

**Separate and Consolidated Financial Statements  
and Independent Auditor's Report  
National Gas Company SAOG and its Subsidiaries**

**31 December 2025**

## **INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF NATIONAL GAS COMPANY SAOG**

### **Report on the audit of the consolidated and separate financial statements**

#### **Qualified opinion**

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

In our opinion, except for the possible effects of the corresponding figures of the matter described in the Basis for qualified opinion section of our report, the accompanying financial statements present fairly, in all material respects, the consolidated financial position of the Group and the separate financial position of the Parent Company as at 31 December 2025, and their respective financial performance and cash flows for the year then ended in accordance with IFRS Accounting Standards.

#### **Basis for qualified opinion**

The Group's audit report for the previous year ended 31 December 2024 was modified due to an inability to obtain sufficient appropriate audit evidence regarding certain finance statement areas of a subsidiary, NGC Energy Saudi LLC. The matter related to certain opening balances which affected the determination of the Group's net income and equity for the year ended 31 December 2024.

The amounts of NGC Energy Saudi LLC included in the consolidated financial statements represent approximately 1.60% (2024: 2.27%) of the Group's total assets as at 31 December 2025 and 0.83% (2024: 1.47%) of its total revenue for the year then ended. As disclosed in the subsidiary's auditor's report for the year ended 31 December 2025, the matter giving rise to this modification remains unresolved with respect to the opening balances of accrued revenue (SAR 971,248) and deferred costs (SAR 567,330). Had these misstatements been corrected, net income and shareholders' equity for the year 2024 would have decreased by SAR 1,538,578 and the subsidiary's auditor has expressed a modified opinion on that subsidiary's financial statements for the year ended 31 December 2025. Accordingly, our opinion on the consolidated financial statements for the current year is modified because of the possible effects of these matters on the comparability of the current year and corresponding figures.

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 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 financial statements in the 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 qualified opinion.

**INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF  
NATIONAL GAS COMPANY SAOG (continued)**

**Key audit matters**

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

Key audit matter	How our audit addressed the key audit matter
<p><i>Allowance for expected credit losses on trade receivables and due from related parties (refer note 12 and 24)</i></p> <p>The Group is obligated to perform periodic assessments of the recoverability of its trade receivables and amount due from related parties. Applying the expected credit losses (ECL) model, the Group quantifies the credit impairment of receivables, enabling the recognition of expected credit losses upon their initial recognition. As of 31 December 2025, the allowance for expected credit losses on trade receivables and due from related parties, for the Parent Company, stands at RO 623,325 and RO 1,783,908 respectively.</p> <p>The determination of expected credit losses on receivables is assessed on historical credit loss experience, adjusted to account for forward-looking factors specific to the parties involved and the prevailing economic environment.</p> <p>We have identified this as a key audit matter due to the materiality of the balances and the judgment required in establishing the allowance for expected credit losses. This determination must accurately reflect information pertaining to past events, current conditions, and forecasts of future conditions.</p>	<p>Our audit procedures included, among others:</p> <ul style="list-style-type: none"> <li>▪ Obtained an understanding of the Group's ECL measurement process.</li> <li>▪ Reviewed the methodology used and assessed the reasonableness of assumptions made in preparing the estimates.</li> <li>▪ Examined the aging schedule of receivables for accuracy.</li> <li>▪ Reviewed financial statements of the related parties.</li> <li>▪ Acquired the list of outstanding receivables and assessed their recoverability through discussions with management and by gathering sufficient corroborative evidence to support our conclusions.</li> <li>▪ Obtained management representation.</li> <li>▪ Reviewed the adequacy of disclosure in the financial statements.</li> </ul>

**INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF  
NATIONAL GAS COMPANY SAOG (continued)**

**Key audit matters (continued)**

Key audit matter	How our audit addressed the key audit matter
<b><i>Impairment assessment of goodwill (refer note 9)</i></b>	
<p>As detailed in note 9 of the separate and consolidated financial statements, the carrying value of goodwill as of 31 December 2025, stands at RO 8,141,213, comprising 17.57% of the Group's total assets. This goodwill pertains to the acquisition of Shell Malaysia Trading SDN BHD's LPG trading business by NGC Energy SDN BHD and the acquisition of Samahram Gas LLC by the Parent Company "National Gas Co SAOG".</p> <p>In accordance with IAS 36 Impairment of Assets, entities are mandated to annually assess the goodwill acquired through business combinations for impairment. The management performed an impairment test of the goodwill as at the reporting date and determined that it remained unimpaired.</p> <p>Impairment testing involves determination of the recoverable amount which relies on discounted future cash flows and the comparison of values with market multiples.</p> <p>Moreover, the assessment of recoverable amounts is based upon significant assumptions, estimates, or evaluations made by management, specifically future cash flow forecasts, discount rate estimations, and long-term growth rate projections.</p> <p>We identified the impairment assessment of goodwill as a key audit matter due to its significance in the financial statements and the inherent complexities involved in the estimation process.</p>	<p>Our audit procedures included the following:</p> <ul style="list-style-type: none"> <li>▪ Obtained an understanding of the business process for impairment assessment.</li> <li>▪ Reviewed the key assumptions included in the value in use computations.</li> <li>▪ Evaluated the reasonableness of the methodology used and key assumptions applied to the cash flow projections.</li> <li>▪ Conducted a comparative analysis of actual historical cash flow outcomes with prior forecasts to evaluate forecasting accuracy.</li> <li>▪ Evaluated the methodology used by the Group to estimate the discount factor.</li> <li>▪ Obtained management representation.</li> <li>▪ Reviewed the adequacy of disclosure in the financial statements.</li> </ul>

**INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF  
NATIONAL GAS COMPANY SAOG (continued)**

**Key audit matters (continued)**

Key audit matter	How our audit addressed the key audit matter
<i>Impairment Assessment of Investment in Subsidiary (refer note 9)</i>	
<p>As detailed in Note 9 of the financial statements, the carrying value of the investment in NGC Energy Saudi LLC, KSA as of December 31, 2025, stands at RO 1,385,924.</p> <p>Management is required to perform impairment testing whenever events or changes in circumstances indicate that the carrying amount of the investment may not be recoverable as required by IAS 36.</p> <p>As on 31 December 2025, the net assets of the subsidiary, NGC Energy Saudi LLC, KSA, were negative, mandating the testing of impairment to assess whether the carrying value exceeds the recoverable amount.</p> <p>We identified the impairment assessment of this subsidiary as a key audit matter due to the significant judgment involved in the impairment testing process, which includes estimating future cash flows, selecting an appropriate discount rate, and assessing the recoverable amount.</p>	<p>Our audit procedures included the following:</p> <ul style="list-style-type: none"> <li>▪ Obtained an understanding of the business process for impairment assessment.</li> <li>▪ Reviewed the impairment assessment performed by the management.</li> <li>▪ Reviewed the assumptions and factors used in preparation of the cash flow forecasts.</li> <li>▪ Evaluated the reasonableness of the methodology used and key assumptions applied to the cash flow projections.</li> <li>▪ Conducted a comparative analysis of actual historical cash flow outcomes with prior forecasts to evaluate forecasting accuracy.</li> <li>▪ Evaluated the methodology used by the Group to estimate the discount factor.</li> <li>▪ Obtained management representation.</li> <li>▪ Reviewed the adequacy of disclosure in the financial statements.</li> </ul>

**INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF  
NATIONAL GAS COMPANY SAOG (continued)**

**Other information included in the Group's 2025 Annual Report**

Management is responsible for the other information. The other information comprises the information included in the Group's 2025 Annual Report, but does not include the financial statements and our auditor's report thereon.

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

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, 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 those charged with governance for the financial statements**

Management is responsible for the preparation and fair presentation of the financial statements in accordance with IFRS Accounting Standards, the disclosure requirements of the Financial Services Authority and the applicable provisions of the Commercial Companies Law of the Sultanate of Oman, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the 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.

Those charged with governance are responsible for overseeing the Group's financial reporting process.

## **INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF NATIONAL GAS COMPANY SAOG (continued)**

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

Our objectives are to obtain reasonable assurance about whether the 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 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 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 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.

**INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF  
NATIONAL GAS COMPANY SAOG (continued)**

**Auditor's responsibilities for the audit of the financial statements (continued)**

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the 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 group financial statements. We are responsible for the direction, supervision and review of the audit work performed for purposes of the group audit. We remain solely responsible for our audit opinion.

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

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

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

**Report on other legal and regulatory requirements**

We report that the financial statements of the Group as at and for the year ended 31 December 2025 comply, in all material respects, with the applicable provisions of the Commercial Companies Law of the Sultanate of Oman, and the relevant disclosure requirements for Public Joint Stock Companies issued by the Financial Services Authority.

The engagement partner on the audit resulting in this independent auditor's report is Mr. Tom C Mathew.

**CROWE MAK GHAZALI LLC**



**Tom C Mathew**  
Engagement Partner

Muscat, Sultanate of Oman  
25 February 2026

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National Gas Company SAOG and its Subsidiaries

Separate and consolidated statement of financial position  
as at 31 December 2025

	Notes	Parent Company		Group	
		2025 RO	2024 RO	2025 RO	2024 RO
<b>ASSETS</b>					
<b>Non-current assets:</b>					
Property, plant and equipment	6	4,705,583	5,644,006	20,008,357	19,789,249
Right-of-use assets	7	105,538	161,736	2,565,453	2,079,231
Financial assets at fair value through OCI	8	1,010,448	824,396	1,010,448	824,396
Investment in subsidiaries	9	10,409,710	9,611,881	-	-
Goodwill	9	-	-	8,141,213	7,260,293
Loan to related parties	24	240,756	546,549	-	-
Trade and other receivables	12	214,423	285,264	214,423	285,264
<b>Total non-current assets</b>		<b>16,686,458</b>	<b>17,073,831</b>	<b>31,939,894</b>	<b>30,238,433</b>
<b>Current assets:</b>					
Inventories	11	783,960	795,053	1,369,951	1,998,112
Trade and other receivables	12	3,720,043	3,574,388	10,943,607	15,748,481
Loan to related parties	24	-	44,307	-	-
Cash and bank balances	13	132,694	156,591	1,797,546	713,133
		4,636,697	4,570,349	14,111,104	18,459,726
Assets of disposal group / non-current assets classified as held-for-sale	10	-	-	290,338	558,972
<b>Total current assets</b>		<b>4,636,697</b>	<b>4,570,349</b>	<b>14,401,440</b>	<b>19,018,698</b>
<b>Total assets</b>		<b>21,323,155</b>	<b>21,644,180</b>	<b>46,341,334</b>	<b>49,257,131</b>
<b>EQUITY AND LIABILITIES</b>					
<b>Capital and reserves:</b>					
Share capital	14	8,500,000	8,500,000	8,500,000	8,500,000
Share premium	15	1,787,632	1,787,632	1,787,632	1,787,632
Legal reserve	16	1,996,859	1,996,859	1,996,859	1,996,859
Other reserves	17	300,000	300,000	538,087	517,159
Fair value reserve		526,394	360,403	526,394	360,403
Revaluation reserve	18	2,979,098	3,760,631	3,385,821	4,129,926
Foreign currency translation reserve		-	-	(2,061,833)	(3,185,407)
Retained earnings		300,914	550,581	3,928,318	4,718,975
<b>Equity attributable to owners of the Parent Company</b>		<b>16,390,897</b>	<b>17,256,106</b>	<b>18,601,278</b>	<b>18,825,547</b>
Non-controlling interest		-	-	8,460,343	7,780,805
<b>Total equity</b>		<b>16,390,897</b>	<b>17,256,106</b>	<b>27,061,621</b>	<b>26,606,352</b>
<b>LIABILITIES</b>					
<b>Non-current liabilities:</b>					
Non-current portion of lease liabilities	20	113,505	145,307	2,310,356	1,627,292
Staff terminal benefits	21	204,272	189,055	242,436	216,396
Deferred tax liability - net	30	145,512	341,436	1,910,690	2,175,906
Non-current portion of borrowings	19	430,522	-	593,794	-
<b>Total non-current liabilities</b>		<b>893,811</b>	<b>675,798</b>	<b>5,057,276</b>	<b>4,218,594</b>
<b>Current liabilities:</b>					
Accounts payable and accruals	22	1,352,252	1,361,000	9,652,661	10,232,154
Current portion of lease liabilities	20	44,533	57,306	338,522	256,491
Bank overdrafts	19	437,252	461,813	437,252	461,813
Current portion of borrowings	19	2,190,741	1,832,157	3,718,028	7,424,578
Provision for taxation	30	13,569	-	43,632	27,422
		4,038,347	3,712,276	14,190,095	18,402,458
Liabilities directly associated with disposal group classified as held-for-sale	10	-	-	32,342	29,727
<b>Total current liabilities</b>		<b>4,038,347</b>	<b>3,712,276</b>	<b>14,222,437</b>	<b>18,432,185</b>
<b>Total liabilities</b>		<b>4,932,258</b>	<b>4,388,074</b>	<b>19,279,713</b>	<b>22,650,779</b>
<b>Total equity and liabilities</b>		<b>21,323,155</b>	<b>21,644,180</b>	<b>46,341,334</b>	<b>49,257,131</b>
<b>Net assets per share</b>	23	<b>0.193</b>	<b>0.203</b>	<b>0.219</b>	<b>0.221</b>

The separate and consolidated financial statements and the accompanying notes from 1 to 39 were authorised for issue by the Board of Directors on 24<sup>th</sup> February 2026 and were signed on its behalf by:

 _____ Chairman		 _____ Director
 _____ Chief Executive Officer		 _____ Head of Finance

The accompanying notes from pages 13 to 56 form an integral part of these separate and consolidated financial statements.

