenants attached to the facility outstanding at year end other than general undertakings mentioned. The funds were used to refinance the syndicated facility and for general corporate purposes, with the original syndicated facility of **₹** 169.21 million fully settled on 30 December 2024.
- (ii) Oman Aluminium Rolling Company SPC (OARC), a subsidiary of Takamul Investment Company LLC (Takamul), has secured syndicated term loan facilities which were restructured in 2018 and remain in place as at 31 December 2025, with total committed facilities amounting to **₹** 98.7 million (US\$ 256.2 million). The syndicated term loans comprise a US Dollar-denominated facility of US\$ 198.2 million and a Rial Omani-denominated facility of **₹** 22.33 million. The US Dollar-denominated facility bears a variable interest rate based on three-month SOFR on the effective date, plus a margin of 3.0% and a Credit Adjustment Spread (CAS) of 0.15%, applicable until 22 May 2025. Thereafter, the interest rate is revised to three-month SOFR on the effective date plus a margin of 1.4%, together with any mandatory costs, if applicable. The Rial Omani-denominated facility bears a fixed interest rate of 4.5% per annum until 22 May 2025, after which a revised fixed interest rate of 5.35% per annum is applicable. The loans are repayable in 20 semi-annual installments commenced from the first repayment date of 30 June 2021. OARC has certain non-financial covenants attached to the term loan. OARC is in compliance with all such covenants. OARC has created a commercial mortgage on all assets and also assigned its rights on all the insurance proceeds related to project assets in favour of the lenders as a security against the borrowings.

Additionally, Sohar Paper Company LLC’s a subsidiary of Takamul Investment Company LLC (Takamul), has bank borrowings consist of trust receipt loans amounting to 81 thousand from a local commercial bank at an interest rate of 6.00%, repayable within 270 days. The interest rate is subject to annual renegotiation when the banking facilities are renewed. These borrowings are secured by a commercial mortgage over company assets, an assignment of insurance on the financed assets, and a corporate guarantee from the Parent Company.

- (iii) Abraj has five term loans (**₹** and US\$ denominated) obtained from commercial banks with different maturities ranging from 2030 to 2033 and varying interest rates based on US\$ SOFR (US\$ denominated facilities) or CBO rate (denominated facilities) plus applicable margins. Abraj complies with all financial covenants, including the ‘Debt to Equity’, ‘Total Debt to Net Worth’ ratios and ‘Debt Service Coverage’, as of 31 December 2025 and 31 December 2024. In addition to the term loans, Abraj obtained a fully drawn short-term facility during the year 2025 amounting to **₹** 10 million to support working capital and liquidity requirements.
- (iv) During 2024, OQ EP obtained **₹** 192.25 million Syndicated Islamic financing facility (structured as wakala bil-istithmar) for a term of seven years with a variable profit rate based on US\$ SOFR plus a margin of 1.25% per annum. This facility is unsecured, not guaranteed, and does not carry any financial covenants. The facility is repayable in semi-annual installments commencing from January 2027, with a balloon repayment of US\$ 162.5 million in July 2031. Additionally in September 2024, OQ EP obtained **₹** 192.50 million conventional Bridge-to-Bond credit facility from a syndicate of commercial banks for a term of two years, bearing a floating interest rate set by reference to US\$ SOFR plus a margin of 0.85% per annum. This facility is also unsecured, not guaranteed, and does not have any financial covenants.
- (v) OTTCO had entered into a long-term facility agreement with a commercial bank in Oman. The loan is subject to financial covenant of maintaining specific debt-to-equity ratio. OTTCO fully complies with this covenants. The loan is secured and bears interest of SOFR plus a margin of 2.25% per annum. The loan has tenure of 10 years and is repayable in half yearly installments started from April 2023.

## OQ SAOC and its subsidiaries

### NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

For the year ended 31 December 2025

#### 26 LOANS AND BORROWINGS (continued)

- (vi) OQT maintains diversified financing sources totaling US\$ 4,474 million as of 31 December 2025, consisting of a US\$ 1,175 million secured Borrowing Base Facility, a US\$ 300 million committed Revolving Credit Facility with maturities between 2026 and 2028, and US\$ 2,924 million in bilateral working capital facilities, along with a 5-year term loan with US\$ 75 million outstanding. All facilities carry competitive market rates, are generally secured by receivables, inventories, or cash, and include financial covenants each of which OQT complied with at year-end 2025. Against these available facilities, OQT had US\$ 448 million of loans and borrowings and US\$ 444 million of off-balance sheet utilisations, leaving US\$ 3,582 million (2024: US\$ 3,114 million) in unutilised capacity.
- (vii) On 19 June 2023, OQ GN entered into two unsecured conventional term financing facilities of □ 60 million (₪ denominated) and ₪ 86.65 million (US\$ denominated, US\$ 225 million) with a syndicate of financial institutions. OQ GN also entered into two Wakala Facility Agreements on 19 and 20 June 2023 with local and regional banks, totaling ₪ 165 million (₪ denominated) and ₪ 152.11 million (US\$ denominated, US\$ 395 million). During the year, OQ GN drew down ₪ 35 million (2024: ₪ 35 million), leaving an unutilized balance of ₪ 56 million (2024: ₪ 91 million). Repayments are made semi-annually, with the final installment of the ₪ facilities due on the 10th anniversary (70% of the ₪ denominated facilities amount) and the US\$ facilities on the 7th anniversary (82% of the US\$ denominated facilities amount). Interest on ₪ facilities is 5.70% per annum for the first 4 years, then base rate (the monthly “Private Sector ₪ Time Deposit” rate as published in the most recent CBO bulletin) plus 2% per annum, while interest on US\$ denominated facilities is based on Compounded SOFR plus a margin of 1.25%. OQ GN is not subject to any financial ratio covenants in relation to these facilities.

#### (viii) OQ SAOC

Unsecured bond issue:

	2025	2024
	₪'000	₪'000
Bond	288,825	288,825
Exchange rate adjustment	(450)	-
	<u>288,375</u>	<u>288,825</u>
Less: deferred bond cost	(1,066)	(1,514)
	<u>287,309</u>	<u>287,311</u>

On 6 May 2021, the Parent Company issued US\$ Senior Unsecured Notes aggregating ₪ 288.38 million (US\$: 750 million) with a maturity date of 7 years paid at the end of the maturity date with a coupon rate of 5.125%. The notes were also issued and sold in accordance with Rule 144A/Regulation under the U.S. Securities Act of 1933, as amended. Interest is payable semi-annually in arrears on 6 May and 6 November. The notes are listed on the London Stock Exchange’s Regulated Market, and the proceeds were for general corporate purposes. Transaction costs are amortized using the effective interest method and are reflected as finance costs.

On June 2025, the Parent Company entered into a new RCF agreement amounting to ₪ 384.5 million, comprising two tranches: one with a tenor of 3 years maturing in 2028 and another with a tenor of 5 years maturing in 2030. The facility is denominated in US Dollar and remains fully undrawn. The Parent Company must pay commitment fees equal to 25% of the applicable margin on the unutilised portion of the facility amount and payment would be made on quarterly basis. The RCF facility contains certain financial covenants, and during the year 2025 the Parent Company complied to all such covenants. This facility remained unutilised as of the reporting date.

- (ix) OOMCO has an unsecured term loan with a carrying amount of ₪ 60 million (2024: ₪ 60 million) at a fixed interest rate prevailing in the market. Both the principal and accrued interest are payable at the end of the tenure of 3 months. The loan is subject to financial covenant that requires to achieve the Leverage Ratio not to exceed 2.0x, Gearing ratio not to exceed 1.5x and Current ratio not to fall below 1:1 OOMCO complies with all covenants.

## OQ SAOC and its subsidiaries

### NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

For the year ended 31 December 2025

#### 26 LOANS AND BORROWINGS (continued)

- (x) On 16 October 2023, OQ Refineries LLC, which is a subsidiary of OQ RPI, entered into a long-term facility agreement with various commercial banks amounting to US\$ 1,200 Million (₹ 461.4 million). The loan is denominated in US dollars. On 30 November 2023, a new term loan was fully utilized to prepay the previous outstanding term loan. The loan carries interest at SOFR plus margin of 1.95% per annum. The loan is repayable in semi-annual instalments, started from June 2024 and the repayments are set to conclude in June 2031. This facility does not have any financial covenants.
- (xi) On 16 December 2014, OQ Logistics LLC, which is a subsidiary of OQ RPI, entered into a long-term loan facility agreement for US\$ 235 million (₹ 90.5 million) with a commercial bank with the purpose of supporting the MSPP project. The loan is denominated in US Dollars. The loan carries interest at SOFR (including a credit adjustment spread) plus applicable margin per annum. The repayment of loan is in 24 equal semi-annual instalments of US\$ 9.79 million starting from 19 June 2018. During the year, OQ Logistics LLC was in compliance with the minimum required debt service coverage ratio of 1.2:1 and debt to equity ratio of 70:30.
- (xii) On 3 March 2016, the OQ Polymers LLC, which is a subsidiary of OQ RPI, has entered into long term facility agreements with various commercial banks and export credit agencies amounting to ₹ 1,463 million (US\$ 3,800 million) for financing the construction of Liwa Plastics Industrial Complex project. The loan is denominated in US dollars. During 2018, the interest rate of SACE facility was revised to fixed rate of 3.29% effective from 15 June 2018. All other loan facilities carry interest rate at SOFR plus applicable margins. For the Commercial Facility, the margins are fixed and increased gradually. Current applicable margins are in the range of 1.2% to 2.7%. Interest is payable semi-annually. If OQ Polymers fails to pay any due balances as per the facility agreements, then interest will be accrued on the overdue amount at 2% above the rate. The loans are repayable in semi-annual instalments that started from 15 June 2020 and are set to conclude by December 2031. OQ Polymers LLC has to maintain a minimum debt service coverage ratio of 1.35:1 if it intends to distribute dividends. The loan facilities are secured by a commercial mortgage on the plant up to the value of the outstanding loan amount.
- (xiii) OQ Refineries has working capital facility agreement with a commercial bank which was renewed in November 2024 for two years period with a total amount of US\$ 500 million (₹ 192.2 million). During 2025, the utilized amount under the facility is US\$ 110 million (₹ 42.3 million) (2024: US\$ 120 million (₹ 46.1 million)).
- (xix) OQ LPG obtained a syndicated term loan facility (“syndicated facility”) totaling ₹ 186.5 million under an agreement dated 26 December 2024, with the full amount disbursed on 30 December 2024. The loan is repayable in sixteen semi-annual installments, ranging from ₹ 9.2 million to ₹ 14.3 million, with last payment due on 30 June 2032. The syndicated facility bears interest rate at Term SOFR plus a fixed margin of 1.15% per annum. The syndicated facility is unsecured and does not carry any financial covenants, however, the syndicated facility includes general undertakings related to compliance with law, negative pledge, authorizations, asset disposal, mergers, and sanctions. Hence, there are no covenants attached to the facility outstanding at year end other than general undertakings mentioned. The purpose of the syndicated facility was to refinance OQ LPG’s project financing facility and for general corporate purposes, with the funds used to fully settle the original syndicated facility of ₹ 185.8 million on 30 December 2024.
- (xv) Majis obtained ₹ and US\$ denominated term loans from local commercial banks. The term loans carry interest rates of SOFR + 2.45% on US\$ denominated and CBO rate (weighted average interest rates on deposits and credit of local conventional banks as published by CBO) + 1.6% on ₹ denominated facility. The US\$ denominated loan is repayable in 21 half yearly principal instalments commenced from 01 January 2015 and the ₹ denominated loan is repayable in 21 half yearly instalments commenced from 31 December 2020. The term loans are subject to certain covenants relating to debt service coverage and gearing ratios. Majis has complied with all these covenants during the year 2025. The term loans are secured by pledge of shares of an associate and commercial mortgage on certain assets.