The report of the Auditor is set forth on page 1 to 7.

National Gas Company SAOG and its Subsidiaries

Separate and consolidated statement of profit or loss and other comprehensive income  
for the year ended 31 December 2025

	Notes	Parent Company		Group	
		2025 RO	2024 RO	2025 RO	2024 RO
Revenue	25	11,803,686	9,129,961	63,404,623	83,696,317
Cost of revenue	26	(10,636,172)	(8,105,767)	(79,930,653)	(79,229,015)
<b>Gross profit</b>		<b>1,167,514</b>	<b>1,024,194</b>	<b>3,473,970</b>	<b>4,467,302</b>
Administrative and selling expenses	27	(1,049,157)	(1,060,995)	(3,401,929)	(3,482,919)
<b>Operating profit / (loss)</b>		<b>118,357</b>	<b>(36,801)</b>	<b>72,041</b>	<b>984,383</b>
Other income - net	29	130,792	257,610	191,406	214,076
Finance costs		(175,594)	(150,356)	(689,916)	(721,663)
Provision for expected credit loss on amount due from related party	24	(513,224)	(150,000)	-	-
Impairment provision on Subsidiaries		(100,000)	-	-	-
Dividend income from subsidiary		298,250	222,915	-	-
Provision for expected credit losses on trade receivables	12	(52,686)	-	(26,262)	(37,447)
<b>(Loss) / profit before tax</b>		<b>(294,105)</b>	<b>143,566</b>	<b>(452,731)</b>	<b>439,349</b>
Income tax	30	44,438	77,177	(3,674)	(166,860)
<b>(Loss) / profit after tax from continuing operations</b>		<b>(249,667)</b>	<b>220,743</b>	<b>(456,405)</b>	<b>272,489</b>
Loss from discontinued operations	31	-	-	(302,519)	(40,124)
<b>(Loss) / profit for the period</b>		<b>(249,667)</b>	<b>220,743</b>	<b>(758,924)</b>	<b>232,365</b>
<b>Other comprehensive income / (loss)</b>					
<i>Items that will not be reclassified subsequently to profit or loss:</i>					
(Reversal) / surplus on revaluation of property - net of tax		(781,533)	-	(781,533)	71,815
Changes in fair value of financial assets at fair value through OCI	8	165,991	(81,576)	165,991	(81,576)
<i>Items that may be reclassified subsequently to profit or loss:</i>					
Exchange difference on translation of foreign operations		-	-	1,971,391	527,988
Other comprehensive (loss) / income		(615,542)	(81,576)	1,355,849	518,227
<b>Total comprehensive (loss) / income</b>		<b>(865,209)</b>	<b>139,167</b>	<b>596,925</b>	<b>750,592</b>
<b>(Loss) / profit attributable to:</b>					
Owners of the Parent Company		(249,667)	220,743	(790,657)	12,328
Non-controlling interest		-	-	31,733	220,037
<b>Total (loss) / profit</b>		<b>(249,667)</b>	<b>220,743</b>	<b>(758,924)</b>	<b>232,365</b>
<b>Total comprehensive (loss) / income attributable to:</b>					
Owners of the Parent Company		(865,209)	139,167	(224,269)	289,258
Non-controlling interest		-	-	821,194	461,334
<b>Total comprehensive (loss) / income</b>		<b>(865,209)</b>	<b>139,167</b>	<b>596,925</b>	<b>750,592</b>
<b>Basic and diluted (loss) / earnings per share:</b>					
From continuing operations		(0.003)	0.003	(0.006)	0.001
From discontinued operations		-	-	(0.0036)	(0.0005)
<b>Total (loss) / earnings per share</b>	32	<b>(0.003)</b>	<b>0.003</b>	<b>(0.009)</b>	<b>0.0001</b>

The accompanying notes from pages 13 to 56 form an integral part of these separate and consolidated financial statements.

The report of the Auditor is set forth on page 1 to 7.

National Gas Company SAOG and its Subsidiaries

Separate statement of changes in equity  
for the year ended 31 December 2025

Parent Company

	Share capital RO	Share premium RO	Legal reserve RO	Other reserve RO	Fair value reserve RO	Revaluation reserve RO	Retained earnings RO	Total RO
At 1 January 2024	8,500,000	1,787,632	1,974,785	300,000	520,256	3,760,631	273,635	17,116,939
Profit for the year	-	-	-	-	-	-	220,743	220,743
Transfer to retained earnings of fair value changes on sale of investment	-	-	-	-	(78,277)	-	78,277	-
Other comprehensive income for the year	-	-	-	-	(81,576)	-	-	(81,576)
<b>Total comprehensive (loss) / income for the year</b>	-	-	-	-	(159,853)	-	299,020	139,167
Transfer to legal reserve	-	-	22,074	-	-	-	(22,074)	-
At 31 December 2024	8,500,000	1,787,632	1,996,859	300,000	360,403	3,760,631	550,581	17,256,109

	Share capital RO	Share premium RO	Legal reserve RO	Other reserve RO	Fair value reserve RO	Revaluation reserve RO	Retained earnings RO	Total RO
At 1 January 2025	8,500,000	1,787,632	1,996,859	300,000	360,403	3,760,631	550,581	17,256,106
Loss for the year	-	-	-	-	-	-	(249,667)	(249,667)
Other comprehensive (loss) / income for the year	-	-	-	-	165,991	(781,533)	-	(615,542)
<b>Total comprehensive (loss) / income for the year</b>	-	-	-	-	165,991	(781,533)	(249,667)	(865,209)
At 31 December 2025	8,500,000	1,787,632	1,996,859	300,000	526,394	2,979,098	300,914	16,390,897

The accompanying notes from pages 13 to 56 form an integral part of these separate and consolidated financial statements.

The report of the Auditor is set forth on page 1 to 7.

National Gas Company SAOG and its Subsidiaries

Consolidated statement of changes in equity  
for the year ended 31 December 2025

Group	Equity attributable to the owners of the Parent Company										
	Share capital	Share premium	Legal reserve	Other reserves	Fair value reserve	Revaluation reserve	Foreign currency translation reserve	Retained earnings	Total	Non-controlling interest	Total equity
	RO	RO	RO	RO	RO	RO	RO	RO	RO	RO	RO
At 1 January 2024	8,500,000	1,787,632	1,974,765	511,541	520,256	4,077,962	(3,486,331)	4,650,444	18,535,289	7,491,548	26,027,637
Profit for the year	-	-	-	-	-	-	-	12,328	12,328	220,037	232,365
<b>Other comprehensive income for the year</b>											
Exchange difference on translation of foreign operations	-	-	-	5,618	-	8,875	309,924	-	315,417	212,571	527,988
Surplus on revaluation of property - net of tax	-	-	-	-	-	43,089	-	-	43,089	28,726	71,815
Transfer to retained earnings of fair value changes on sale of investment	-	-	-	-	(78,277)	-	-	78,277	-	-	-
Changes in fair value of financial assets at fair value through OCI	-	-	-	-	(81,576)	-	-	-	(81,576)	-	(81,576)
<b>Total comprehensive income / (loss) for the year</b>											
Dividend	-	-	-	-	-	-	-	(22,074)	-	(172,077)	(172,077)
Transfer to Legal Reserve	-	-	22,074	-	-	-	-	-	-	-	-
At 31 December 2024	8,500,000	1,787,632	1,996,859	517,159	360,403	4,129,928	(3,185,407)	4,718,975	18,825,517	7,780,805	26,606,352

Group	Equity attributable to the owners of the Parent Company										
	Share capital	Share premium	Legal reserve	Other reserves	Fair value reserve	Revaluation reserve	Foreign currency translation reserve	Retained earnings	Total	Non-controlling interest	Total equity
	RO	RO	RO	RO	RO	RO	RO	RO	RO	RO	RO
At 1 January 2025	8,500,000	1,787,632	1,996,859	517,159	360,403	4,129,928	(3,185,407)	4,718,975	18,825,517	7,780,805	26,606,352
(Loss) / profit for the year	-	-	-	-	-	-	-	(790,657)	(790,657)	31,733	(758,924)
<b>Other comprehensive income / (loss) for the year</b>											
Exchange difference on translation of foreign operations	-	-	-	20,928	-	37,428	1,123,574	-	1,181,930	789,481	1,971,391
Reversal of surplus on revaluation of property net of tax	-	-	-	-	-	(761,533)	-	-	(761,533)	-	(761,533)
Changes in fair value of financial assets at fair value through OCI	-	-	-	-	165,991	-	-	-	165,991	-	165,991
<b>Total comprehensive income / (loss) for the year</b>											
NCI as at acquisition date	-	-	-	-	-	-	-	-	-	59,856	59,856
Dividend	-	-	-	-	-	-	-	-	-	(201,514)	(201,514)
At 31 December 2025	8,500,000	1,787,632	1,996,859	538,087	525,394	3,385,821	(2,061,833)	3,928,318	18,601,278	8,460,343	27,061,621

The accompanying notes from pages 13 to 56 form an integral part of these separate and consolidated financial statements.

The report of the Auditor is set forth on page 1 to 7.

National Gas Company SAOG and its Subsidiaries

Separate and consolidated statement of cash flows  
for the year ended 31 December 2025

	Notes	Parent Company		Group	
		2025 RO	2024 RO	2025 RO	2024 RO
<b>Operating activities:</b>					
(Loss) / profit before tax		(294,105)	143,566	(452,731)	439,349
<b>Adjustments for:</b>					
Depreciation on property, plant and equipment	6	198,826	218,379	2,556,923	2,302,330
Depreciation on right-of-use assets	7	56,198	53,385	371,964	327,845
Interest income	29	(45,654)	(52,180)	(70,670)	(40,233)
Dividend income	29	(69,630)	(62,655)	(69,630)	(62,655)
Finance costs		175,594	150,358	689,916	721,663
Charge for staff terminal benefits	21	32,162	7,515	42,074	16,000
Dividend income from subsidiary		(298,250)	(222,915)	-	-
Provision for expected credit losses on trade receivables		52,686	(63,460)	26,262	37,447
Write off others		10,000	-	79,123	-
Impairment loss on due from Subsidiaries	24	513,224	150,000	-	-
Impairment on subsidiaries		100,000	-	-	-
Disposal of ROUA		-	(653)	5,638	19,312
Loss / (gain) on disposal of property, plant and equipment	29	8,073	(15,723)	(14,411)	(55,133)
<b>Operating cash flows before working capital changes:</b>		<b>439,124</b>	<b>285,617</b>	<b>3,164,458</b>	<b>3,705,925</b>
<b>Working capital changes:</b>					
Inventories		1,093	34,588	549,038	(484,118)
Trade and other receivables		(178,698)	(120,209)	4,852,779	(4,058,749)
Accounts payable and accruals		(8,748)	(20,081)	(579,493)	(1,203,691)
<b>Cash generated from / (used in) operations</b>		<b>252,771</b>	<b>179,915</b>	<b>7,986,782</b>	<b>(2,040,633)</b>
Payment of staff terminal benefits	21	(16,945)	(70,095)	(15,034)	(80,936)
Income tax paid		-	-	(306,640)	(359,299)
<b>Net cash from / (used in) operating activities</b>		<b>235,826</b>	<b>109,820</b>	<b>7,665,108</b>	<b>(2,480,868)</b>
<b>Investing activities:</b>					
Purchase of property, plant and equipment	6	(204,560)	(198,896)	(2,064,897)	(1,722,544)
Proceeds from disposal of property and equipment		16,633	17,909	89,531	57,399
Proceeds from Sale of Investment		-	218,856	-	218,856
Investment in Subsidiary		(897,829)	(100,000)	(520,004)	-
Impairment loss on due from Subsidiaries		(513,224)	(150,000)	(31,268)	122,432
Lease payments		(53,608)	(46,151)	(508,929)	(403,660)
Amounts (paid)/received from related parties		476,643	33,062	-	-
Dividends received		49,569	52,625	49,569	52,625
Dividend income from subsidiary		222,915	225,225	-	-
Dividend to NCI		-	-	(201,614)	(172,077)
Short term deposits		-	-	-	(4,559)
Interest income received		45,654	52,180	70,670	40,233
<b>Net cash (used in) / from investing activities</b>		<b>(857,807)</b>	<b>104,810</b>	<b>(3,116,842)</b>	<b>(1,811,695)</b>
<b>Financing activities:</b>					
Proceeds from / (repayment of) long term loans		430,622	-	593,794	-
Interest expense paid		(166,561)	(140,028)	(499,989)	(558,050)
Proceeds from disposal of leased assets		-	-	-	(19,657)
(Repayments of) / proceeds from short term loan		334,023	(303,843)	(4,060,196)	3,668,424
<b>Net cash from / (used in) financing activities</b>		<b>598,084</b>	<b>(443,869)</b>	<b>(3,966,393)</b>	<b>3,090,717</b>
<b>Net changes in cash and cash equivalents</b>		<b>(23,897)</b>	<b>(229,239)</b>	<b>581,873</b>	<b>(1,201,846)</b>
Net movement in foreign translation reserve		-	-	502,540	31,881
Cash and cash equivalents at beginning of the year		156,591	385,830	713,133	1,883,098
<b>Cash and cash equivalents at end of the year</b>	13	<b>132,694</b>	<b>156,591</b>	<b>1,797,546</b>	<b>713,133</b>

The accompanying notes from pages 13 to 56 form an integral part of these separate and consolidated financial statements.

The report of the Auditor is set forth on page 1 to 7.

## **National Gas Company SAOG and its Subsidiaries**

### **Notes to the separate and consolidated financial statements for the year ended 31 December 2025**

#### **1 Corporate information**

National Gas Company SAOG (the "Parent Company" or the "Company") is registered under Commercial Companies Law, 2019 of the Sultanate of Oman with commercial registration number 1083171 as a joint stock company in the Sultanate of Oman. The Company was incorporated on 9 April 1979. The Company's registered address is PO Box 95, Postal Code 124, Rusayl, Sultanate of Oman. The Company has been established to operate Liquefied Petroleum Gas ("LPG") filling plants and is mainly engaged in the marketing and selling of LPG.

#### **2 Statement of compliance and basis of preparation and consolidation**

##### **2.1 Statement of compliance and basis of preparation**

The separate and consolidated financial statements of the Parent Company and the Group have been prepared in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board (IASB).

These separate and consolidated financial statements have been prepared on the historical cost basis except for land and financial assets at fair value through other comprehensive income (FVOCI) that have been measured at fair value. The Group performs equity accounting for its investment in its associates and joint ventures in the consolidated financial statements and these investments are held at cost less impairment, if any, in the Parent Company's financial statements.

The financial statements have been presented in Rial Omani ("RO") which is the functional currency of the Parent Company and presentation currency for these separate and consolidated financial statements.

##### **2.2 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 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; and
- The Group's voting rights and potential voting rights.

## National Gas Company SAOG and its Subsidiaries

### Notes to the separate and consolidated financial statements for the year ended 31 December 2025

#### 2 Statement of compliance and basis of preparation and consolidation (continued)

##### 2.2 Basis of consolidation (continued)

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.

Profit or loss and other comprehensive income or loss of a subsidiary acquired or disposed of during the year are recognised 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 (OCI) are attributed to the owners of the Parent Company and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance based on their respective ownership interest. 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.

- Derecognises the assets (including goodwill) and liabilities of the subsidiary;
- Derecognises the carrying amount of any non-controlling interest;
- Derecognises the cumulative translation differences recorded in other comprehensive income;
- Recognises the fair value of the consideration received;
- Recognises the fair value of any investment retained;
- Recognises any surplus or deficit in consolidated income statement; and
- Reclassifies the Parent Company's share of components previously recognised in other comprehensive income to consolidated income statement or retained earnings, as appropriate.

In the separate financial statements, the investment in the subsidiaries is carried at cost less impairment, if any.

The consolidated financial statements incorporate the financial information of following subsidiary companies in which the Group has a controlling interest:

	Principal activity	Ownership	
		As at 31 December 2025	2024
<b>Incorporated in Oman</b>			
National Gas Developments SPC	Services	100%	100%
Samahram Gas LLC	LPG distribution	80%	0%
<b>Incorporated in UAE</b>			
NGC Energy LLC	LPG distribution	49%	49%
NGC Central Gas Systems LLC	Trading activity	49%	49%
<b>Incorporated in KSA</b>			
NGC Energy Saudi LLC	LPG Installations	100%	100%

## National Gas Company SAOG and its Subsidiaries

### Notes to the separate and consolidated financial statements for the year ended 31 December 2025

#### 2 Statement of compliance and basis of preparation and consolidation (continued)

##### 2.2 Basis of consolidation (continued)

###### Incorporated in Mauritius

Innovative Energy Holdings Mauritius Limited	Investments	100%	100%
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	Principal activity	Ownership As at 31 December	
		2025	2024
<b>Group Holdings</b>			
<b>Incorporated in Malaysia</b>			
NGC Consolidated Holding SDN BHD Malaysia	Investments	100%	100%
NGC Energy SDN BHD	LPG distribution	60%	60%

NGC Energy LLC was formed for taking over commercial activities from NGC Energy FZE from 1 January 2015. To comply with local UAE laws, 51% of the shares in NGC Energy LLC were transferred to the local Emirati company whereas the Parent Company still holds the management control over the entity and all the variability of returns are with the Company. As per the strategic decision to exit from the LPG trading business from the UAE market, this entity has stopped its operation from the later part of 2022.

NGC Central Gas Systems LLC was formed in 2018 to expand the LPG and Equipment trading business in the region of Abu Dhabi. The Parent Company holds 49% shares with management control and all variability of returns are with the Company. As per the strategic decision to exit from the LPG trading business from the UAE market, this entity has stopped its operation from the later part of 2022 and it is currently under liquidation.

NGC Energy Saudi LLC was formed in November 2014 in the Kingdom of Saudi Arabia (KSA) and is primarily engaged in executing LPG installations in the KSA market.

The Group also holds control over NGC Consolidated Holding SDN BHD Malaysia, through their 100% stake in Innovative Energy Holdings Mauritius Limited which was incorporated in 2012. NGC Consolidated Holding SDN BHD Malaysia is a joint venture partner in NGC Energy SDN BHD with a holding of 60%, and Non-Controlling Interest in this respect is 40%.

National Gas Developments SPC was formed in 2024 in the Sultanate of Oman, and it is registered with the activities of self-storage facilities, renting and operating of self-owned or leased real estate, management of credit and own real estate, parking rental and management.

By a resolution of the Board of Directors dated 14 December 2025, the Group resolved not to proceed with the development of the truck rest area project due to viability. Accordingly, a termination agreement with the master lessor has been executed in respect of National Gas Developments SPC.

The financial effects arising from the termination of the project, including any directly attributable costs and obligations, have been recognized and measured in the financial statements of the Group.

## **National Gas Company SAOG and its Subsidiaries**

### **Notes to the separate and consolidated financial statements for the year ended 31 December 2025**

#### **2 Statement of compliance and basis of preparation and consolidation (continued)**

##### **2.2 Basis of consolidation (continued)**

In 30th April 2025, the Group acquired an 80% equity interest in Samahram Gas LLC, a limited liability company registered in the Sultanate of Oman. The acquired entity is primarily engaged in the refilling, supply, and installation of Liquefied Petroleum Gas (LPG) systems in the Dhofar region. As part of the acquisition, the Group obtained management control, thereby classifying Samahram Gas LLC as a subsidiary with effect from the acquisition date. The remaining 20% equity interest is held by the existing minority shareholders.

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

The Group treats transactions with non-controlling interests as transactions with equity owners of the Group. For acquiring shares 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 goodwill / gain on bargain purchase. Gains or losses on disposals of shares 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.

If the ownership interest in an associate is reduced but significant influence is retained, only a proportionate share of the amounts previously recognised in other comprehensive income are reclassified to profit or loss where appropriate.

#### **3 Adoption of new and amended IFRS Accounting Standards**

##### **3.1 New Standards, Amendments and Interpretations to existing Accounting Standards that became effective on 01 January 2025**

The following amendments to Standards and Interpretations have become effective for the first time for the reporting periods beginning on 01 January 2025:

##### **Lack of Exchangeability (Amendments to IAS 21)**

These amendments introduce a consistent framework for assessing when a currency is exchangeable into another currency. Where exchangeability is lacking, the amendments specify how an entity determines the exchange rate to be used and introduce additional disclosure requirements to enable users of the financial statements to understand the effects of any lack of exchangeability. Consequential amendments were also made to IFRS 1 First-time Adoption of International Financial Reporting Standards.

The application of these amendments did not have a material impact on the Parent Company's / Group's financial position, financial performance or cash flows.

## National Gas Company SAOG and its Subsidiaries

### Notes to the separate and consolidated financial statements for the year ended 31 December 2025

#### 3 Adoption of new and amended IFRS Accounting Standards (continued)

##### 3.2 Standards, Amendments and interpretations to existing IFRS Accounting Standards that have been issued but not yet effective

At the time of authorization of these financial statements, the following IFRS Accounting Standards, amendments to Standards, and Interpretations have been issued but not yet effective. In accordance with IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors, the Parent company/Group discloses information relevant to assessing the possible future effects of applying these requirements once effective. The Parent company/Group will adopt these standards, amendments and interpretations in future reporting years as indicated below:

Standard, Amendments to Standards and Interpretations	Effective for the annual periods beginning on or after
Amendments to IFRS 9 and IFRS 7 for: Contracts referencing Nature-dependant Electricity Generation	01 January 2026
Amendments to IFRS 9 and IFRS 7 for: Classification and Measurement of Financial Instruments	01 January 2026
Annual Improvements to IFRS Accounting Standards - Volume 11 (Clarifications and corrections in several standards, including IFRS 1, IFRS 7, IFRS 9, IFRS 10 and IAS 7)	01 January 2026
IFRS 18: Presentation and Disclosures in Financial Statements (new standard) and consequential amendments of other related standards	01 January 2027
IFRS 19: Subsidiaries without Public Accountability: Disclosures (new standard)	01 January 2027

The management of the Parent Company/Group believes that the adoption of the above new standards, particularly IFRS 18, and the amendments to existing standards may have impact on the presentation of the amounts and disclosures in the financial statements of the future periods when such standards or amendments shall be adopted. The Parent Company/Group will continue to evaluate the impact before first-time application.