## OQ SAOC and its subsidiaries

### NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

For the year ended 31 December 2025

#### 27 LEASE LIABILITIES

	2025 ₹'000	2024 ₹'000
Gross lease liability related to right-of-use assets	444,884	367,967
Future finance charges on finance leases	(148,932)	(141,532)
Present value of lease liabilities	<u>295,952</u>	<u>226,435</u>
	2025 ₹'000	2024 ₹'000
As at 1 January	226,435	221,030
Addition during the year	101,025	68,801
Interest charged	14,646	13,171
Modification	17,364	(4,209)
Termination	(3,121)	(4,511)
Translation differences	(61)	26
Reclassification to liabilities held for sale (note 15)	(1,349)	(12,978)
Transfer	64	-
Payment of lease liabilities	(59,051)	(54,895)
As at 31 December	<u>295,952</u>	<u>226,435</u>
<i>Analyzed as:</i>		
Current	48,411	39,810
Non-current	247,541	186,625
	<u>295,952</u>	<u>226,435</u>

Maturity analysis of lease liabilities is disclosed in note 43.

#### 28 EMPLOYEES' END-OF-SERVICE BENEFITS

Following table represents the Group's total end-of-service (EOSB) across all entities and jurisdictions. Within this total, certain Oman-based entities are measured using an IAS-19 actuarial valuation, while other Oman and international entities measure EOSB on a simplified basis consistent with local laws and IAS-19 where an actuarial valuation would not produce a materially different result:

	2025 ₹'000	2024 ₹'000
At 1 January	17,996	44,000
Service and interest cost	3,989	3,298
Actuarial (gain) / loss	(1,538)	30
Benefit paid	(3,329)	(3,130)
Translation differences	-	(331)
Derecognition during the year	(46)	(25,871)
At 31 December	<u>17,072</u>	<u>17,996</u>

Group companies provide retirement benefits for most of their employees, either directly or by contributing to independently administered funds. The manner in which these benefits are provided varies according to the legal, fiscal and economic conditions of each country. The benefits are generally based on the employees' remuneration and years of service. The obligations relate both to existing retirees' pensions and to pension entitlements of future retirees. Group companies provide retirement benefits under defined contribution and/or defined benefit plans.

At 31 December 2025, the Group total EOSB of ₹ 17.072 million includes ₹ 9.359 million relating to the actuarially valued Oman entities (see tables below) and ₹ 7.713 million relating to other entities measured on a non-actuarial/simplified basis. (2024: ₹ 17.996 million total comprising ₹ 8.894 million actuarially valued and ₹ 9.102 million other entities).

## OQ SAOC and its subsidiaries

### NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

For the year ended 31 December 2025

#### 28 EMPLOYEES' END-OF-SERVICE BENEFITS (continued)

##### Oman based group companies

The Group entities operating in Oman also provide end-of-service benefits to its expatriate employees. End-of-service benefits are in accordance with the terms of employment of the Group's employees at the reporting date, having regard to the requirements of the Oman Labour Law 2003 and its amendments subject to the completion of a minimum service period. As at 31 December 2025, the amount of obligation is computed by actuarial valuations using the projected unit credit method as per IAS 19. Following are the key assumptions used in the actuarial valuation:

	2025	2024
Discount rate	4.75%	5.25%
Future salary increase	3%	3%
Retirement age in years	<u>60</u>	<u>60</u>

Maturity profit of the obligation is as follows:

	2025	2024
	<u>₹'000</u>	<u>₹'000</u>
Less than 1 year	1,298	1,436
More than 1 year	<u>8,061</u>	<u>7,458</u>
	<u>9,359</u>	<u>8,894</u>

Movement in the present value of obligation is as follow:

	2025	2024
	<u>₹'000</u>	<u>₹'000</u>
At 1 January	8,894	10,760
Service cost	1,529	1,534
Benefits paid	(1,413)	(1,911)
Excess provision reversed	-	(1,459)
Actuarial loss on obligation	<u>349</u>	<u>(30)</u>
At 31 December	<u>9,359</u>	<u>8,894</u>

The weighted-average duration of the defined benefit obligation is 6.2 years (2024: 6.3 years).

The amount recognised in the consolidated statement of profit and loss is as follows:

	2025	2024
	<u>₹'000</u>	<u>₹'000</u>
Service cost	<u>1,529</u>	<u>1,534</u>

The amount recognised in the consolidated statement of other comprehensive income:

Actuarial loss – experience adjustment	<u>349</u>	<u>(30)</u>
--	------------	-------------

##### Sensitivity analysis 2025

Reasonably possible changes at the reporting date to one of the relevant actuarial assumptions, holding other assumptions constant, would have affected the defined benefit obligation by the amounts shown below.

	2025		2024	
	<u>₹'000</u>	<u>₹'000</u>	<u>₹'000</u>	<u>₹'000</u>
	<u>Increase</u>	<u>Decrease</u>	<u>Increase</u>	<u>Decrease</u>
Discount rate (0.50%)	(231)	243	(209)	219
Projected salary (0.50%)	<u>246</u>	<u>(236)</u>	<u>222</u>	<u>(214)</u>

## OQ SAOC and its subsidiaries

### NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

For the year ended 31 December 2025

#### 29 PROVISIONS

	<i>Site restoration</i> ₹'000	<i>Provision for rich gas</i> ₹'000	<i>Total</i> ₹'000
At 1 January 2024	100,495	54,721	155,216
(Reversals) / additions	(1,744)	41,837	40,093
Adjustment to site restoration cost	1,120	-	1,120
Currency translation adjustment	(62)	-	(62)
Unwinding of discount	7,273	4,831	12,104
At 31 December 2024	107,082	101,389	208,471
Additions	-	39,434	39,434
Payments	-	(34,029)	(34,029)
Adjustment to site restoration cost (note 6 & 7a)	78,181	-	78,181
Unwinding of discount	6,943	(7,609)	(666)
At 31 December 2025	192,206	99,185	291,391

	<i>Site restoration</i> ₹'000	<i>Provision for rich gas</i> ₹'000	<i>Total</i> ₹'000
Analyzed as:			
31 December 2025			
Current	-	24,937	24,937
Non-current	192,206	74,248	266,454
	192,206	99,185	291,391
31 December 2024			
Current	-	24,691	24,691
Non-current	107,082	76,698	183,780
	107,082	101,389	208,471

##### (i) Site restoration

The Group makes full provision for the future cost of site restoration and abandonment oil and gas assets by discounting the future expected cash flows at a pre-tax rate that reflect current market assessment of the time value of money and the risk specific to the liability. The site restoration and abandonment provision represent the present value of site restoration and abandonment costs relating to oil and gas assets, which are expected to be incurred up to the point when the producing oil and gas assets are expected to cease operations. These provisions have been created either based on the Group's internal estimates or through independent external consultants.

Assumptions based on the current economic environment have been made, which management believes are a reasonable basis upon which to estimate the future liability. These estimates are reviewed regularly to take into account any material changes to the assumptions. However, actual decommissioning costs will ultimately depend upon future market prices for the necessary decommissioning works required that will reflect market conditions at the relevant time.

Furthermore, the timing of decommissioning is likely to depend on when the fields cease to produce at economically viable rates. This, in turn, will depend upon future oil and gas prices, which are inherently uncertain. The discount rate used in the calculation of the provision as at 31 December 2025 were in range from 6.10% to 8.11% (2024: 6.47% to 8.11%). The outflow of resources from the settlement of provision are expected to occur between 2027 to 2050.

##### (ii) Provision for rich gas

This represents accrued expenses in relation to the rich gas supplied for OQ LPG plant. The amount of provision is recognised based on the future projections of OQ LPG. The amount of provision was discounted to the present value using a discount rate of 6.5% (2024: 6.5%). The entire provision is measured as amortised cost each year. The first payment was made in 2025.

## OQ SAOC and its subsidiaries

### NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

For the year ended 31 December 2025

#### 30 RELATED PARTY TRANSACTIONS AND BALANCES

The Group, in the normal course of business, enters into transactions with other enterprises, which fall within the definition of a related party contained in IAS 24. Pricing policies and terms of these transactions are approved by the Group's management.

The aggregate value of transaction with related parties is as follows:

	2025 R'000	2024 R'000
<i>Purchases of goods and services</i>		
- OIA and its' subsidiaries	4,682,705	5,362,740
- Associates and joint ventures	1,821,528	2,155,817
- Other common control entities	156,792	31,205
<i>Sale of goods and services</i>		
- OIA and its' subsidiaries	171,078	167,348
- Associates and joint ventures	1,072,482	837,388
- Other common control entities	52,674	81,003
Board sitting fee	776	199
Directors' remuneration	<u>1,071</u>	<u>686</u>

The remuneration of key management of the Group during the year was as follows:

	2025 R'000	2024 R'000
Short-term benefits	<u>9,003</u>	<u>7,672</u>
Other long-term benefits	<u>1,632</u>	<u>1,400</u>
Employees' end of service benefits	<u>343</u>	<u>171</u>

As a result of Group's realignment of its operating strategies, the Executive Leadership Team (ELT) was constituted at the start of the group integration process, which consists of representatives of all group business lines and functions. The members of ELT along with the executive management of the subsidiaries were considered as key management personnel for the purpose of this note.

	2025 R'000	2024 R'000
<i>Amount due from related parties – non-current</i>		
Associates and joint ventures (i & ii)	125,951	102,763
Allowance for credit loss (i)	<u>(8,869)</u>	<u>(8,543)</u>
	<u>117,082</u>	<u>94,220</u>
<i>Amount due from related parties – current</i>		
OIA and its' subsidiaries	41,846	71,383
Associates and joint ventures	180,359	32,065
Other common control entities	14,882	16,413
	<u>237,087</u>	<u>119,861</u>
<i>Amount due to related parties – non-current</i>		
OIA and its' subsidiaries	<u>85,679</u>	<u>9,242</u>
<i>Amount due to related parties – current</i>		
OIA and its' subsidiaries	893,990	981,230
Associates and joint venture	137,807	49,379
Other common control entities	4,556	4,958
	<u>1,036,353</u>	<u>1,035,567</u>

## OQ SAOC and its subsidiaries

### NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

For the year ended 31 December 2025

#### 30 RELATED PARTY TRANSACTIONS AND BALANCES (continued)

Above amount due to related parties classified as current are interest free and repayable on demand.