In line with evolving IFRS disclosure expectations, particularly those relating to emerging uncertainty-related disclosures encouraged by the IASB Illustrative Examples (issued November 2025), the Parent Company/Group continues to enhance reporting of financial statement uncertainties, including climate-related risks, where material.

#### 4 Material accounting policy information

The material accounting policy information set out below have been applied consistently by the Parent Company / Group to all period presented in these financial statements.

##### 4.1 Revenue recognition

The majority of the Group's revenue is derived from selling LPG with revenue recognised at a point in time when control of the goods has transferred to the customer. This happens generally when the goods are delivered to the customer.

## National Gas Company SAOG and its Subsidiaries

### Notes to the separate and consolidated financial statements for the year ended 31 December 2025

#### 4 Material accounting policy information (continued)

##### 4.1 Revenue recognition (continued)

The Group uses the following 5 steps model for revenue recognition.

1. Identifying the contract with a customer
2. Identifying performance obligation
3. Determining the transaction price
4. Allocating the transaction price to the performance obligation
5. Recognising revenue when / as performance obligations are satisfied

If the costs incurred to fulfil a contract are in the scope of other guidance, the Group accounts for such costs using the other guidance.

Group amortises the asset recognised for the costs to obtain and/or fulfil a contract on a systematic basis, consistent with the pattern of transfer of the good or service to which the asset relates. In the case of an impairment, Group recognises these losses to the extent that the carrying amount of the asset exceeds the recoverable amount.

The accounting policies of the Parent Company for the purpose of separate financial statements are the same as that of the Group unless otherwise stated.

Group has different streams of revenue. Revenue from all streams are recorded when control passes to the customer. Broadly, revenue of the Group can be divided into following main classifications :

**Local sales:** The Group is engaged in selling 3 products to local customers: LPG, lubricants, and cylinder. Following is the time when the revenue of each product is recorded.

- LPG: Revenue from local sale of LPG is recognised at a point in time when control of the goods is transferred to the customer. This is generally when the goods are delivered to the customer.
- Lubricant: Revenue from local sale of lubricant is recognised at a point in time when control of the goods is transferred to the customer. This is generally when the goods are delivered to the customer.
- Gas cylinder: Revenue from local sale of gas cylinder is recognised at a point in time when control of the goods is transferred to the customer. This is generally when the goods are delivered to the customer.

**Export sales:** For export sales, revenue is recorded when the control passes to the customer, i.e., when goods are delivered either to the port of departure or port of arrival, depending on the specific terms of the contract with a customer.

**Franchisee fees:** Revenue from franchisee fee is recognized on monthly basis as agreed on the contract with the customer since all the obligations are deemed to be satisfied at that point in time and the consideration received is non-refundable, the revenue arising therefrom is recognised on a straight-line basis at point in time.

**Support service fees:** Support service fee includes management services. Since these services are made available to the customers on 'as and when needed' basis, the revenue arising therefrom is recognised on a straight-line basis over the period of time such services are performed.

## National Gas Company SAOG and its Subsidiaries

### Notes to the separate and consolidated financial statements for the year ended 31 December 2025

#### 4 Material accounting policy information (continued)

##### 4.1 Revenue recognition (continued)

**Project revenue:** The Group measures its project completion status using survey method (input method) based on actual cost incurred relative to total estimated total cost. Revenue from such project is recognised over the period of project life if any of the following conditions are met:

- the customer simultaneously receives and consumes the benefits provided by the entity's performance as the entity performs;
- the entity's performance creates or enhances an asset (for example, work-in-progress) that the customer controls as the asset is created or enhanced;
- the entity's performance does not create an asset with an alternative use; and
- the entity has right to payment for performance completed to date.

Revenue from contracts with customers shall be segregated from revenue from other sources (e.g. finance income).

##### **Dividend income**

Dividend income is recognised when the right to receive dividend is established.

##### **Interest income**

Interest income is recognised as the interest accrues using the effective interest method.

##### 4.2 Taxation

Taxation is provided in accordance with fiscal regulations applicable to each country of operation.

Deferred tax is provided using the liability method on all temporary differences at the reporting date. Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on laws that have been enacted at the reporting date.

The carrying amount of deferred tax assets 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 tax asset to be utilised.

Income tax is recognised in the profit or loss except to the extent that it relates to items recognised directly in equity, in which case it is recognised in equity.

##### 4.3 Property, plant and equipment

Property, plant and equipment are initially recognised at acquisition cost, including any costs directly attributable to bringing the assets to the location and condition necessary for it to be capable of being operated in the manner intended by the Group. Property, plant and equipment are subsequently measured using the cost model i.e; cost less accumulated depreciation and impairment losses, except for land which is subsequently revalued, on an asset-by-asset basis, to their market values. Valuation of land is normally carried out every five years, on an open market value, for existing use basis. This period may be reduced for classes of land in respect of which market conditions have changed significantly. The carrying amounts, both those revalued and those measured at cost, are reviewed at each reporting date to assess whether they are recorded in excess of their recoverable amount. Where carrying values exceed this recoverable amount assets are written down to their recoverable amount.

## National Gas Company SAOG and its Subsidiaries

### Notes to the separate and consolidated financial statements for the year ended 31 December 2025

#### 4 Material accounting policy information (continued)

##### 4.3 Property, plant and equipment (continued)

When an asset is revalued, any increase in the carrying amount arising on revaluation is credited under revaluation reserve in other comprehensive income, except to the extent that it reverses a revaluation decrease of the same asset previously recognised in the profit or loss, in which case the increase is recognised in the profit or loss. A revaluation deficit is recognised in the profit or loss except to the extent that it offsets an existing surplus on the same asset recognised in the asset revaluation reserve.

Expenditure incurred to replace a component of an item of property, plant and equipment, that is accounted for separately, is capitalised and the carrying amount of the component that is replaced is written off. Other subsequent expenditure is capitalised only when it increases future economic benefits of the related item of property, plant and equipment. All other expenditure is recognised in the separate and consolidated statement of profit or loss as the expense is incurred.

##### Depreciation

Land and capital work-in-progress are not depreciated. The cost or valuation, less estimated residual value, of other property, plant and equipment is depreciated by straight line method over the estimated useful lives of the assets. Capital work-in-progress is transferred into appropriate asset categories when the assets is available for use and depreciation is provided from that date.

The rates of depreciation are based on the following estimated useful lives:

	2025	2024
	Years	Years
Building	20	20
Plant and equipment	5-15	5-15
Tractors and trailers	5-10	5-10
Motor vehicles	4	4
Furniture and fittings	5	5
Software	3	3
Cylinders	10	10

An item of property, plant and equipment and any significant part 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 separate and consolidated statement of profit or loss when the asset is derecognised.

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each reporting date.

Capital work-in-progress is stated at cost less impairment losses if any. All expenditure connected with specific assets incurred during the installation and construction period are carried under capital work-in progress. Cost may also include applicable borrowing costs. Capital work in progress is not depreciated until the asset is available for use.

## **National Gas Company SAOG and its Subsidiaries**

### **Notes to the separate and consolidated financial statements for the year ended 31 December 2025**

#### **4 Material accounting policy information (continued)**

##### **4.4 Business combinations, goodwill and intangible assets**

Business combinations are accounted for using the acquisition method. The cost of an acquisition is measured as the aggregate of the consideration transferred, measured at acquisition date's fair value and the amount of any non-controlling interest in the acquiree. For each business combination, the acquirer measures the non-controlling interest in the acquiree either at fair value or at the proportionate share of the acquiree's identifiable net assets. Acquisition related costs incurred are expensed 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, the previously held equity interest in the acquiree is remeasured at its acquisition date fair value and any resulting gain or loss is recognized in the consolidated statement of profit or loss.

Any contingent consideration is measured at fair value at the date of acquisition. If any obligation to pay contingent consideration that meets the definition of a financial instrument is classified as equity, then it is not remeasured and settlement is accounted for within equity. Otherwise, other contingent consideration is remeasured at fair value at each reporting date and subsequent changes in the fair value of the contingent consideration are recognised in profit or loss.

Goodwill is initially measured at cost, being the excess of the aggregate of the consideration transferred and the amount recognized for non-controlling interest 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 gain is recognised as bargain purchase gain in separate and consolidated statement of 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 benefits from the combination, irrespective of whether other assets or liabilities of the acquiree are assigned to those units.

Where goodwill forms part of 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 of in these circumstances is measured based on the relative values of the disposed operation and the portion of the cash-generation unit retained.

## National Gas Company SAOG and its Subsidiaries

### Notes to the separate and consolidated financial statements for the year ended 31 December 2025

#### 4 Material accounting policy information (continued)

##### 4.5 Leases

The determination of whether an arrangement is, or contains, a lease is based on the substance of the arrangement at inception date. The arrangement is assessed for whether fulfilment of the arrangement is dependent on the use of a specific asset or assets or the arrangement conveys a right to use the asset, even if that right is not explicitly specified in an arrangement.

##### **Group as a lessee**

The Group considers whether a contract is, or contains a lease. A lease is defined as 'a contract, or part of a contract, that conveys the right to use an asset (the underlying asset) for a period of time in exchange for consideration'.

To apply this definition the Group assesses whether the contract meets three key evaluations which are whether:

- the contract contains an identified asset, which is either explicitly identified in the contract or implicitly specified by being identified at the time the asset is made available to the Group;
- the Group has the right to obtain substantially all of the economic benefits from use of the identified asset throughout the period of use, considering its rights within the defined scope of the contract; and
- the Group has the right to direct the use of the identified asset throughout the period of use. The Group assess whether it has the right to direct 'how and for what purpose' the asset is used throughout the period of use.

##### **Measurement and recognition**

At lease commencement date, the Group recognises a right-of-use asset and a lease liability on the separate and consolidated statement of financial position. The right-of-use asset is measured at cost, which is made up of the initial measurement of the lease liability, any initial direct costs incurred by the Group, an estimate of any costs to dismantle and remove the asset at the end of the lease, and any lease payments made in advance of the lease commencement date (net of any incentives received).

The Group depreciates the right-of-use asset on a straight-line basis from the lease commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The Group also assesses the right-of-use asset for impairment when such indicators exist.

At the commencement date, the Group measures the lease liability at the present value of the lease payments unpaid at that date, discounted using the interest rate implicit in the lease, if that rate is readily available, or the Group's incremental borrowing rate.

Lease payments included in the measurement of the lease liability are made up of fixed payments (including in substance fixed), variable payments based on an index or rate, amounts expected to be payable under a residual value guarantee and payments arising from options reasonably certain to be exercised.

## National Gas Company SAOG and its Subsidiaries

### Notes to the separate and consolidated financial statements for the year ended 31 December 2025

#### 4 Material accounting policy information (continued)

##### 4.5 Leases (continued)

Subsequent to initial measurement, the liability will be reduced for payments made and increased for interest. It is remeasured to reflect any reassessment or modification, or if there are changes in in-substance fixed payments.

When the lease liability is remeasured, the corresponding adjustment is reflected in the right-of-use asset, or profit and loss if the right-of-use asset is already reduced to zero.

The Group has elected to account for short-term leases and leases of low-value assets using the practical expedients. Instead of recognising a right-of-use asset and lease liability, the payments in relation to these are recognised as an expense in profit or loss on a straight-line basis over the lease term.

##### **Group as a lessor**

As a lessor the Group classifies its leases as either operating or finance leases. A lease is classified as a finance lease if it transfers substantially all the risks and rewards incidental to ownership of the underlying asset, and classified as an operating lease if it does not.

##### 4.6 Fair value measurement

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 by the Group.

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

Underlying the definition of the fair value is the assumption that the Company is a going concern without any intention or requirements to curtail materially the scale of its operations or undertake a transaction on adverse terms.

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.

All assets and liabilities for which fair value is measured or disclosed in the separate and 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:

## National Gas Company SAOG and its Subsidiaries

### Notes to the separate and consolidated financial statements for the year ended 31 December 2025

#### 4 Material accounting policy information (continued)

##### 4.6 Fair value measurement (continued)

- 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 separate and 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.

For the purpose of fair value disclosures, the Group has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

The fair value of financial instruments that are traded in active markets at each reporting date is determined by reference to quoted market prices or dealer price quotations (bid price for long positions and ask price for short positions), without any deduction for transaction costs.

For financial instruments not traded in an active market, the fair value is determined using appropriate valuation techniques. Such techniques include discounted cash flow analysis or other valuation models.

##### 4.7 Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the separate and consolidated statement of financial position if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, or to realise the assets and settle the liabilities simultaneously.

##### 4.8 Inventories

Inventories are stated at the lower of cost and net realisable value. Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and selling expenses.

Cost of inventories is determined on the first-in-first-out basis and includes all costs incurred in acquiring the inventories and bringing them to their existing location and condition.

##### 4.9 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 such 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 to sell and its value in use.

## **National Gas Company SAOG and its Subsidiaries**

### **Notes to the separate and consolidated financial statements for the year ended 31 December 2025**

#### **4 Material accounting policy information (continued)**

##### **4.9 Impairment of non-financial assets (continued)**

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 pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs to sell, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded subsidiaries or other available fair value indicators.

Impairment losses of discontinued operations are recognised in the profit or loss in those expense categories consistent with the function of the impaired asset, except for property previously revalued where the revaluation was taken to other comprehensive income. In this case, the impairment is also recognised in other comprehensive income up to the amount of any previous revaluation.

For assets excluding goodwill, an assessment is made at each reporting date as to whether there is any indication that previously recognised impairment losses may no longer exist or may have decreased. If such indication exists, the Group estimates the assets or CGUs 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 assets 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 unless the asset is carried at revalued amount, in which case the reversal is treated as a revaluation increase in other comprehensive income.

##### **4.10 Cash and cash equivalents**

For the purpose of separate and consolidated statement of cash flows, cash and cash equivalents consist of cash in hand, bank balances, and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value and are held for the purpose of meeting short term cash commitments.

##### **4.11 Employees' end of service benefits**

The provision for end of service benefits is based upon the liability 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, Saudi Labour Law and UAE Labour Law.

## **National Gas Company SAOG and its Subsidiaries**

### **Notes to the separate and consolidated financial statements for the year ended 31 December 2025**

#### **4 Material accounting policy information (continued)**

##### **4.11 Employees' end of service benefits (continued)**

###### **Government of Oman Social Insurance Scheme (the Scheme)**

The Group contributes to the Special Protection Fund in respect of its Omani employees in accordance with the requirements of the Social Protection Law and related regulations applicable during the respective financial year. The Scheme is a defined contribution retirement plan administered by the Government of Oman.

Contributions to the Scheme are made by both the Group and its Omani employees at rates prescribed under the applicable laws and regulations for the relevant period. The Group recognizes its contributions as an expense in the period in which the related employee services are rendered and has no further obligations once such contributions have been paid to the Scheme.

###### **Non-Omani employee terminal benefits**

The provision for end of service benefits for non-Omani employees is made in accordance with the requirements of the Oman Labour Law, Saudi Labour Law and UAE Labour Law. This is an unfunded defined benefits retirement plan. Accrued non-Omani staff terminal benefits are payable on termination of employment.

##### **4.12 Provisions, contingent liabilities and contingent assets**

Provisions are recognised when present obligations will probably lead to an outflow of economic resources from the Group and they can be estimated reliably. Timing or amount of the outflow may still be uncertain.

A present obligation arises from the presence of a legal or constructive delegation that has resulted from past events, for example, legal disputes or onerous contracts. Restructuring provisions are recognised only if a detailed formal plan for the restructuring has been developed and implemented, or management has at least announced the plan's main features to those affected by it. Provisions are not recognised for future operating losses.

Provisions are measured at the estimated expenditure required to settle the present obligation, based on the most reliable evidence available at the reporting date, including the risks and uncertainties associated with the present obligation. Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. Long term provisions are discounted to their present values, where the time value of money is material.

All provisions are reviewed at each reporting date and adjusted to reflect the current best estimate of the Company's management.

Any reimbursement that the Group can be virtually certain to collect from a third party with respect to the obligation is recognised as a separate asset. However, this asset may not exceed the amount of the related provision.

Probable inflow of economic benefits to the Parent Company and Group that do not yet meet the recognition criteria of an asset are considered contingent assets.

## National Gas Company SAOG and its Subsidiaries

### Notes to the separate and consolidated financial statements for the year ended 31 December 2025

#### 4 Material accounting policy information (continued)

##### 4.12 Provisions, contingent liabilities and contingent assets (continued)

No provision is recognised if an outflow of economic resources as a result of present obligations is not probable. Such situations are disclosed as contingent liabilities unless the outflow of resources is remote.

##### 4.13 Foreign currencies transactions and translations

Transactions denominated in foreign currencies are translated to Rial Omani at the foreign exchange rate prevailing at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the reporting date are translated to Rial Omani at exchange rates prevailing at that date. Foreign exchange differences arising on translation are recognised in the separate and consolidated statement of profit or loss. Non-monetary assets and liabilities that are measured in terms of historical cost in foreign currency are translated using the exchange rate at the date of the transaction.

The functional currency of foreign subsidiaries, based in the United Arab Emirates, Kingdom of Saudi Arabia, Malaysia and Mauritius, are UAE Dirhams, Saudi Riyal, Malaysia Ringgits (RM) and US Dollars (USD), respectively. As at the reporting date, the assets and liabilities of these subsidiaries are translated into the presentation currency of the Group (Rial Omani) at the rate of exchange prevailing at the reporting date and their statement of profit or loss and other comprehensive income is translated at the average exchange rates for the year. Foreign exchange differences arising on translation are recognised in the consolidated other comprehensive income.

##### 4.14 Directors' remuneration

The Parent Company follows the Commercial Companies Law (as amended), and other relevant directives issued by FSA, in regard to determination of the amount to be paid as Directors' remuneration. Directors' remuneration is charged to the statement of profit or loss in the year to which it relates.

##### 4.15 Dividend distribution

Dividend distributions payable to shareholders are included in other liabilities only when the dividends have been approved in a general meeting prior to the reporting date.

##### 4.16 Non-current assets / disposal group / classified as held-for-sale and discontinued operations

The Group classifies non-current assets and disposal groups as held-for-sale if their carrying amounts will be recovered principally through a sale rather than through continuing use. Such non-current assets and disposal groups classified as held for sale are measured at the lower of their carrying amount and fair value less costs to sell.

The criteria for held-for-sale classification is regarded as met only when the sale is highly probable and the asset or disposal group is available for immediate sale in its present condition. Management must be committed to the sale, which should be expected to qualify for recognition as a completed sale within one year from the date of reclassification.

Equity accounting for investment in associate ceases once such investments have been classified and included as held-for-sale.

Profit or loss from discontinued operations comprises the post-tax profit or loss of discontinued operations and the post-tax gains or loss recognised on the remeasurement of fair value less cost to sell or on the disposal group constituting the discontinued operations.

## National Gas Company SAOG and its Subsidiaries

### Notes to the separate and consolidated financial statements for the year ended 31 December 2025

#### 4 Material accounting policy information (continued)

##### 4.17 Bank borrowings

Borrowings are initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently stated at amortised cost; any difference between the proceeds (net of transaction costs) and the redemption value is recognised as interest expense in the separate and consolidated statement of profit or loss over the period of the borrowings using the effective interest method. Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the reporting date.

##### 4.18 Financial instruments

###### Recognition and de-recognition

Financial assets and financial liabilities are recognised when the Group becomes a party to the contractual provisions of the financial instrument. Financial liabilities are not recognised unless one of the parties has performed its part of the contract or a contract is the derivative contract. Financial assets are derecognised when the contractual rights to the cash flows from the financial asset expire, or when the financial asset and substantially all the risks and rewards are transferred. A financial liability is derecognised when it is extinguished, discharged, cancelled or expires.

###### Classification and initial measurement of financial assets

Except for those trade receivables that do not contain a significant financing component and are measured at the transaction price in accordance with IFRS 15, all financial assets are initially measured at fair value adjusted for transaction costs (where applicable). Transaction cost attributable to financial assets at fair value through profit or loss is recognised in statement of profit or loss when incurred.

Financial assets, other than those designated and effective as hedging instruments, are classified into the following categories:

- amortised cost;
- fair value through profit or loss (FVTPL); or
- fair value through other comprehensive income (FVTOCI).

In the periods presented the Group does not have any financial assets categorised as FVTPL.

The classification is determined by both:

- the entity's business model for managing the financial asset; and
- the contractual cash flow characteristics of the financial asset.

All income and expenses relating to financial assets that are recognised in profit or loss are presented within finance costs, finance income or other financial items, except for impairment of trade receivables which is presented separately in the statement of profit or loss.

## National Gas Company SAOG and its Subsidiaries

### Notes to the separate and consolidated financial statements for the year ended 31 December 2025

#### 4 Material accounting policy information (continued)

##### 4.18 Financial instruments (continued)

###### Subsequent measurement of financial assets

###### Financial assets at amortised cost

Financial assets are measured at amortised cost if the assets meet the following conditions (and are not designated as FVTPL):

- they are held within a business model whose objective is to hold the financial assets and collect its contractual cash flows; and
- the contractual terms of the financial assets give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding.

After initial recognition, these are measured at amortised cost using the effective interest method. Discounting is omitted where the effect of discounting is immaterial.

###### Financial assets at fair value through profit or loss (FVTPL)

Financial assets that are held within a different business model other than 'hold to collect' or 'hold to collect and sell' are categorised at FVTPL. All derivative financial instruments fall into this category, except for those designated and effective as hedging instruments, for which the hedge accounting requirements apply.

###### Financial assets at fair value through other comprehensive income (FVTOCI)

Equity instrument which are not held for trading or issued as contingent consideration in business combination, and for which the Group has made an irrevocable election at initial recognition to recognise changes in fair value through other comprehensive income rather than profit or loss, are designated at gain value through OCI. This election is made on an investment-by-investment basis.

Debt instruments where the contractual cash flows are solely principal and interest and the objective of the Group's business model is achieved both by collecting contractual cash flows and selling financial assets are designated at FVTOCI. The Group's FVTOCI investments include quoted investments carried at fair value through other comprehensive income.

###### Impairment of financial assets

The impairment model applies to financial assets measured at amortized cost, contract assets receivables, lease receivables and debt investments at FVTOCI, but not on investments in equity instruments.

Under IFRS 9, loss allowance are measured on either of the following bases:

- 12 months ECL: these are ECLs that result from possible default events within 12 months after the reporting date; and
- Lifetime ECL: these are ECLs that result from all possible default events over the expected life of a financial instrument.

The Group measures loss allowance at an amount equal to lifetime ECLs, except for the following, which are measured as 12 months ECLs:

- Financial assets that are determined to have low credit risk at the reporting date; and
- Finance assets for which credit risk (i.e. the risk of default occurring over the expected life of the financial instrument) has not increased significantly since initial recognition.

## National Gas Company SAOG and its Subsidiaries

### Notes to the separate and consolidated financial statements for the year ended 31 December 2025

#### 4 Material accounting policy information (continued)

##### 4.18 Financial instruments (continued)

###### General approach

General approach is a 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. Stage 3 would cover financial assets that have objective evidence of impairment at the reporting date. Financial assets are assessed as credit impaired when there is a detrimental impact on the estimated future cash flows of the financial asset.

###### Significant increase in credit risk

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 and including forward-looking information.

The Group considers a financial asset to be in default when the borrower is unlikely to pay its credit obligations to the Group in full, without recourse by the Group to actions such as realising security (if any is held) or based on the certain delinquency period (days past due).