(i) This includes loan to ABIS amounting to ~~₹~~ 8.9 million (2024: ~~₹~~ 8.6 million). The loan represents the following:

- Interest bearing loan from OQ Polymers LLC of ~~₹~~ 4.1 million (2024: ~~₹~~ 4.1 million).
- Interest free loan from OQ Polymers LLC of ~~₹~~ 1.0 million (2024: ~~₹~~ 1.0 million); and
- Interest bearing loan of ~~₹~~ 2.4 million (2024: ~~₹~~ 2.3 million) from OQ Refineries LLC.

Furthermore, as at 31 December 2025, the Group has accrued interest income of ~~₹~~ 1.4 million (2024: ~~₹~~ 1.2 million) from the above loans which is recognised under other receivables. During the year 2025, the total amount of loan and interest accrued thereon impaired amounting to ~~₹~~ 8.9 million (2024: ~~₹~~ 8.6 million).

(ii) ~~₹~~ 90.2 million (2024: ~~₹~~ 90.2 million) loan was provided by the OOFDC (fully owned subsidiary of OQ) to Duqm Power Company (DPC) to fund the construction of the power and water project. This loan was interest-free until the Commercial Operations Date ("COD"). The interest on loan being charged at the rate of 5% from the commercial operation date 20 March 2024. DPC shall repay the loan at the times and in the amounts from time to time as agreed with the Group. Accordingly, the loan has been classified as non-current asset.

In accordance with IAS 24 "Related Party Disclosures", OQ SAOC has elected to disclose qualitatively the transactions and balances with the Oman Investment Authority (OIA) and other entities over which the Government of Oman exerts control, joint control or significant influence. The nature of the transactions and balances that OQ SAOC has with such related parties are procurement of services such as utilities and leases.

For the purposes of impairment assessment, amount due from related parties are considered to have low credit risk as the counterparty of this receivables are from OIA affiliated companies which is considered as equivalent of the Government of Oman and having a credit rating of BBB- stable.

#### 31 OTHER LIABILITIES

	2025 <del>₹</del> '000	2024 <del>₹</del> '000
Deferred income (i)	49,555	11,169
Other non-current liabilities	14,391	22,289
	<u>63,946</u>	<u>33,458</u>

(i) Deferred income includes ~~₹~~ 33.23 million (2024: nil) received from the Ministry of Energy and Minerals (MEM) in relation to the Strategic Fuel Reserve (SFR) project. As the project is under construction, amounts received from the MEM prior to the commercial operation date are recognized as unearned income. The related performance obligation will be satisfied when the construction of the project is completed, and the asset is available for its intended use by MEM.

#### 32 TRADE AND OTHER PAYABLES

	2025 <del>₹</del> '000	2024 <del>₹</del> '000
Trade payables	285,728	472,726
Accrued expenses	529,351	673,433
Other payables	216,602	225,399
	<u>1,031,681</u>	<u>1,371,558</u>

#### 33 REVENUE

The Group derives its revenue from contracts with customers for the transfer of goods and services over time and at a point in time in the following major product lines.

## OQ SAOC and its subsidiaries

### NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

For the year ended 31 December 2025

#### 33 REVENUE (continued)

	2025 ₹'000	2024 ₹'000 (Restated)
<b>Products transferred at a point in time</b>		
Sale of petroleum products	15,023,181	14,876,623
Sale of aluminum products	163,709	118,013
EPSA revenue*	354,986	401,491
Others	23,412	11,461
<b>Products and services transferred over a period of time</b>		
Construction related revenue	206,997	146,862
Oil field services	102,716	123,365
Others	68,632	99,637
	<u>15,943,633</u>	<u>15,777,452</u>

\* As a result of the refinement in accounting policy (refer note 3.5), consolidated revenue for the year ended 31 December 2024 increased from ₹ 15,376 million to ₹ 15,777 million (as a result of the change in presentation of notional corporate income tax amounting to ₹ 401 million), whilst income tax expense increased from ₹ 62 million to ₹ 463 million.

Details regarding the geographical breakdown of revenue can be found in note 47.

#### 34 COST OF SALES

	2025 ₹'000	2024 ₹'000
Cost of materials	13,569,418	13,517,863
Salaries and wages (note 37.1)	130,017	133,668
Depreciation charged (note 6)	565,987	516,492
Other overheads	353,636	371,507
	<u>14,619,058</u>	<u>14,539,530</u>

#### 35 SHARE OF RESULTS OF EQUITY ACCOUNTED INVESTMENTS

	2025 ₹'000	2024 ₹'000
Share of results of associates (note 10)	17,520	21,063
Share of results of joint ventures (note 11)	76,889	(37,402)
	<u>94,409</u>	<u>(16,339)</u>

#### 36 OTHER INCOME / (EXPENSES) – NET

	2025 ₹'000	2024 ₹'000
Lease income (note 13)	20,454	21,509
Dividend income on investments	1,337	1,117
Fair value gain on equity instruments at fair value through profit or loss	6,655	58
Loss on disposal of fixed assets	(259)	-
Other operating income	24,189	37,962
	<u>52,376</u>	<u>60,646</u>

## OQ SAOC and its subsidiaries

### NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

For the year ended 31 December 2025

#### 37 ADMINISTRATIVE EXPENSES

	2025 ₹'000	2024 ₹'000
Staff-related expenses (note 37.1)	146,357	132,024
Depreciation and amortization (note 6)	30,961	31,050
Professional fees*	15,039	14,456
Selling and distribution expenses	20,141	17,389
Traveling expenses	4,912	4,958
Corporate social responsibility (CSR) expenses	8,535	3,837
IT expenses	21,172	17,690
Insurance costs	12,208	13,823
Repair and maintenance	18,593	17,199
Other administration expenses	85,910	83,007
	<u>363,828</u>	<u>335,433</u>

\* This includes fees paid to auditors for the year 2025, which amounts to ₹ 0.97 million (2024: ₹ 1.1 million) for audit services.

37.1 Staff related expenses of the Group included in administrative expenses and cost of sales comprise the following:

	2025 ₹'000	2024 ₹'000
Wages and salaries	227,863	223,986
Performance bonus	17,179	14,689
End of service benefits	3,989	3,298
Other	27,343	23,719
	<u>276,374</u>	<u>265,692</u>

Staff related expenses is classified as below:

	2025 ₹'000	2024 ₹'000
Cost of sales	130,017	133,668
Administrative expenses	146,357	132,024
	<u>276,374</u>	<u>265,692</u>

#### 38 IMPAIRMENT LOSSES - CHARGED / (RELEASED) – NET

	2025 ₹'000	2024 ₹'000
Net charge / (reversal) of impairment of property, plant and equipment (note 6 [i])	420	(238,369)
Provision for impairment of investment	2,234	-
Allowance for expected credit loss	1,375	9,283
Write off of receivables	2	278
Inventory write off	7	235
	<u>4,038</u>	<u>(228,573)</u>

## OQ SAOC and its subsidiaries

### NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

For the year ended 31 December 2025

#### 39 FINANCE INCOME AND FINANCE COST

	2025 <u>’000</u>	2024 <u>’000</u>
<i>Finance income</i>		
Interest income	130,449	138,331
Gain on modification of financial liability	19,002	-
	<u>149,451</u>	<u>138,331</u>
<i>Finance cost</i>		
Interest expense on borrowings	183,607	269,887
Reclassification of cashflow hedge	(35,906)	(72,985)
Unwinding of discount on provisions	6,943	7,273
Unwinding of commitment to MEM	(7,609)	4,831
Interest on lease liabilities - net	14,646	13,171
Other finance charges	20,187	4,485
	<u>181,868</u>	<u>226,662</u>
<i>Foreign exchange losses – net</i>		
Realised exchange (loss) / gain	(3,305)	(4,436)
Unrealised exchange gain / (loss)	212	(282)
	<u>(3,093)</u>	<u>(4,718)</u>

#### 40 INCOME TAX EXPENSE

Taxation in respect of the Group’s taxable entities represents the aggregate of the Omani and foreign income taxes applicable to the Parent Company and subsidiary companies in accordance with the relevant fiscal regulations. The tax rate applicable to the Group companies operating in the Sultanate of Oman is 15% (2024: 15%). The tax authorities in the Sultanate of Oman follow the legal entity concept. There is no concept of group taxation in Oman. Accordingly, each legal entity is taxable separately.

For the purpose of determining the taxable result for the year, the accounting results of the individual Group entities have been adjusted for tax purposes. Adjustments for tax purposes include items relating to both income and expense. The adjustments are based on the current understanding of the existing tax laws, regulations and practices.

Management believes that additional taxes, if any, assessed in respect of the open tax years of the Parent Company and its subsidiaries would not be material to the Group’s financial position at 31 December 2025 or to its results for the year then ended.

## OQ SAOC and its subsidiaries

### NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

For the year ended 31 December 2025

#### 40 INCOME TAX EXPENSE (continued)

	2025 £'000	2024 £'000
<b>Current liabilities</b>		
Current year	86,127	71,061
Prior year	1,987	1,351
	<u>88,114</u>	<u>72,412</u>
<b>Profit or loss</b>		
<i>Current tax expense</i>		
Current year - non EPSA	63,041	53,887
Changes in estimates related to prior years	(8,225)	660
Current year – EPSA (note 33)	354,986	401,491
	<u>409,802</u>	<u>456,038</u>
<i>Deferred tax expense / (income)</i>		
Origination and reversal of temporary differences	15,565	(2,675)
Recognition of previously unrecognized temporary differences	3,734	9,781
	<u>19,299</u>	<u>7,106</u>
<b>Tax expense for the year</b>	<u>429,101</u>	<u>463,144</u>
<b>Movement in net deferred tax (liability) / asset</b>		
At 1 January	(85,971)	(156,896)
Movement during the year (statement of profit or loss)	(19,299)	(7,106)
Movement during the year (statement of other comprehensive income)	2,964	4,244
Movement during the year (acquired through business combination)	-	(158)
Movement during the year (asset held for sale)	-	72,901
Movement during the year (common control)	-	1,044
Others (discontinued operations)	637	-
	<u>(101,669)</u>	<u>(85,971)</u>

The deferred tax (liabilities) / assets are attributable to the following:

	<i>At 1 January</i> 2025 £'000	<i>Movement</i> £'000	<i>At 31</i> <i>December</i> 2025 £'000
Provisions	25,618	10,750	36,368
Un-realised exchange differences on loans to related parties	672	(672)	-
Tax losses of subsidiaries	139,685	8,794	148,479
Site restoration	(2,700)	(7,182)	(9,882)
Deferred income	244	145	389
Project development cost disallowed	445	-	445
Property, plant and equipment	(248,165)	(28,963)	(277,128)
Lease liability	16,531	3,640	20,171
Right of use asset	(14,997)	(4,031)	(19,028)
Derivatives	(3,304)	1,821	(1,483)
	<u>(85,971)</u>	<u>(15,698)</u>	<u>(101,669)</u>

## OQ SAOC and its subsidiaries

### NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

For the year ended 31 December 2025

#### 40 INCOME TAX EXPENSE (continued)

	<i>At 1 January</i> 2024 <u>₹</u> '000	<i>Movement</i> <u>₹</u> '000	<i>At 31</i> <i>December</i> 2024 <u>₹</u> '000
Provisions	24,728	890	25,618
Un-realised exchange differences on loans to related parties	672	-	672
Tax losses of subsidiaries	124,647	15,038	139,685
Site restoration	-	(2,700)	(2,700)
Deferred income	-	244	244
Project development cost disallowed	-	445	445
Property, plant and equipment	(301,493)	53,328	(248,165)
Lease liability	16,711	(180)	16,531
Right of use asset	(15,039)	42	(14,997)
Derivatives	(7,548)	4,244	(3,304)
Others	426	(426)	-
	<u>(156,896)</u>	<u>70,925</u>	<u>(85,971)</u>

This is presented in the consolidated statement of financial position as follows:

	<i>2025</i> <u>₹</u> '000	<i>2024</i> <u>₹</u> '000
Deferred tax assets	<b>39,639</b>	32,156
Deferred tax liabilities	<b>(141,308)</b>	(118,127)
	<u><b>(101,669)</b></u>	<u>(85,971)</u>

	<i>2025</i> <u>₹</u> '000	<i>2024</i> <u>₹</u> '000
Profit before tax	<b>1,067,984</b>	1,082,320
Income tax on Parent and subsidiaries in Oman at 15% (un-consolidated)	<b>160,198</b>	162,348
EPSA tax effect	<b>301,738</b>	341,267
Effect of tax in foreign jurisdictions	<b>4,349</b>	13,781
Tax exempt income (including eliminated dividend)	<b>(47,298)</b>	(115,559)
Under provision in earlier years	<b>(8,225)</b>	660
Un-recognized deferred tax	<b>7,136</b>	28,009
Movement in previously un-recognized deferred tax	<b>163</b>	9,781
Non-deductible expenses	<b>11,084</b>	30,478
Others	<b>(44)</b>	(7,621)
<b>Tax expense for the year</b>	<u><b>429,101</b></u>	<u>463,144</u>

#### Unrecognized deferred tax assets

Deferred tax assets have not been recognized in respect of the following items, because it is not probable that future taxable profit will be available against which the Group can use the benefits therefrom.

	<i>2025</i> <u>₹</u> '000		<i>2024</i> <u>₹</u> '000	
	<i>Gross</i>	<i>Tax effect</i>	<i>Gross</i>	<i>Tax effect</i>
Deductible temporary differences	<b>3,682,598</b>	<b>552,390</b>	3,879,347	581,902
Tax losses carried forward	<b>478,002</b>	<b>71,700</b>	205,051	30,758
	<u><b>4,160,600</b></u>	<u><b>624,090</b></u>	<u>4,084,398</u>	<u>612,660</u>

## OQ SAOC and its subsidiaries

### NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

For the year ended 31 December 2025

#### 40 INCOME TAX EXPENSE (continued)

##### Tax losses carried forward

Tax losses for which no deferred tax asset was recognized expire as follows.

	2025		2024	
	₹'000	Expiry date	₹'000	Expiry date
Expire	290,002	2026-30	94,592	2025-29
Never expire	188,000		110,459	

##### Parent Company

As of 31 December 2025, the Parent Company has filed its latest tax return for the year 2024 on due date and the Parent Company's tax assessments have been completed by the Tax Authority of Oman up to the tax year 2020. The Management believes that any additional tax for the un-assessed years will not be material to the financial position of the Company as at the reporting date.

##### Subsidiaries

The tax assessments of subsidiaries are at different stages of completion. Management does not expect any additional tax liabilities to be incurred relating to the open tax years.

For the UAE, the Cabinet of Ministers Decision No. 116/2022 effective from 2023, has confirmed the threshold of income over which the 9% tax rate would apply and the Law is considered to be substantively enacted. A rate of 9% will apply to taxable income exceeding AED 375,000, a rate of 0% will apply to taxable income not exceeding AED 375,000 and a rate of 0% on qualifying income of free zone entities.

##### Tax rate on OQ EP EPSA Blocks

Revenue from certain Exploration Production Sharing Agreements (EPSAs) are taxed at the rate of 55%.

##### **Global minimum tax**

The Organization for Economic Co-operation and Development (OECD) /G20 Inclusive Framework on Base Erosion and Profit Shifting (BEPS) published Pillar Two Anti Global Base Erosion Rules ("GloBE Rules") designed to address the tax challenges arising from the digitalization of global economy.

Most of the countries where OQ operates have implemented GloBE Rules. On 31 December 2024, Oman issued Royal Decree Number 70/2024, enacting new global minimum tax rules to align with the OECD's GloBE Rules.

OECD has also issued additional guidance on providing administrative ease to companies impacted by Pillar Two which allows for exceptions to calculating and paying top-up taxes if they meet certain safe harbour reliefs utilizing data obtained from the Company's Country-by-Country (CbC) Report. This exception is applicable for a transitional period which is the first three years of GloBE Rules implementation (i.e. 2024-2026). OQ adheres to the CbC Report filing requirements and anticipates benefiting from the Transitional CbC Safe Harbour (TCSH) relief.

OQ has completed a preliminary assessment and determined most of the jurisdictions it operates will benefit from the TCSH relief. Oman and the UAE are the only material jurisdictions that did not meet the TCSH relief for financial year 2025.

For Oman Jurisdiction, the Group did not recognize any current tax expense related to Pillar two income taxes, on the basis that the effective tax rate of the Group in Oman jurisdiction exceeds the minimum threshold of 15%.

For UAE jurisdiction, the Group recognized current tax expense of ₹ 18.5 million (US\$ 48.1 million) in respect of Pillar Two income taxes. This amount is included within income tax expense in the consolidated statement of profit or loss.

In accordance with the temporary mandatory exception under IAS 12, the Group has not recognized deferred tax assets or liabilities related to Pillar Two income taxes as at 31 December 2025.

## OQ SAOC and its subsidiaries

### NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

For the year ended 31 December 2025

#### 41 EARNINGS PER SHARE

Earnings per share is calculated by dividing the net profit for the year attributable to the shareholders of the Parent Company by the weighted average number of shares in issue during the year as follows:

	2025			2024		
	<i>Continued operations</i>	<i>Discontinued operations</i>	<i>Total</i>	<i>Continued operations</i>	<i>Discontinued operations</i>	<i>Total</i>
Profit / (loss) attributable to shareholders (Omani Rials '000)	<b>638,883</b>	<b>2,391</b>	<b>641,274</b>	619,176	(105,064)	514,112
Weighted average number of shares for basic and diluted EPS	<b>3,556,640,784</b>	<b>3,556,640,784</b>	<b>3,556,640,784</b>	3,556,640,784	3,556,640,784	3,556,640,784
Basic and diluted earnings per share (Omani Rials)	<b>0.180</b>	<b>0.001</b>	<b>0.181</b>	0.174	(0.030)	0.145

#### 42 CONTINGENCIES AND COMMITMENTS

The following contingent liabilities have not been provided for in the consolidated financial statements, as it is not anticipated that any material liabilities will arise from these contingencies:

	2025 (Omani Rials '000)	2024 (Omani Rials '000)
Letter of credit	<b>69,475</b>	145,272
Performance guarantees and bonds	<b>55,667</b>	81,030
	<b>125,142</b>	226,302
Capital and expenditure commitments	<b>815,789</b>	563,139

Following are the contingent liabilities specific to each Group entity:

##### (i) Guarantees

- (a) The Parent Company provided Debt Service Undertaking (DSU) in favor of lenders of a subsidiary company, Oman Aluminium Rolling Company SPC.

##### (ii) Support Letters

The Group has provided support letters for the entities listed below, which state that the Group will continue providing financial support to these companies for at least the next twelve months to enable them to meet their liabilities as and when they fall due:

- Oman Purified Isophthalic Acid Company SPC
- Sohar Paper Cores LLC
- Takamul Investment Company
- Oman Aluminum Rolling Company SPC
- OQ Alternate Energy LLC
- Duqm Management and Services LLC Centralized Utilities Company LLC
- OQ Refineries and Petroleum Industries LLC
- OQ Refineries LLC
- OQ Aromatics SPC
- OQ Polymers LLC
- OQ Marketing LC
- OQ Warehousing FZC SPC
- Duqm Refinery and Petrochemical Industries Company LLC (OQ8)

**42 CONTINGENCIES AND COMMITMENTS (continued)**

**(iii) OQT**

*Lease commitments*

The Group has entered into leases relating to short-term and long-term lease contracts for the charter of vessels, short-term storage to support its commodity operations and leases for the rental of office space. A maturity analysis of the contractual undiscounted cash flows arising from the Group's lease commitments is presented in Right of use assets.

**(iv) OARC**

**Contingencies**

- (a) OARC was facing antidumping ("AD") duty proceedings on common alloy aluminum sheet ("CAAS") and aluminum foil and also facing countervailing duty ("CVD") for aluminum foil from Oman being administered by the U.S. Department of Commerce ("DOC").

DOC published the AD order on CAAS from Oman in the Federal Register on April 21, 2022. That order imposed an AD duty cash deposit rate of 5.29% on U.S. imports of CAAS produced by OARC and exported from Oman to the United States.

That rate remains in place as on 31 December 2025 and will not change until such a time in the future that DOC re-determines OARC's AD rate through an administration review.

The AD order on aluminum foil, published in the Federal Register on November 12, 2022, set an AD duty cash deposit rate for OARC of 3.89%. Based on a request filed by U.S. producers of aluminum foil on November 30, 2024, DOC initiated an administrative review of the AD order covering shipment entries for the period from 1 November 2022 to 31 October 2023. The review was completed during 2025 and resulted in a final assessment rate of 42.13% for the relevant entries.

OARC has appealed this determination to the U.S. Court of International Trade, and the appeal remains ongoing as at 31 December 2025. The final assessment rate remains subject to revision depending on the outcome of the judicial proceedings. Final liquidation of the relevant entries has not occurred.

Although the DOC has determined a revised assessment rate, a statutory injunction is in place during the pendency of the appeal. Accordingly, no additional AD duties have been imposed or collected as at 31 December 2025 in respect of the entries subject to review. The revised rate is therefore not currently enforceable or collectible pending final resolution of the appeal and subsequent liquidation.