###### Simplified approach

The Group applies simplified approach to measuring credit losses, which mandates recognition of lifetime expected loss allowance for trade receivables without significant financing component. Under simplified approach, there is no need to monitor for significant increases in credit risk and the Group will be required to measure lifetime expected credit losses at all times.

###### Measurement of ECLs

ECLs are a probability weighted estimate of credit losses. Credit losses are measured as the present value of all cash shortfalls (i.e. the difference between the cash flows due to the Group in accordance with the contract and the cash flows that the Group expects to receive). ECLs are discounted at the effective interest rate of the financial asset. The maximum period considered when estimating ECLs is the maximum contractual period over which the Group is exposed to credit risk.

###### Credit - impaired financial assets

At each reporting date, the Group assesses whether financial assets carried at amortised cost are credit-impaired. A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

## National Gas Company SAOG and its Subsidiaries

### Notes to the separate and consolidated financial statements for the year ended 31 December 2025

#### 4 Material accounting policy information (continued)

##### 4.18 Financial instruments (continued)

###### 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. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Group's procedures for recovery of amounts due.

###### Contract assets

Contract assets represent the gross unbilled amount expected to be collected from customers for contract work performed to date. It is measured at cost plus profit recognised to date less progress billing and recognised losses. Cost includes all expenditure related directly to specific projects and an appropriate allocation of fixed and variable overheads incurred.

Contract assets are presented as part of current assets in the statement of financial position for all contracts in which costs incurred plus recognised profits exceed progress billing. If progress billing exceed costs incurred plus recognised profits, then difference is presented as contract liabilities as part of the current liabilities in the statement of financial position.

###### Contract liabilities

A contract liability is the obligation of the Company to transfer goods or services to a customer for which the Company has received consideration (or an amount of consideration is due) from the customer. If a customer pays consideration before the Company transfers goods or services to the customer, a contract liability is recognized when the payment is made. Contract liabilities are recognized as revenue when the Company satisfies the performance obligation under the contract.

###### Presentation of impairment

Loss allowance for financial assets measured at amortised cost are deducted from the gross carrying amount of the assets. Impairment losses related to financial assets are presented separately in the separate and consolidated statement of profit or loss and other comprehensive income.

###### Classification and measurement of financial liabilities

Financial liabilities are initially measured at fair value, and, where applicable, adjusted for transaction costs unless the Group designated a financial liability at fair value through profit or loss.

Subsequently, financial liabilities are measured at amortised cost using the effective interest rate method except for derivative and financial liabilities designated at FVTPL, which are carried subsequently at fair value with gains or loss recognised in profit or loss.

All interest-related charges and, if applicable, changes in an instrument's fair value that are reported in the separate and consolidated statement of profit or loss and other comprehensive income are included within 'finance costs' or 'finance income'.

**5 Significant management judgement in applying accounting policies and estimation uncertainty**

When preparing the separate and consolidated financial statements, management makes a number of judgements, estimates and assumptions about the recognition and measurement of assets, liabilities, income and expenses.

The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. The actual results may differ from the judgement, estimates and assumptions made by management.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revision to accounting estimates are recognised in the year in which estimates are revised and in future period affected.

**Significant management judgments**

The following are significant judgements made by management in applying the accounting policies of the Group that have the most significant effect on these separate and consolidated financial statements.

**Going concern**

The Group's management has made an assessment of the Group's ability to continue as a going concern and is satisfied that the Group has the resources to continue in business for the foreseeable future. Furthermore, the management is not aware of any material uncertainties that may cast significant doubt upon the Group's ability to continue as a going concern. Therefore, the separate and consolidated financial statements continue to be prepared on the going concern basis.

**Recognition of deferred 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.

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.

**Estimation uncertainty**

Information about estimates and assumptions that may have the most significant effect on recognition and measurement of assets, liabilities, income and expenses is provided below.

## National Gas Company SAOG and its Subsidiaries

### Notes to the separate and consolidated financial statements for the year ended 31 December 2025

#### 5 Significant management judgement in applying accounting policies and estimation uncertainty (continued)

##### **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.

##### **Provision for expected credit losses**

Credit losses for financial assets are based on assumptions about risk of default and expected loss rates. The Group uses judgment in making these assumptions and selecting the inputs to the impairment calculation, based on the Group's past experience and historical data, existing market conditions as well as forward-looking estimates at the end of each reporting period.

##### **Allowance for slow moving inventories**

Allowance for slow moving inventories is based on management's assessment of various factors such as the usability, maintenance programs, and normal wear and tear using best estimates.

##### **Impairment of goodwill**

Goodwill are tested for impairment annually and at other times when such indicators exist. This requires an estimation of the value in use of the cash generating units to which goodwill is allocated.

When value in use calculations are undertaken, management must estimate the expected future cash flows from the asset or cash-generating unit and choose a suitable discount rate in order to calculate the present value of those cash flows.

##### **Leases - determination of the appropriate discount rate to measure lease liabilities**

The Group cannot readily determine the interest rate implicit in the lease, therefore, it uses its incremental borrowing rate (IBR) to measure lease liabilities. The IBR is the rate of interest that the Group would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of a similar value to the right-of-use assets in a similar economic environment. The IBR therefore reflects what the Group 'would have to pay', which requires estimation when no observable rates are available or when they need to be adjusted to reflect the terms and conditions of the lease. The Group estimates the IBR using observable inputs (such as market interest rates) when available and is required to make certain entity-specific estimates.

**National Gas Company SAOG and its Subsidiaries**

Notes to the separate and consolidated financial statements for the year ended 31 December 2025

**6. Property, plant and equipment**

**Parent Company**

	Freehold land	Building	Plant and equipment	Tractors and trailers	Motor vehicles	Furniture and fittings	Software	Capital work-in-progress	Total
	RO	RO	RO	RO	RO	RO	RO	RO	RO
<b>Cost / revalued amount:</b>									
At 1 January 2024	4,584,450	2,106,389	2,950,056	1,920,716	174,660	393,373	64,770	337	12,196,753
Additions	-	14,224	54,004	-	-	24,572	-	106,096	198,896
Transfers	-	-	-	84,974	-	-	-	(84,974)	-
Disposals	-	-	-	(203,734)	(44,661)	-	-	-	(248,395)
<b>At 31 December 2024</b>	<b>4,584,450</b>	<b>2,122,613</b>	<b>3,004,052</b>	<b>1,801,956</b>	<b>129,999</b>	<b>417,945</b>	<b>64,770</b>	<b>21,459</b>	<b>12,147,254</b>
At 1 January 2025	4,584,450	2,122,613	3,004,052	1,801,956	129,999	417,945	64,770	21,459	12,147,254
Additions	-	19,048	10,368	4,014	-	13,527	-	157,903	204,860
Revaluation	(919,450)	-	-	-	-	-	-	-	(919,450)
Transfers	-	640	51,044	49,990	-	784	20,002	(122,470)	-
Disposals	-	-	(15,692)	(90,290)	-	(1,073)	-	-	(107,055)
<b>At 31 December 2025</b>	<b>3,665,000</b>	<b>2,142,301</b>	<b>3,049,782</b>	<b>1,765,670</b>	<b>129,999</b>	<b>431,193</b>	<b>84,772</b>	<b>66,592</b>	<b>11,325,309</b>

	Freehold land	Building	Plant and equipment	Tractors and trailers	Motor vehicles	Furniture and fittings	Software	Capital work-in-progress	Total
	RO	RO	RO	RO	RO	RO	RO	RO	RO
<b>Accumulated depreciation:</b>									
At 1 January 2024	-	1,674,716	2,671,668	1,638,384	142,025	351,403	52,603	-	6,531,079
Charge for the year	-	39,431	77,912	66,145	9,569	19,065	5,256	-	218,379
Related to disposals	-	-	-	(201,601)	(44,308)	-	-	-	(246,209)
<b>At 31 December 2024</b>	<b>-</b>	<b>1,714,147</b>	<b>2,749,880</b>	<b>1,504,508</b>	<b>107,286</b>	<b>369,469</b>	<b>57,859</b>	<b>-</b>	<b>6,503,249</b>
At 1 January 2025	-	1,714,147	2,749,880	1,504,608	107,286	369,469	57,859	-	6,503,249
Charge for the year	-	39,690	64,393	59,545	9,204	18,246	7,848	-	198,826
Related to disposals	-	-	(15,073)	(66,203)	-	(1,073)	-	-	(82,349)
<b>At 31 December 2025</b>	<b>-</b>	<b>1,753,737</b>	<b>2,799,200</b>	<b>1,497,950</b>	<b>116,490</b>	<b>386,642</b>	<b>65,707</b>	<b>-</b>	<b>6,619,726</b>

	Freehold land	Building	Plant and equipment	Tractors and trailers	Motor vehicles	Furniture and fittings	Software	Capital work-in-progress	Total
	RO	RO	RO	RO	RO	RO	RO	RO	RO
<b>Net book value:</b>									
At 31 December 2025	3,665,000	388,884	250,882	267,720	13,509	44,551	19,065	66,592	4,705,583
At 31 December 2024	4,584,450	408,466	254,182	297,348	22,713	48,476	5,911	21,459	5,644,005

In the opinion of management, there is no objective evidence that the above assets are impaired as at 31 December 2025 (2024: Nil). Parent Company's fair value reserve of the Land is RO 2,979,098 (2024: RO 3,760,631). If the land had been carried at cost, the carrying amount at 31 December 2025 would have been RO 154,531 (2024: RO 154,531).

Parent Company's depreciation cost is allocated to cost of revenue for RO 164,306 (2024: RO 186,632) and Administrative and selling expenses for RO 34,520 (2024: RO 31,747).

**National Gas Company SAOG and its Subsidiaries**

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**6 Property, plant and equipment (continued)**

Group	Freehold land	Building	Plant and equipment	Tractors and trailers	Motor vehicles	Furniture and fittings	Software	Cylinders	Capital work-in-	Total
	RO	RO	RO	RO	RO	RO	RO	RO	RO	RO
<b>Cost / revalued amount:</b>										
At 1 January 2024	6,976,323	2,191,402	17,601,458	1,899,600	427,741	1,200,891	70,571	12,678,940	389,525	43,436,451
Exchange difference on translation	66,899	642	408,942	-	6,577	21,827	-	354,963	10,885	870,735
Additions	-	72,388	66,134	-	210	30,234	-	-	1,553,978	1,722,944
Disposals	-	-	(169)	(203,735)	(44,661)	(76,334)	-	(9,762)	-	(334,661)
Transfers	-	-	304,719	84,974	33,809	54,952	-	758,750	(1,235,204)	-
Reclassification	-	-	(12,082)	-	-	-	-	12,082	-	-
Revaluation	84,489	-	-	-	-	-	-	-	-	84,489
Write off	-	-	-	-	-	(184,955)	-	-	-	(184,955)
<b>At 31 December 2024</b>	<b>7,127,711</b>	<b>2,264,432</b>	<b>18,369,002</b>	<b>1,780,839</b>	<b>423,676</b>	<b>1,046,615</b>	<b>70,571</b>	<b>13,792,973</b>	<b>719,184</b>	<b>45,595,003</b>
At 1 January 2025	7,127,711	2,264,432	18,369,002	1,780,839	423,676	1,046,615	70,571	13,792,973	719,184	45,595,003
Exchange difference on translation	257,759	2,391	1,554,143	-	27,927	60,388	-	1,397,913	66,894	3,367,415
Additions	-	19,048	58,652	4,014	-	14,048	-	-	1,969,135	2,064,897
Acquisition of subsidiary	-	80,851	277,109	197,811	45,263	3,853	-	-	-	604,887
Disposals	-	-	(15,821)	(90,290)	(9,303)	(29,468)	-	-	-	(144,882)
Transfers	-	640	695,572	49,990	47,940	36,550	20,002	943,051	(1,793,745)	-
Write off	-	-	(14,443)	-	-	-	-	-	(37,700)	(52,143)
Revaluation	(919,450)	-	-	-	-	-	-	-	-	(919,450)
<b>At 31 December 2025</b>	<b>6,466,020</b>	<b>2,367,362</b>	<b>20,924,214</b>	<b>1,942,364</b>	<b>535,503</b>	<b>1,131,986</b>	<b>90,573</b>	<b>16,133,937</b>	<b>923,768</b>	<b>50,515,727</b>

NGC Energy Malaysia's property, plant and equipment with a carrying amount of RM 147,396,913 (2024: RM 154,156,789) are pledged as security for the borrowings (Note 19).

Group CWIP assets consists of Project installations and Plant related installations for amounts incurred upto respective period end.

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6 Property, plant and equipment (continued)

Group	Freehold land		Building		Plant and equipment		Tractors and trailers		Motor vehicles		Furniture and fittings		Software		Cylinders		Capital work-in-progress		Total		
	RO	RO	RO	RO	RO	RO	RO	RO	RO	RO	RO	RO	RO	RO	RO	RO	RO	RO	RO	RO	
<b>Accumulated depreciation:</b>																					
At 1 January 2024	-	1,721,266	11,172,377	1,617,248	290,289	956,051	54,115	7,707,117	-	23,518,463											
Exchange difference on translation	-	375	251,391	-	4,295	17,371	-	228,879	-	502,311											
Charge for the year	-	44,512	1,084,898	68,145	46,987	85,400	6,990	965,398	-	2,302,330											
Write off	-	-	-	-	-	(184,955)	-	-	-	(184,955)											
Related to disposals	-	-	(131)	(201,902)	(44,308)	(76,292)	-	(9,762)	-	(332,395)											
At 31 December 2024	-	1,766,153	12,508,535	1,483,491	297,263	797,575	61,105	8,891,632	-	25,805,754											
At 1 January 2025	-	1,766,153	12,508,535	1,483,491	297,263	797,575	61,105	8,891,632	-	25,805,754											
Exchange difference on translation	-	1,513	1,040,681	-	19,951	44,784	-	954,000	-	2,060,929											
Charge for the year	-	49,893	1,182,695	69,380	59,759	90,557	9,181	1,095,458	-	2,556,923											
Acquisition of subsidiary	-	10,091	87,040	86,636	20,047	1,855	-	-	-	205,669											
Write off	-	-	(7,062)	-	-	-	-	-	-	(7,062)											
Related to disposals	-	-	(15,141)	(66,202)	(5,503)	(27,997)	-	-	-	(114,843)											
At 31 December 2025	-	1,827,650	14,796,748	1,573,305	391,517	906,774	70,286	10,941,090	-	30,507,370											
<b>Net book value:</b>																					
At 31 December 2025	6,466,020	539,712	6,127,466	369,059	143,986	225,212	20,287	5,192,847	923,768	20,008,357											
At 31 December 2024	7,127,711	498,279	5,960,467	297,348	126,413	249,040	9,466	4,901,341	719,184	19,789,249											

Group's fair value reserve of the Land is RO 3,385,821 (2024: RO 4,129,926). If the land had been carried at cost, the carrying amount at 31 December 2025 would have been RO 2,158,055 (2024: RO 1,973,684).

Group's depreciation cost is allocated to cost of revenue for RO 2,401,064 (2024: RO 2,166,488) and Administrative and selling expenses for RO 155,859 (2024: RO 135,842).

## National Gas Company SAOG and its Subsidiaries

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### 7 Right-of-use assets

The carrying amounts of right-of-use assets recognised and the movements during the year are as follows:

	Parent Company		Group	
	2025	2024	2025	2024
	RO	RO	RO	RO
<b>Gross carrying amount:</b>				
As at 1 January	345,784	410,059	3,619,318	3,515,016
Exchange rate differences	-	-	331,772	86,844
Addition	-	54,051	684,716	158,281
Disposal	-	(118,326)	(113,008)	(140,823)
<b>At 31 December</b>	<b>345,784</b>	<b>345,784</b>	<b>4,522,798</b>	<b>3,619,318</b>
<b>Accumulated depreciation and impairment:</b>				
As at 1 January	184,048	229,983	1,540,087	1,300,336
Exchange rate differences	-	-	152,664	33,417
Depreciation	56,198	53,385	371,964	327,845
Disposal	-	(99,320)	(107,370)	(121,511)
<b>At 31 December</b>	<b>240,246</b>	<b>184,048</b>	<b>1,957,345</b>	<b>1,540,087</b>
<b>Carrying amount as at 31 December</b>	<b>105,538</b>	<b>161,736</b>	<b>2,565,453</b>	<b>2,079,231</b>

#### Depreciation (Right of used assets)

	Parent Company		Group	
	2025	2024	2025	2024
	RO	RO	RO	RO
Depreciation considered under Cost of Revenue	29,173	29,172	287,741	248,157
Depreciation considered under Administrative and selling expenses	27,025	24,213	84,223	79,688
<b>At 31 December</b>	<b>56,198</b>	<b>53,385</b>	<b>371,964</b>	<b>327,845</b>

The table below describes the nature of the Group's leasing activities by type of right-of-use assets recognised in the separate and consolidated statement of financial position:

Right-of-use assets	Number of right-of-use assets leased	Range of remaining term	Number of leases with extension option	Number of leases with termination options
Land	7	1-5 years	7	-
Building	9	1-5 years	9	-

### 8 Financial assets at fair value through other comprehensive income (FVTOCI)

	Parent Company		Group	
	2025	2024	2025	2024
	RO	RO	RO	RO
As at 1 January	824,396	1,114,798	824,396	1,114,798
Additions	20,061	10,030	20,061	10,030
Disposals	-	(218,856)	-	(218,856)
Fair value changes	165,991	(81,576)	165,991	(81,576)
<b>At 31 December</b>	<b>1,010,448</b>	<b>824,396</b>	<b>1,010,448</b>	<b>824,396</b>

## National Gas Company SAOG and its Subsidiaries

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### 8 Financial assets at fair value through other comprehensive income (FVTOCI) (continued)

Investments at FVTOCI can be analysed based on sectors as below:

	Parent Company and Group		Parent Company and Group	
	Cost	Fair value	Cost	Fair value
	2025	2025	2024	2024
	RO	RO	RO	RO
Insurance	24,407	86,472	24,407	80,269
Investment	44,232	280,572	24,171	209,769
Banking	159,541	384,223	159,541	298,767
Telecommunication	32,602	20,687	32,602	18,680
Services	223,272	238,494	223,272	216,911
<b>At 31 December</b>	<b>484,054</b>	<b>1,010,448</b>	<b>463,993</b>	<b>824,396</b>

### 9 Investment in subsidiaries

	Parent Company	
	2025	2024
	RO	RO
Innovative Energy Holdings Mauritius Ltd, Mauritius	8,639,262	8,639,262
NGC Energy Saudi LLC, KSA	1,385,924	872,619
National Gas Developments SPC, Oman	100,000	100,000
Samahram Gas LLC	384,524	-
<b>At 31 December</b>	<b>10,509,710</b>	<b>9,611,881</b>
Less : Impairment on Subsidiary Company	(100,000)	-
<b>At 31 December</b>	<b>10,409,710</b>	<b>9,611,881</b>

During the year, following movements have occurred for impairment in subsidiaries :-

	Parent Company	
	2025	2024
	RO	RO
Opening	-	-
Addition	100,000	-
<b>At 31 December</b>	<b>100,000</b>	<b>-</b>

The ownership interest in subsidiaries are as under:

	Country of incorporation	Ownership interest	
		2025	2024
Innovative Energy Holdings Mauritius Ltd, Mauritius	Mauritius	100%	100%
NGC Energy Saudi LLC, KSA	KSA	100%	100%
National Gas Developments SPC, Oman	Oman	100%	100%
Samahram Gas LLC	Oman	80%	-

The subsidiaries' principal place of business and country of incorporation are the same. The Group follows the same financial year-end.

During the year, following movements have occurred in subsidiaries:

	Parent Company	
	2025	2024
	RO	RO
At 1 January	9,611,881	9,511,881
Addition	897,829	100,000
Impairment on Subsidiary Company	(100,000)	-
<b>At 31 December</b>	<b>10,409,710</b>	<b>9,611,881</b>

## National Gas Company SAOG and its Subsidiaries

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### 9 Investment in subsidiaries (continued)

#### Summary of financial results of subsidiaries containing significant non-controlling interest (NCI)

Set out below is summarised financial information for each subsidiary that has non-controlling interests that are material to the group. The amounts disclosed for each subsidiary are before inter-company eliminations.

	Samahram Gas		NGC Energy SDN BHD	
	2025 RO	2024 RO	2025 RO	2024 RO
Non-current assets	515,494	-	25,220,438	23,165,123
Current assets	292,426	-	9,322,790	14,021,526
Non-current liabilities	(322,466)	-	(3,948,268)	(3,516,456)
Current liabilities	(178,553)	-	(9,597,552)	(14,218,180)
<b>Net assets</b>	<b>306,901</b>	<b>-</b>	<b>20,997,408</b>	<b>19,452,013</b>
Net assets attributable to NCI	61,380	-	8,398,963	7,780,805
Revenues	1,264,326	-	70,380,306	73,355,784
Profit for the period	75,620	-	45,528	550,093
Profit for the period allocated to NCI	13,522	-	18,211	220,037

#### Goodwill

Goodwill arose on the acquisition of Shell Malaysia Trading's LPG business by NGC Energy SDN BHD and acquisition of Samahram Gas LLC by the Parent Company, being the fair value of consideration paid over net assets acquired.

Goodwill is allocated, at acquisition, to the Cash-Generating Unit (CGU) that is expected to benefit from the business transfer. A CGU to which goodwill has been allocated is tested for impairment annually, or more frequently when there is an indication that the unit may be impaired. The recoverable amount of a CGU is determined based on the value in use calculations using cash flow projections from financial budgets approved by management covering a five-year period. The pre-tax discount rate applied to the cash flow projections are 14% per annum (2024: 14%). Cash flow beyond the terminal period is extrapolated using the growth rate of 2% (2024: 2%).

Below is the carrying amount of goodwill:

	2025 RO	2024 RO
At 1 January	7,260,293	7,062,751
Addition	145,091	-
Net change in foreign exchange	735,829	197,542
<b>At 31 December</b>	<b>8,141,213</b>	<b>7,260,293</b>

### 10 Assets / liabilities of disposal group / non-current assets held-for-sale

#### Investment in subsidiaries

During the year 2022, the Board of Directors of the Parent Company resolved to dispose its investment in NGC Central Gas Systems LLC (NGCCGS) and also stop further operations in NGC Energy LLC (UAE) (NGCEL) by selling its assets. NGCCGS is under liquidation currently.