For import periods from 1 November 2023 to 31 December 2025, the applicable cash deposit rate remains subject to change based on the outcome of future administrative reviews by the DOC.

On a prudent basis, OARC has recognised a provision of ~~₹~~ 1.59 million (US\$ 4.13 million) in respect of all relevant import entries for the period from 1 November 2022 to 31 December 2025.

- (b) CVD order on aluminium foil from Oman, published in the Federal Register on 12 November 2021, established a cash deposit rate of 1.93% for the Company, subject to subsequent administrative reviews by the U.S. Department of Commerce ("DOC").

Three administrative reviews were initiated in respect of the Company's U.S. import entries. During 2025, the DOC completed the first administrative review, covering calendar year 2022 import entries, and determined a final ad valorem duty rate of 10.88%. Based on this determination, the Company has recognised a provision of ~~₹~~ 0.48 million (US\$ 1.25 million) in the financial statements.

## OQ SAOC and its subsidiaries

### NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

For the year ended 31 December 2025

#### 42 CONTINGENCIES AND COMMITMENTS (continued)

##### (iv) OARC (continued)

###### Contingencies (continued)

The second and third administrative reviews, covering calendar year 2023 and 2024 import entries, respectively, remain ongoing as at 31 December 2025. The final duty rates for these periods remain subject to determination upon completion of the respective reviews.

###### Commitments

OARC has issued a letter of credit in favor of a supplier of liquid metal for ~~27~~ 27 million (US\$ 70.0 million) (2024: ~~19.3~~ 19.3 million (US\$ 50.0million)) as a guarantee for unrestricted supply of liquid aluminium metal.

During the year, OARC has paid ~~1.15~~ 1.15 million (US\$ 3.0 million) (2024: ~~0.08~~ 0.08 million (US\$ 0.2 million)) additional surety bond deposits with Customs Border Protection (CBP) department in United States of America (USA). As on December 31, 2025, OARC has ~~5.25~~ 5.25 million (US\$ 13.64 million) (2024: ~~4.1~~ 4.1 million (US\$ 10.6 million)) deposits with CBP. Surety bond deposits are compulsory for smooth clearance of CBP duties and taxes on import of metal in USA.

##### (v) OQ GN

The Company is currently defending a legal claim filed by MEM, which seeks indemnification for penalties incurred due to delays in project delivery. While the Company does not admit liability, if the defence is unsuccessful, it may be required to pay an amount of ~~19.5~~ 19.5 million (31 December 2024: ~~20.9~~ 20.9 million). The Parent Company has provided an undertaking to indemnify the Company against any amount that may become payable in relation to the MEM claim. Based on legal advice received, management believes that the Company has strong grounds for defence and that it is probable the claim will be successfully contested. As at reporting date, the Company had commitments pertaining to the capital projects under construction of ~~45.7~~ 45.7 million (31 December 2024: ~~15.8~~ 15.8 million).

##### (vi) OQ RPI

###### Nitrogen supply agreements

The RPI group has an agreement with ALSIG to supply nitrogen to its plants. Under the Agreement, OQ RPI undertakes to purchase from ALSIG all its Nitrogen requirements from the first cubic meter of nitrogen required by all its plants up to the NCQs set forth in the agreement. Maximum quantity to be purchased is at 26,140 normal metric cube per hour.

###### Legal case

The Group has ongoing legal proceedings for various labor cases filed. The management is of the view that no material losses will arise in respect of the legal claims on the date of these consolidated financial statements.

##### (vii) Majis

###### Legal case

In 2018, Majis entered into an agreement with International Expert Trading Company (IETC) to execute the Booster Pump Station and pipeline project. However, IETC failed to meet contractual requirements, leading the Majis to appoint third parties to complete the work, as communicated to Oman Arab Bank (OAB). OAB has filed a lawsuit against IETC over outstanding facilities and has requested the Court to involve Majis in the case to recover the amount owed to IETC.

Based on recent court verdicts, the Court ruled not to accept the defendants' request to include Company as a party to the case, confirming that Company has no involvement in the proceedings.

Management has not made any provision or recognized any income in the financial statements.

## OQ SAOC and its subsidiaries

### NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

For the year ended 31 December 2025

#### 43 FINANCIAL RISK MANAGEMENT AND FAIR VALUE HIERARCHY

The Group has exposure to the following risks from its use of financial instruments:

- Credit risk
- Liquidity risk
- Market risk

This note presents information about the Group's exposure to each of the above risks, the Group's objectives, policies and processes for measuring and managing risk, and the Group's management of capital. Further quantitative disclosures are included throughout these consolidated financial statements.

Management has overall responsibility for the establishment and oversight of the Group's risk management framework. The Board has entrusted the Management with the responsibility of development and monitoring the Group's risk management policies and procedures and its compliance with them.

The Group Internal Audit oversees how management monitors compliance with the Group's risk management policies and procedures and reviews the adequacy of the risk management framework in relation to the risks faced by the Group. Internal Audit undertakes both regular and ad hoc reviews of risk management controls and procedures, the results of which are reported to the Board.

#### Credit risk

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations and arises principally from the Group's receivables from customers and investment securities.

As at 31 December 2025, the Group's maximum exposure to credit risk without taking into account any collateral held or other credit enhancements, which will cause a financial loss to the Group due to failure to discharge an obligation by the counterparties arises from the carrying amount of the respective recognised financial assets as stated below:

<i>Breakdown of financial assets</i>	<i>Classification</i>	<i>2025</i> <i>₹'000</i>	<i>2024</i> <i>₹'000</i>
Due from related parties	Amortised cost	354,169	214,081
Trade and other receivables	Amortised cost	1,334,400	1,551,166
Concession receivables	Amortised cost	1,034,849	940,134
Lease receivables	Amortised cost	204,858	217,540
Contract assets	Amortised cost	151,912	117,787
Cash and cash equivalents	Amortised cost	1,213,856	2,017,919
Term deposits	Amortised cost	1,295,725	961,333
Derivatives	FVTPL	133,560	103,179
Other financial assets	Amortised cost	117,775	118,606
Other non-current assets	Amortised cost	33,311	38,680
		<u>5,875,147</u>	<u>6,280,425</u>
		<i>2025</i> <i>₹'000</i>	<i>2024</i> <i>₹'000</i>
<b>Details of trade receivables by geographic region</b>			
Sultanate of Oman		306,905	302,924
Other GCC countries		445,757	810,953
Other Asian countries		301,316	117,195
Europe and US		186,598	160,098
		<u>1,240,576</u>	<u>1,391,170</u>
<b>Details of trade receivables by type of customer</b>			
Retail customers		-	22,234
Wholesale customers		1,240,576	1,368,936
		<u>1,240,576</u>	<u>1,391,170</u>

Contract assets and concession receivables are all arising from transactions within the Sultanate of Oman.

OQ SAOC and its subsidiaries

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

For the year ended 31 December 2025

**43 FINANCIAL RISK MANAGEMENT AND FAIR VALUE HIERARCHY (continued)**

**Credit risk (continued)**

The ageing trade receivables at the reporting date was:

	2025				2024					
	<i>Weighted average loss rate %</i>	<i>Receivables</i>	<i>Impairment</i>	<i>Net carrying amount</i>	<i>Credit impaired</i>	<i>Weighted average loss rate %</i>	<i>Receivables</i>	<i>Impairment</i>	<i>Net carrying amount</i>	<i>Credit impaired</i>
Not past due	0.08%	1,173,669	916	1,172,753	No	0.24%	1,316,989	3,190	1,313,799	No
Past due 1-90 days	6.57%	39,656	2,604	37,052	Yes	0.15%	47,219	73	47,146	Yes
Past due 91-360 days	30.61%	12,409	3,799	8,610	Yes	38.81%	11,078	4,299	6,779	Yes
More than one year	100%	14,842	14,842	-	Yes	100%	15,884	15,884	-	Yes
		<u>1,240,576</u>	<u>22,161</u>	<u>1,218,415</u>			<u>1,391,170</u>	<u>23,446</u>	<u>1,367,724</u>	

## OQ SAOC and its subsidiaries

### NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

For the year ended 31 December 2025

#### 43 FINANCIAL RISK MANAGEMENT AND FAIR VALUE HIERARCHY (continued)

##### Credit risk (continued)

Movement in allowance for expected credit loss is as follows:

	2025 £'000	2024 £'000
At 1 January	23,446	19,903
Charge for the year	1,375	3,543
Written off during the year	(2,660)	-
<b>At 31 December</b>	<b>22,161</b>	<b>23,446</b>

In determining the recoverability of trade receivables, the Group considers any change in the credit quality of trade receivable from the date the credit was initially granted up to the end of the reporting period.

The Group limits its credit risk with regard to bank deposits by only dealing with reputable banks. Credit risk is limited to the carrying values of financial assets in the consolidated statement of financial position. As at 31 December 2025, no impairment allowance is recognised on bank balances as it is not material (2024: nil).

As at 31 December 2025 the status of past due balances of financial assets are as follows:

<i>31 December 2025</i>	<i>Carrying amount £'000</i>	<i>Not due £'000</i>	<i>Up to 90 days £'000</i>	<i>Up to 360 days £'000</i>	<i>Over 365 days £'000</i>	<i>Total £'000</i>
Gross carrying amount:						
Due from related parties	354,169	287,416	41,203	22,609	2,941	354,169
Trade and other receivables	1,334,400	1,288,274	33,247	11,089	1,790	1,334,400
Concession receivables	1,034,849	1,034,849	-	-	-	1,034,849
Lease receivables	204,858	204,858	-	-	-	204,858
Contract assets	151,912	151,912	-	-	-	151,912
Cash and cash equivalents	1,213,282	1,213,282	-	-	-	1,213,282
Term deposits	1,295,725	1,295,725	-	-	-	1,295,725
Investments	19,977	19,977	-	-	-	19,977
Other financial assets	117,775	117,775	-	-	-	117,775
Derivatives	133,560	133,560	-	-	-	133,560
Other non-current assets	33,311	33,311	-	-	-	33,311
	<b>5,893,818</b>	<b>5,780,939</b>	<b>74,450</b>	<b>33,698</b>	<b>4,731</b>	<b>5,893,818</b>

<i>31 December 2024</i>	<i>Carrying amount £'000</i>	<i>Not due £'000</i>	<i>Up to 90 days £'000</i>	<i>Up to 360 days £'000</i>	<i>Over 365 days £'000</i>	<i>Total £'000</i>
Gross carrying amount:						
Due from related parties	214,081	164,189	22,140	23,760	3,992	214,081
Trade and other receivables	1,551,166	1,413,336	90,540	32,715	14,575	1,551,166
Concession receivables	940,134	940,134	-	-	-	940,134
Lease receivables	217,540	217,540	-	-	-	217,540
Contract assets	117,787	117,787	-	-	-	117,787
Cash and cash equivalents	2,018,209	2,018,209	-	-	-	2,018,209
Term deposits	961,333	961,333	-	-	-	961,333
Investments	2,765	2,765	-	-	-	2,765
Other financial assets	118,606	118,606	-	-	-	118,606
Derivatives	103,179	103,179	-	-	-	103,179
Other non-current assets	38,680	38,680	-	-	-	38,680
	<b>6,283,480</b>	<b>6,095,758</b>	<b>112,680</b>	<b>56,475</b>	<b>18,567</b>	<b>6,283,480</b>

## OQ SAOC and its subsidiaries

### NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

For the year ended 31 December 2025

#### 43 FINANCIAL RISK MANAGEMENT AND FAIR VALUE HIERARCHY (continued)

##### Credit risk (continued)

The Group has applied the general approach in IFRS 9 to measure the loss allowance at 12 months ECL on its financial assets except for trade receivable which simplified approach is followed.

The expected credit losses on these items by using a PD rating approach model where internal ratings is developed which are mapped to determination of probability of default, based on the external credit rating agencies such as Moody's. Where the external rating of a financial instrument is not available, the Group reviews the ability of the counterparty by reviewing their financial statements and other publicly available information and consider a proxy rating benchmarking sovereign external rating of the country where customers reside. The expected credit losses as at 31 December 2025 and 2024 is not accounted as the amount is not significant except for trade receivables.

##### Liquidity risk

Liquidity risk is the risk that the Group will not be able to meet its financial obligations as they fall due. The Group's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group's reputation.

The Group limits its liquidity risk by ensuring bank facilities and shareholders' advances are available, where required. Liquidity requirements are monitored on a regular basis and management ensures that sufficient liquid funds are available to meet any commitments as they arise.

All financial liabilities are carried at amortised cost except for certain derivative financial liability, which are carried at fair value through other comprehensive income and derivatives held for trading accounted through profit or loss. Details of maturities of financial liabilities and excluding the impact of netting agreements, are as follows:

31 December 2025	Carrying amount	Contractual cash flows				
		Total	6 months or less	6 to 12 months	1 to 5 years	More than 5 years
	₹'000	₹'000	₹'000	₹'000	₹'000	₹'000
Loans and borrowings	2,759,175	2,903,645	523,483	268,556	1,251,166	860,440
Lease liabilities	295,952	341,006	23,789	9,449	125,764	182,004
Other liabilities	49,555	49,555	-	-	49,555	-
Due to related parties	1,122,032	1,122,032	1,036,353	-	85,679	-
Trade and other payables	1,031,681	1,031,681	1,031,681	-	-	-
Commodity contracts	105,685	4,574,850	2,480,606	1,346,880	747,364	-
	<u>5,364,080</u>	<u>10,022,769</u>	<u>5,095,912</u>	<u>1,624,885</u>	<u>2,259,528</u>	<u>1,042,444</u>

## OQ SAOC and its subsidiaries

### NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

For the year ended 31 December 2025

#### 43 FINANCIAL RISK MANAGEMENT AND FAIR VALUE HIERARCHY (continued)

##### Liquidity risk (continued)

31 December 2024	Carrying amount ₹'000	Contractual cash flows				
		Total ₹'000	6 months or less ₹'000	6 to 12 months ₹'000	1 to 5 years ₹'000	More than 5 years ₹'000
Loans and borrowings	2,914,981	3,665,234	409,340	336,333	1,815,101	1,104,460
Lease liabilities	226,435	351,222	2,692	63,194	100,056	185,280
Other liabilities	11,169	11,169	-	-	11,169	-
Due to related parties	1,044,809	1,044,809	1,044,809	-	-	-
Trade and other payables	1,371,558	1,371,558	1,371,558	-	-	-
Commodity contracts	62,121	5,414,691	3,205,646	1,163,723	1,045,321	-
	<u>5,631,073</u>	<u>11,858,682</u>	<u>6,034,045</u>	<u>1,563,250</u>	<u>2,971,647</u>	<u>1,289,740</u>

##### Market risk

Market risk is the risk that changes in market prices, such as commodity prices, equity prices, foreign exchange rates and interest rates will affect the Group's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimizing the return.

##### Commodity price risk

The Group's revenues and cash flows are sensitive to the underlying price of a number of commodities, including crude oil, refined oil products, petrochemicals, LNG and dry bulk (and related spreads) which are dependent on a number of factors and on global supply and demand. The Group is exposed to a relatively low level of commodity price risk because the timing and volumes of purchase and sale contracts are matched wherever possible. Risks relating to open physical positions are managed through commodity futures and cleared swaps wherever such contracts are available.

At the reporting date, the Group has open commodity futures and swap contracts to manage its exposure to expected fluctuations in the prices of crude oil and other oil products. The Group has provided deposits as margin requirements for these contracts.

The Group uses Value-at-Risk ("VaR") to measure, monitor and review its exposure to short-term market risk. VaR is an estimate of the potential loss on a given position or portfolio of positions over a specific holding period, based on normal market conditions and within a given statistical confidence interval.

The Board of Directors of respective companies have/has approved VaR limits through trading mandates granted and regularly reviews the limits and monitors performance against these limits. It is recognised that VaR cannot be relied upon solely to predict the size of potential losses and additional techniques are employed to monitor market risk.

Based upon VaR, taking into account approved limits and other risk management techniques, the Group's senior management will determine the need to adjust the Group's market risk profile. The 95% trading VaR during the year was:

Group	2025		2024	
	Average ₹'000	Year end ₹'000	Average ₹'000	Year end ₹'000
Trading VaR	<u>2,002</u>	<u>3,026</u>	<u>1,269</u>	<u>1,568</u>

These VaR values are within the limits approved by the Board of Directors of underlying subsidiaries.

## OQ SAOC and its subsidiaries

### NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

For the year ended 31 December 2025

#### 43 FINANCIAL RISK MANAGEMENT AND FAIR VALUE HIERARCHY (continued)

##### Market risk (continued)

###### (i) Equity price risk

The Group's listed and non-listed equity investments are susceptible to market price risk arising from uncertainties about future values of the investment securities. The Group has maintained a portfolio of investments. The market price movements are not material to these consolidated financial statements.

###### (ii) Currency risk

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The Group's exposure to the risk of changes in foreign exchange rates relates primarily to the Group's operating activities (when revenue or expense is denominated in a foreign currency) and the Group's net investments in foreign subsidiaries.

The Group financial instruments are consisting of various currencies and the exposure to various currencies based on notional amounts is as detailed below:

	<u>31 December 2025</u>		<u>31 December 2024</u>	
	<u>Euro</u> <u>'000</u>	<u>₹</u> <u>'000</u>	<u>Euro</u> <u>'000</u>	<u>₹</u> <u>'000</u>
Investments	51	23	51	20
Trade and other receivables	1,365	616	1,541	616
Cash and bank	14,657	6,613	13,737	5,495
Other payables	54	24	49	20
<b>Total exposure</b>	<b>16,127</b>	<b>7,276</b>	<b>15,378</b>	<b>6,151</b>

	<u>31 December 2025</u>		<u>31 December 2024</u>	
	<u>Average rate</u>	<u>Spot rate</u>	<u>Average rate</u>	<u>Spot rate</u>
Foreign currency				
Euro	<u>0.4486</u>	<u>0.4512</u>	<u>0.4029</u>	<u>0.4000</u>

As the ₹ is pegged to US Dollars, management perceive the related currency risk to be minimal.

A 10% strengthening of the ₹ against the following currencies at 31 December would have impacted profit or loss by the amounts shown below. This analysis assumes that all other variables, in particular interest rates, remain constant.

<u>Profit and loss account (Euro)</u>		<u>Profit and loss account (Euro)</u>	
<u>2025</u>		<u>2024</u>	
<u>Strengthening</u>	<u>Weakening</u>	<u>Strengthening</u>	<u>Weakening</u>
<u>₹'000</u>	<u>₹'000</u>	<u>₹'000</u>	<u>₹'000</u>
<u>15</u>	<u>(15)</u>	<u>45</u>	<u>(45)</u>

###### (iii) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Group's exposure to the risk of changes in market interest rates relates primarily to the Group's long-term debt obligations with floating interest rates.

The Group manages its exposure to interest rate movements by monitoring market conditions, evaluating the mix of fixed and floating rate debt, and considering the use of derivative instruments, such as interest rate swaps, where appropriate. The Group may enter into fixed-rate borrowings or derivative contracts to reduce the variability of cash flows associated with floating-rate instruments; however, the extent of such hedging activity varies depending on market conditions, funding strategy and the Group's risk management objectives.

## OQ SAOC and its subsidiaries

### NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

For the year ended 31 December 2025

#### 43 FINANCIAL RISK MANAGEMENT AND FAIR VALUE HIERARCHY (continued)

##### Market risk (continued)

##### (iii) Interest rate risk (continued)

The Group determines the existence of an economic relationship between the hedging instrument and hedged item based on the reference interest rates, tenors, repricing dates and maturities and the notional or par amounts.

The Group assesses whether the derivative designated in each hedging relationship is expected to be effective in offsetting changes in cash flows of the hedged item using the hypothetical derivative method.

In these hedge relationships, the main sources of ineffectiveness are:

- the effect of the counterparty's and the Group's own credit risk on the fair value of the swaps, which is not reflected in the change in the fair value of the hedged cash flows attributable to the change in interest rates; and
- differences in repricing dates between the swaps and the borrowings.

##### Fair value sensitivity analysis for fixed rate instruments

The Group does not account for any fixed rate financial assets and liabilities at fair value through profit or loss, and the Group has not designated any derivatives as hedging instruments under a fair value hedge accounting model. Therefore, a change in interest rates at the reporting date would not affect profit or loss.

A change of 1% in interest rates at the reporting date would have increased / (decreased) profit and loss by the amounts shown below. This analysis assumes that all other variables, in particular foreign currency rates, remain constant.

##### Cash flow sensitivity analysis for variable rate instruments:

	<i>Profit and loss</i>	
	<i>100bps increase €'000</i>	<i>100bps decrease €'000</i>
<b>2025</b>		
Interest bearing liabilities	16,119	(16,119)
Interest rate swaps	5,044	(5,044)
	<u>21,163</u>	<u>(21,163)</u>
<b>2024</b>		
Interest bearing liabilities	13,500	(13,500)
Interest rate swaps	(11,393)	11,393
	<u>2,107</u>	<u>(2,107)</u>

At the reporting date the interest rate profile of the Group's variable interest-bearing financial instrument was:

	<i>Nominal amount</i>	
	<i>2025 €'000</i>	<i>2024 €'000</i>
<b>Variable rate instruments</b>		
Financial assets	<u>2,509,007</u>	<u>2,979,252</u>
Financial liabilities		
-Variable financial liabilities	2,411,866	2,567,670
-Effect of interest rates swap	(158,182)	(1,028,709)
	<u>2,253,684</u>	<u>1,538,961</u>

Financial instruments comprise financial assets, financial liabilities and derivatives. Financial assets consist of cash and bank balances, investments, lease receivables, due from related parties and trade and other receivables. Financial liabilities consist of payables, loans and borrowings and accrued expenses. Derivatives consist of interest rate swaps contracts.

## OQ SAOC and its subsidiaries

### NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

For the year ended 31 December 2025

#### 43 FINANCIAL RISK MANAGEMENT AND FAIR VALUE HIERARCHY (continued)

##### Fair value measurement

The fair values of all financial instruments carried at amortised cost are not materially different from their carrying values.

##### Fair value hierarchy

The different levels of fair value hierarchy have been defined as follows:

Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices).

Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The table below analyses financial instruments carried at fair value (carrying amount), by valuation method. The different levels have been defined as follows:

	31 December 2025			31 December 2024		
	₹'000 Level 1	₹'000 Level 2	₹'000 Level 3	₹'000 Level 1	₹'000 Level 2	₹'000 Level 3
Investments in equity securities (note 17)	16,809	-	3,168	-	-	2,765
Assets held for sale (note 15)	-	-	49,850	-	-	49,380
Inventories (note 19)	-	270,604	-	-	344,037	-
Derivatives held for trading - net (note 17 [iv])	-	26,209	-	-	8,724	-
Cash flow hedges - net (note 17 [iv])	-	1,666	-	-	32,344	-
	<u>16,809</u>	<u>298,479</u>	<u>53,018</u>	<u>-</u>	<u>385,105</u>	<u>52,145</u>

Movement in level 3 fair value is as follows:

	2025 ₹'000	2024 ₹'000
Balance as at 1 January	2,765	165
Fair value changes	-	221
Unquoted investments	403	2,379
Balance at 31 December	<u>3,168</u>	<u>2,765</u>

Unquoted Investments at fair value through profit or loss amounting to ₹ 3.17 million (2024: ₹ 2.76 million) are carried at fair value. During the year ended 31 December 2025, there were no transfers between the levels for fair value measurement of the financial instruments held by the Group (2024: nil).

##### Capital management

The Board seeks to maintain a strong capital base so as to maintain investor and creditor confidence and to sustain future development of the business. The Board monitors the Group's liquidity and financial position on a regular basis. The Group periodically reviews its long-term financial commitments. There were no changes in the Group's capital management policy during the year. The Group also uses gearing ratio to monitor its capital, which is calculated as debt divided by total capital. The Group includes within debt, interest bearing loans and borrowings. Capital includes equity attributable to the equity holders including retained earnings, revaluation and other reserves.

## OQ SAOC and its subsidiaries

### NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

For the year ended 31 December 2025

#### 43 FINANCIAL RISK MANAGEMENT AND FAIR VALUE HIERARCHY (continued)

##### Capital management (continued)

	2025 AED'000	2024 AED'000
<b>Interest bearing borrowings</b>	<b>2,759,175</b>	<b>2,914,981</b>
Share capital	3,556,447	3,556,447
Share capital pending registration	-	194
Retained earnings	1,613,678	1,752,268
Statutory reserve	737,899	669,379
Other reserves	132,409	445,003
Non-controlling interests	812,955	811,562
<b>Total capital</b>	<b>6,853,388</b>	<b>7,234,853</b>
Ratio of debt to equity (ratio)	<b>0.40</b>	<b>0.40</b>

#### 44 RECONCILIATION OF LIABILITIES ARISING FROM FINANCING ACTIVITIES

The below table details change in the Group's liabilities arising from financing activities, including both cash and non-cash changes.

	<i>At 1 Jan 2025 AED'000</i>	<i>Financing cash inflows/ (outflows) – net AED'000</i>	<i>Non-cash transactions** AED'000</i>	<i>As at 31 December 2025 AED'000</i>
Loans and borrowings*	2,914,981	(155,806)	-	2,759,175
Lease liabilities	226,435	(59,051)	128,568	295,952
Derivatives	(32,334)	35,906	(5,238)	(1,666)
	<i>At 1 Jan 2024 AED'000</i>	<i>Financing cash inflows/ (outflows) – net AED'000</i>	<i>Non-cash transactions AED'000</i>	<i>As at 31 December 2024 AED'000</i>
Loans and borrowings*	3,596,263	(623,897)	(57,385)	2,914,981
Lease liabilities	221,030	(57,678)	63,083	226,435
Derivatives	(83,804)	72,985	(21,515)	(32,334)

\* Includes interest payable and cashflows relating to the same.

\*\* non – cash transaction includes reclassification of balances due to held for sale.

OQ SAOC and its subsidiaries

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

For the year ended 31 December 2025

45 NON-CONTROLLING INTERESTS

Summarized statement of financial position of significant subsidiaries with non-controlling interests:

	<i>Abraj</i>		<i>OQGN</i>		<i>OOMCO</i>		<i>OQEP</i>		<i>OQBI</i>	
	<i>2025</i>	<i>2024</i>	<i>2025</i>	<i>2024</i>	<i>2025</i>	<i>2024</i>	<i>2025</i>	<i>2024</i>	<i>2025</i>	<i>2024</i>
	<i>₹'000</i>	<i>₹'000</i>	<i>₹'000</i>	<i>₹'000</i>	<i>₹'000</i>	<i>₹'000</i>	<i>₹'000</i>	<i>₹'000</i>	<i>₹'000</i>	<i>₹'000</i>
<i>NCI percentage</i>	<b>49%</b>	49%	<b>49%</b>	49%	<b>51%</b>	51%	<b>25%</b>	25%	<b>49%</b>	49%
<b>Current</b>										
Assets	<b>78,077</b>	76,933	<b>77,199</b>	63,338	<b>184,364</b>	179,765	<b>351,194</b>	514,426	<b>207,018</b>	224,928
Liabilities	<b>(57,483)</b>	(53,133)	<b>(125,449)</b>	(62,596)	<b>(155,533)</b>	(153,573)	<b>(350,343)</b>	(304,402)	<b>(77,733)</b>	(81,298)
Total current net assets	<b>20,594</b>	23,800	<b>(48,250)</b>	742	<b>28,831</b>	26,192	<b>851</b>	210,024	<b>129,285</b>	143,630
<b>Non-current</b>										
Assets	<b>207,302</b>	206,812	<b>1,147,374</b>	1,047,490	<b>126,380</b>	108,173	<b>1,189,214</b>	1,144,534	<b>567,517</b>	588,111
Liabilities	<b>(81,727)</b>	(84,292)	<b>(467,944)</b>	(422,402)	<b>(64,983)</b>	(48,127)	<b>(284,748)</b>	(442,178)	<b>(371,587)</b>	(404,156)
Total non-current net assets	<b>125,575</b>	122,520	<b>679,430</b>	625,088	<b>61,397</b>	60,046	<b>904,466</b>	<b>702,356</b>	<b>195,930</b>	183,955
<b>Net assets</b>	<b>146,169</b>	146,320	<b>631,180</b>	625,830	<b>90,228</b>	86,238	<b>905,317</b>	912,380	<b>325,215</b>	327,585
Attributable to NCI	<b>71,623</b>	71,697	<b>309,278</b>	306,657	<b>46,016</b>	43,981	<b>226,329</b>	228,095	<b>159,356</b>	160,517

OO SAOC and its subsidiaries

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

For the year ended 31 December 2025

45 NON-CONTROLLING INTERESTS (continued)

Summarized statement of profit or loss and other comprehensive income of significant subsidiaries with non-controlling interests:

	<i>Abraj</i>		<i>OQGN</i>		<i>OOMCO</i>		<i>OQEP</i>		<i>OQBI</i>	
	<i>2025</i>	<i>2024</i>	<i>2025</i>	<i>2024</i>	<i>2025</i>	<i>2024</i>	<i>2025</i>	<i>2024</i>	<i>2025</i>	<i>2024</i>
	<i>Ⓓ'000</i>	<i>Ⓓ'000</i>	<i>Ⓓ'000</i>	<i>Ⓓ'000</i>	<i>Ⓓ'000</i>	<i>Ⓓ'000</i>	<i>Ⓓ'000</i>	<i>Ⓓ'000</i>	<i>Ⓓ'000</i>	<i>Ⓓ'000</i>
<i>NCI Percentage</i>	<i>49%</i>	<i>49%</i>	<i>49%</i>	<i>49%</i>	<i>51%</i>	<i>51%</i>	<i>25%</i>	<i>25%</i>	<i>49%</i>	<i>49%</i>
Revenue	<b>147,188</b>	151,646	<b>206,997</b>	154,769	<b>850,600</b>	803,754	<b>1,159,012</b>	862,774	<b>225,972</b>	234,845
Profit before tax	<b>20,824</b>	19,959	<b>60,700</b>	56,577	<b>10,361</b>	7,010	<b>636,275</b>	318,672	<b>47,685</b>	32,214
Income tax	<b>(3,154)</b>	(3,089)	<b>(9,456)</b>	(8,781)	<b>(2,316)</b>	(1,941)	<b>(358,239)</b>	(2,779)	-	-
Total comprehensive income	<b>17,670</b>	16,870	<b>51,244</b>	47,796	<b>8,045</b>	5,069	<b>278,036</b>	315,893	<b>47,685</b>	32,214
Total comprehensive income allocated to non-controlling interests	<b>8,658</b>	8,266	<b>25,110</b>	23,420	<b>4,103</b>	2,585	<b>69,509</b>	78,793	<b>23,366</b>	15,785
Dividends paid to non-controlling interests	<b>8,480</b>	8,001	<b>22,324</b>	33,761	<b>1,644</b>	1,053	<b>68,720</b>	14,420	<b>24,495</b>	-

OO SAOC and its subsidiaries

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

For the year ended 31 December 2025

45 NON-CONTROLLING INTERESTS (continued)

Summarized statement of cash flows of significant subsidiaries with non-controlling interests:

	<i>Abraj</i>		<i>OQGN</i>		<i>OOMCO</i>		<i>OQEP</i>		<i>OQBI</i>	
	<i>2025</i>	<i>2024</i>	<i>2025</i>	<i>2024</i>	<i>2025</i>	<i>2024</i>	<i>2025</i>	<i>2024</i>	<i>2025</i>	<i>2024</i>
	<i>₹'000</i>	<i>₹'000</i>	<i>₹'000</i>	<i>₹'000</i>	<i>₹'000</i>	<i>₹'000</i>	<i>₹'000</i>	<i>₹'000</i>	<i>₹'000</i>	<i>₹'000</i>
<i>NCI Percentage</i>	<i>49%</i>	<i>49%</i>	<i>49%</i>	<i>49%</i>	<i>51%</i>	<i>51%</i>	<i>25%</i>	<i>25%</i>	<i>49%</i>	<i>49%</i>
Cash flows from operating activities										
Operating activities	<b>38,198</b>	36,891	<b>137,916</b>	71,030	<b>466</b>	42,736	<b>522,736</b>	496,921	<b>93,294</b>	139,523
Investing activities	<b>(26,422)</b>	(26,199)	<b>(110,916)</b>	(34,575)	<b>(6,270)</b>	(3,864)	<b>(209,698)</b>	(233,866)	<b>(123,095)</b>	60,385
Financing activities	<b>(10,199)</b>	(13,290)	<b>(21,036)</b>	(44,410)	<b>(8,440)</b>	31,222	<b>(313,356)</b>	(349,665)	<b>(90,946)</b>	(57,128)
<b>Net change in cash and cash equivalents</b>	<b>1,577</b>	(2,598)	<b>5,964</b>	(7,955)	<b>(14,244)</b>	70,094	<b>(318)</b>	(86,610)	<b>(120,747)</b>	142,780
At 1 January	<b>5,473</b>	8,071	<b>15,816</b>	23,771	<b>97,332</b>	27,176	<b>160,154</b>	246,764	<b>167,314</b>	24,534
Effect of exchange rate fluctuations on cash held	-	-	-	-	(17)	62	-	-	-	-
Cash and cash equivalents in assets held for sale	-	-	-	-	(836)	-	-	-	-	-
At 31 December	<b>7,050</b>	5,473	<b>21,780</b>	15,816	<b>82,235</b>	97,332	<b>159,836</b>	160,154	<b>46,567</b>	167,314

**46 OPERATING SEGMENTS**

**Basis for segmentation**

The Group's organizational structure reflects various activities in which it is engaged. At 31 December 2025 and 2024, the Group had two reportable segments: Upstream and Downstream.

Upstream's activities include oil and natural gas exploration, field development and production, midstream transportation, storage and processing of oil and natural gas.

Downstream's activities include the refining, manufacturing, marketing, transportation, and supply and trading of crude oil, petroleum, petrochemicals products and related services to wholesale and retail customers.

Other businesses and corporate mainly comprises of the Group's alternative energy, marketing, manufacturing and corporate activities worldwide. None of these segments met the quantitative thresholds for reportable segments in 2025 or 2024.

The accounting policies of the operating segments are the same as the Group's accounting policies as described in note 4.21. However, IFRS requires that the measure of profit or loss disclosed for each operating segment is the measure that is provided regularly to the chief operating decision maker for the purposes of performance assessment and resource allocation. For the Group, this measure of performance is profit or loss before tax.

Sales between segments are made at prices substantially in line with market prices, taking into account the volumes involved. Segment revenues and segment results include transactions between business segments.

These transactions and any unrealized profits and losses are eliminated on consolidation, unless unrealized losses provide evidence of an impairment of the asset transferred. Sales to external customers by region are based on the location of the Group subsidiary which made the sale.

**Information about reportable segments and reconciliation**

Information related to each reportable segment is set out below. Segment profit / (loss) before tax is used to measure performance because management believes that this information is the most relevant in evaluating the results of the respective segments relative to other entities that operate in the same industries. Investments in associates and joint ventures form part of other segments (note 11 and 12).

OQ SAOC and its subsidiaries

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

For the year ended 31 December 2025

46 OPERATING SEGMENTS (continued)

Information about reportable segments and reconciliation (continued)

2025 ₪'000	Reportable segments		All other segments	Consolidation eliminations	Total
	Upstream	Downstream			
Segment revenue	1,161,133	14,253,610	1,111,479	(582,589)	15,943,633
<i>Expenses excluding depreciation:</i>					
a. Cost of sales	(195,425)	(13,506,815)	(933,420)	582,589	(14,053,071)
b. Other operating expenditure (net of other income and forex gain)	(18,063)	(185,241)	(88,272)	-	(291,576)
Depreciation & amortization	(294,133)	(269,692)	(33,123)	-	(596,948)
Share of profit of equity accounted investees	8,905	3,774	81,730	-	94,409
Investment income	-	-	7,992	-	7,992
Impairment losses - net	-	(1,453)	(2,585)	-	(4,038)
Interest income	9,336	58,446	81,669	-	149,451
Interest expense	(24,930)	(108,935)	(48,003)	-	(181,868)
Profit before tax	646,823	243,694	177,467	-	1,067,984
(Loss) / profit from discontinued operations	-	(4,667)	7,058	-	2,391
Taxation	(363,530)	(26,774)	(38,798)	-	(429,101)
Profit after tax	283,293	212,253	145,727	-	641,274
<i>Segment assets</i>	1,434,308	3,156,652	8,180,575	-	12,771,535
<i>Segment liabilities</i>	631,625	4,025,807	1,260,715	-	5,918,147
<i>Investment in equity account investees</i>	-	-	-	-	-
Investment in associate	-	22,499	141,645	-	164,144
Investment in joint venture	52,005	502,851	199,766	-	754,622
<i>Capital expenditure</i>					
Oil and gas production and development assets	251,000	-	-	-	251,000
Exploration and evaluation (E&E) assets	6,682	-	-	-	6,682
Property, plant and equipment	1,142	120,989	18,258	-	140,389

OQ SAOC and its subsidiaries

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

For the year ended 31 December 2025

46 OPERATING SEGMENTS (continued)

Information about reportable segments and reconciliation (continued)

2024 <del>2024</del> '000	Reportable segments		All other segment	Consolidation eliminations	Total
	Upstream	Downstream			
Segment revenue	1,845,101	14,440,667	430,789	(939,105)	15,777,452
<i>Expenses excluding depreciation</i>					
a. Cost of sales	(831,411)	(13,878,313)	(252,419)	939,105	(14,023,038)
b. Other operating expenditure (net of other income and forex gain)	(3,641)	(158,231)	(87,177)	-	(249,049)
Depreciation & amortization	(283,020)	(243,431)	(21,672)	-	(548,123)
Share of profit / (loss) of equity accounted investees	7,622	2,018	(25,979)	-	(16,339)
Investment income	-	-	1,175	-	1,175
Charge / (reversal) of impairment losses	-	194,256	34,317	-	228,573
Interest income	11,555	71,500	55,395	(119)	138,331
Interest expense	(13,436)	(178,308)	(35,037)	119	(226,662)
Profit before tax	732,770	250,158	99,392	-	1,082,320
Loss from discontinued operations	-	(105,064)	-	-	(105,064)
Taxation	(409,375)	(16,103)	(37,666)	-	(463,144)
Profit / (loss) after tax	323,395	128,991	61,726	-	514,112
<i>Segment assets</i>	1,525,231	7,382,155	5,014,566	-	13,921,952
<i>Segment liabilities</i>	720,352	4,547,611	1,419,136	-	6,687,099
<i>Investment in equity account investees</i>					
Investment in associate	-	18,767	142,884	-	161,651
Investment in joint venture	43,099	544,149	206,176	-	793,424
<i>Capital expenditure</i>					
Oil and gas production and development assets	240,653	-	-	-	240,653
Exploration and evaluation (E&E) assets	11,027	-	-	-	11,027
Property, plant and equipment	-	140,174	995	-	141,169

## OQ SAOC and its subsidiaries

### NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

For the year ended 31 December 2025

#### 46 OPERATING SEGMENTS (continued)

##### Information about reportable segments and reconciliation (continued)

##### Geographic information

The upstream and downstream segments are managed on a worldwide basis. The geographic information analyses the Group's revenue and non-current assets by the Group entity's country of domicile. In presenting the geographic information, segment revenue has been based on the geographic location of customers and segment assets were based on the geographic location of the assets.

	<i>Domestic</i>		<i>Foreign</i>	
	<i>2025</i>	<i>2024</i>	<i>2025</i>	<i>2024</i>
	<i>£'000</i>	<i>£'000</i>	<i>£'000</i>	<i>£'000</i>
Revenue	<b>3,675,249</b>	2,945,896	<b>12,268,384</b>	12,831,556
Non-current assets	<b>7,383,599</b>	7,324,758	<b>333,949</b>	282,429

The Group's sales to customers of crude oil and oil products were substantially made by the Downstream segment.

The geographic information analyses the Group's revenue as follows:

	<i>2025</i>	<i>2024</i>
	<i>£'000</i>	<i>£'000</i>
Europe	<b>1,438,081</b>	1,116,541
America	<b>407,136</b>	538,911
APAC (Asia-Pacific)	<b>7,668,578</b>	7,594,948
Middle East	<b>6,180,508</b>	6,071,589
Rest of the world	<b>249,330</b>	455,463
	<b>15,943,633</b>	15,777,452

The Group has not identified any customers at a group level amounting to 10% of the group's revenues during the year ended 31 December 2025 and 31 December 2024.

#### 47 CLIMATE-RELATED RISKS

The Group and its customers may face significant climate-related risks in the future. These risks include the threat of financial loss and adverse non-financial impacts that encompass the political, economic, and environmental responses to climate change. The key sources of climate risks have been identified as physical and transition risks. Physical risks arise as the result of acute weather events such as hurricanes, floods, and wildfires, and longer-term shifts in climate patterns, such as sustained higher temperatures, heat waves, droughts, and rising sea levels and risks. Transition risks may arise from the adjustments to a net-zero economy, e.g., changes to laws and regulations, litigation due to failure to mitigate or adapt, and shifts in supply and demand for certain commodities due to changes in consumer behaviour and investor demand. These risks are receiving increasing regulatory, political, and societal scrutiny, both within the country and internationally. While certain physical risks may be predictable, there are significant uncertainties as to the extent and timing of their manifestation. For transition risks, uncertainties remain as to the impacts of the impending regulatory and policy shifts, changes in consumer demands, and supply chains. The Group is currently under progress in embedding climate risk in its risk framework, including the development of appropriate risk appetite metrics and maintaining policies, processes and controls to incorporate climate risks in the management of principal risk categories. Despite the progress, the Group acknowledges the need for further efforts to fully integrate climate in the Group's risk assessments and management protocols.

#### 48 SUBSEQUENT EVENT

Subsequent to the reporting period, the geopolitical environment in the Middle East has materially deteriorated due to a significant escalation of conflict which has affected multiple countries across the Middle East region. This has led to widespread airspace closures, major disruptions to maritime trade routes, heightened volatility in energy markets, and broader economic uncertainty.

**48 SUBSEQUENT EVENT (continued)**

These developments may impact commodity price volatility, supply chain stability, transportation routes, field operations, and contractor logistics, particularly given heightened tensions across key producing and transit markets. While Oman has, to date, been among the least directly impacted countries in the region, the broader regional escalation still has the potential to affect the OQ Group's operations and market exposures. As these developments occurred after the reporting date, they do not provide evidence of conditions existing at year-end, therefore, they are non-adjusting subsequent events in accordance with IAS 10.

Management continues to monitor the evolving situation and assess potential implications for production activities, capital commitments, and market exposures.

**49 RECLASSIFICATIONS**

Certain comparative figures have been reclassified wherever necessary to conform to the presentation adopted in the current year. Such reclassifications did not affect the previously reported net profit, other comprehensive income, or total equity.

**50 APPROVAL OF CONSOLIDATED FINANCIAL STATEMENTS**

These consolidated financial statements were approved and authorized for issue by the Board of Directors on 12 March 2026.