The assets and liabilities related to above mentioned disposals / disposal groups for the year ended 31 December 2025 and 31 December 2024 are as follows:

#### Parent Company

	2025 RO	2024 RO
NGC Energy LLC, UAE	31,527	31,527
NGC Central Gas System, UAE	21,053	21,053
	52,580	52,580
Less: Loss on remeasurement to fair value less cost to sell	(52,580)	(52,580)
<b>Net non-current assets classified as held-for-sale</b>	<b>-</b>	<b>-</b>

**National Gas Company SAOG and its Subsidiaries**

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**10 Assets / liabilities of disposal group / non-current assets held-for-sale (continued)**

Group	2025 RO	2024 RO
<b>Assets:</b>		
Property, plant and equipment	100,001	226,650
Trade and other receivables	146,873	298,985
Cash and bank balances	43,462	33,337
	<b>290,336</b>	<b>558,972</b>
<b>Liabilities:</b>		
Accounts payable and accruals	32,342	29,727
	<b>32,342</b>	<b>29,727</b>

**11 Inventories:**

	Parent Company		Group	
	2025 RO	2024 RO	2025 RO	2024 RO
LPG	25,500	27,019	358,786	942,738
Finished goods	278,994	398,028	284,110	405,501
Cylinders and accessories	172,104	95,331	172,104	95,331
Plant and other spares	185,034	188,710	329,432	295,992
Project inventory	143,246	96,132	174,994	137,978
Work-in-progress	-	751	71,443	131,490
Less: Provision for obsolescence and slow-moving inventory	(20,918)	(10,918)	(20,918)	(10,918)
	<b>783,960</b>	<b>795,053</b>	<b>1,369,951</b>	<b>1,998,112</b>

**12 Trade and other receivables**

	Parent Company		Group	
	2025 RO	2024 RO	2025 RO	2024 RO
Trade receivables	214,423	285,264	214,423	285,264
Less: provision for expected credit losses	-	-	-	-
	<b>214,423</b>	<b>285,264</b>	<b>214,423</b>	<b>285,264</b>

**Current**

	Parent Company		Group	
	2025 RO	2024 RO	2025 RO	2024 RO
Trade receivables	3,068,656	2,650,074	6,175,001	5,848,629
Less: provision for expected credit losses	(623,325)	(570,639)	(1,354,099)	(1,287,994)
	<b>2,445,331</b>	<b>2,079,435</b>	<b>4,820,902</b>	<b>4,560,635</b>
Advance for purchases	54,165	46,825	220,641	132,512
Contract assets	-	-	985,638	606,678
Claims for Government subsidy	-	-	4,012,110	9,346,418
Amounts due from related parties (note 24)	1,047,599	1,174,142	-	-
Accrued income	-	124,318	190,648	540,369
Other receivables	149,813	125,879	270,740	161,589
Prepayments	19,648	20,312	156,888	141,654
Tax paid under appeal	3,487	3,487	3,487	3,487
Deposits	-	-	282,553	255,139
	<b>3,720,043</b>	<b>3,574,398</b>	<b>10,943,607</b>	<b>15,748,481</b>

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### 12 Trade and other receivables (continued)

Movement in the provision for expected credit losses are as follows:

	Parent Company		Group	
	2025	2024	2025	2024
	RO	RO	RO	RO
At 1 January	570,639	570,639	1,287,994	1,235,031
Add: provided during the year	52,686	-	26,262	37,447
Provision write off	-	-	-	(1,562)
Exchange rate fluctuation	-	-	39,843	17,078
<b>At 31 December</b>	<b>623,325</b>	<b>570,639</b>	<b>1,354,099</b>	<b>1,287,994</b>

### 13 Cash and bank balances

	Parent Company		Group	
	2025	2024	2025	2024
	RO	RO	RO	RO
Cash in hand	34,728	22,395	35,814	23,253
Cash at banks - current account	97,966	134,196	1,524,028	474,266
Cash at banks - short term deposits	-	-	237,704	215,614
	132,694	156,591	1,797,546	713,133
Cash at banks - short term deposits	-	-	(237,704)	(215,614)
<b>Cash and cash equivalents</b>	<b>132,694</b>	<b>156,591</b>	<b>1,559,842</b>	<b>497,519</b>

There are no restrictions on bank balances at the time of approval of these separate and consolidated financial statements.

### 14 Share capital

The authorised share capital comprises 120,000,000 shares of RO 0.100 each (2024: 120,000,000 of RO 0.100 each). The issued and fully paid-up share capital is RO 8,500,000 comprising 85,000,000 shares of RO 0.100 each (2024: 85,000,000 of RO 0.100 each).

The details of major shareholders, who hold 9% or more of the Parent Company's shares, at the reporting date, are as follows:

	Number of shares		% holding	
	2025	2024	2025	2024
A' Sharqiya Investments SAOG	10,937,856	10,937,856	12.87	12.87
Social Protection Fund	8,376,282	8,376,282	9.85	9.85

### 15 Share premium

The Parent Company during 2014 issued 15,561,414 rights shares of RO 0.375 each (including RO 0.275 each as premium) to the existing shareholders. The related details are set out below:

	RO
Total share premium collected	4,279,386
Less: issue expenses	(13,506)
Share premium balance	4,265,880
Transfer to legal reserve during 2014	(476,248)
Bonus share issued in 2018	(1,000,000)
Bonus share issued in 2019	(1,000,000)
<b>At 31 December 2025</b>	<b>1,787,632</b>

### 16 Legal reserve

As required by the Commercial Companies Law of 2019, as amended, the Parent Company transfers 10% of its profit for the year to legal reserve until such time the legal reserve amounts to at least one third of the Parent Company's share capital. The reserve is not available for distribution. Since the Parent Company has incurred a loss of the year no appropriation has been made to the legal reserve account.

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### 17 Other reserves

- (i) Other reserves include a general reserve of the Parent Company, which is created in accordance with the Commercial Companies Law of 2019, as amended. The annual appropriation is made at the rate not exceeding 20% of the profit for the year after deduction of taxes and the statutory reserve, and the reserve shall not exceed one half of the share capital of the Parent Company. This reserve is a distributable reserve.
- (ii) Other reserves also include statutory reserve of NGC Energy LLC, NGC Central Gas System LLC, and NGC Energy SDN BHD amounted to RO 7,895, RO 2,775 and RO 227,417 respectively (2024: RO 7,895, RO 2,775 and RO 206,489 respectively).

### 18 Revaluation reserve

This represents the surplus on the revaluation of freehold land, net of tax and is not available for distribution until the related asset have been disposed off.

### 19 Borrowings

	Parent Company		Group	
	2025	2024	2025	2024
	RO	RO	RO	RO
Bank Overdraft (Note 19.1)	437,252	461,813	437,252	461,813
Islamic revolving credits (Note 19.2)	-	-	1,468,735	5,592,421
Short term loans (Note 19.3)	2,124,489	1,832,157	2,124,489	1,832,157
Long term loans (Note 19.4)	496,874	-	718,598	-
<b>Total borrowings</b>	<b>3,058,615</b>	<b>2,293,970</b>	<b>4,749,074</b>	<b>7,886,391</b>

	Parent Company		Group	
	2025	2024	2025	2024
	RO	RO	RO	RO
Bank Overdraft	437,252	461,813	437,252	461,813
Islamic revolving credits	-	-	1,468,735	5,592,421
Current portion of loans	2,190,741	1,832,157	2,249,293	1,832,157
Non-current portion of loans	430,622	-	593,794	-
<b>Total borrowings</b>	<b>3,058,615</b>	<b>2,293,970</b>	<b>4,749,074</b>	<b>7,886,391</b>

The weighted average effective interest rates of the borrowings by the subsidiary are as follows:

	Group	
	2025	2024
	%	%
Interest rate - Revolving credits	5.75	5.96

- 19.1 Bank overdrafts are availed from a commercial bank for working capital requirements on revolving credit basis. Bank overdrafts are unsecured and repayable on demand and carry markup at 6.5% to 7.85% per annum (2024: 6.35% to 7.97% per annum).
- 19.2 The Islamic revolving credits are secured by first ranking charge over 100% of the shares of the Subsidiary Company, first ranking debentures incorporating fixed and floating charges over all assets of the Company, both present and future, charge and assignment by way of security over the designated bank accounts, first fixed charge over the memorandum of lease for LPG filling plants in Pasir Gudang and Port Dickson. The Islamic revolving credits are also secured against the corporate guarantee issued by the ultimate holding company and Kumpulan Perangsang Selangor Berhad, the holding company of a corporate shareholder.
- 19.3 Short term loans are secured from commercial banks and carry interest ranging from 5.5% to 6.5% (2024: 5.5% to 5.96%) per annum. The Company has agreed to the banks that minimum 20% sales turnover should be routed through the designated current account.

Reconciliation of movements of liabilities to cash flows arising from financing activities:

	Parent Company		Group	
	Bank overdrafts	Loans and borrowings	Bank overdrafts	Loans and borrowings
At 1 January 2025	461,813	1,832,157	461,813	7,424,578
- Exchange rate fluctuations	-	-	-	566,791
- Proceeds/(Repayment) of loan and borrowings	-	358,584	-	(4,035,637)
- Change in bank overdraft	(24,561)	-	(24,561)	-
<b>At 31 December 2025</b>	<b>437,252</b>	<b>2,190,741</b>	<b>437,252</b>	<b>3,718,028</b>

**National Gas Company SAOG and its Subsidiaries**

Notes to the separate and consolidated financial statements  
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**19 Borrowings (continued)**

**19.3 Short term loans (continued)**

	Parent Company		Group	
	Bank overdrafts	Loans and borrowings	Bank overdrafts	Loans and borrowings
At 1 January 2024	970,370	1,612,889	970,370	3,203,119
- Exchange rate fluctuations	-	-	-	44,478
- Proceeds from loan and borrowings	-	219,268	-	4,176,981
- Change in bank overdraft	(508,557)	-	(508,557)	-
At 31 December 2024	461,813	1,832,157	461,813	7,424,578

19.4 Long term loan is secured in Year 2025 from commercial bank for acquisition of subsidiary company which carry interest of 6.5% per annum. The facility is secured by pledge over MSX listed shares, promissory note, negative pledge letter and assigning of rentals.

	Parent Company		Group	
	2025 RO	2024 RO	2025 RO	2024 RO
Term loan	496,874	-	718,598	-
Less current portion	(66,252)	-	(124,804)	-
<b>Non-current portion</b>	<b>430,622</b>	<b>-</b>	<b>593,794</b>	<b>-</b>

Parent Company	Payments due					Total RO
	Within one year RO	1 - 2 years RO	2 - 3 years RO	3 - 4 years RO	Beyond 4 years RO	
<b>31 December 2025</b>						
Undiscounted long term loan	96,929	92,623	88,382	84,010	260,123	622,067
Finance charges	(30,677)	(26,371)	(22,130)	(17,758)	(28,257)	(125,193)
Discounted long term loan	66,252	66,252	66,252	66,252	231,866	496,874

Group Company	Payments due					Total RO
	Within one year RO	1 - 2 years RO	2 - 3 years RO	3 - 4 years RO	Beyond 4 years RO	
<b>31 December 2025</b>						
Undiscounted long term loan	173,105	164,867	156,313	115,319	260,123	869,727
Finance charges	(42,925)	(34,687)	(26,530)	(18,730)	(28,257)	(151,129)
Discounted long term loan	130,180	130,180	129,783	96,589	231,866	718,598

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	Parent Company		Group	
	2025 RO	2024 RO	2025 RO	2024 RO
Current	44,533	57,306	338,522	256,491
Non-current	113,505	145,307	2,310,366	1,827,292
	158,038	202,613	2,648,878	2,083,783

Parent Company	Minimum lease payments due					Total RO
	Within one year RO	1 - 2 years RO	2 - 3 years RO	3 - 4 years RO	Beyond 4 years RO	
<b>31 December 2025</b>						
Undiscounted lease liabilities	51,074	30,026	91,778	-	-	172,878
Finance charges	(6,541)	(4,847)	(3,452)	-	-	(14,840)
Lease liabilities	44,533	25,179	88,326	-	-	158,038
<b>31 December 2024</b>						
Undiscounted lease liabilities	66,116	57,348	39,074	59,546	-	222,084
Finance charges	(8,810)	(5,701)	(3,473)	(1,487)	-	(19,471)
Lease liabilities	57,306	51,647	35,601	58,059	-	202,613

## National Gas Company SAOG and its Subsidiaries

Notes to the separate and consolidated financial statements  
for the year ended 31 December 2025

### 20 Lease liabilities (continued)

Group	Minimum lease payments due						Total
	Within one year	1 - 2 years	2 - 3 years	3 - 4 years	4 - 5 years	After 5 years	
	RO	RO	RO	RO	RO	RO	RO
<b>31 December 2025</b>							
Undiscounted lease liabilities	524,999	464,962	496,090	373,867	351,991	1,475,734	3,687,643
Finance charges	(186,477)	(170,253)	(149,256)	(126,193)	(107,365)	(299,221)	(1,038,765)
<b>Lease liabilities</b>	<b>338,522</b>	<b>294,709</b>	<b>346,834</b>	<b>247,674</b>	<b>244,626</b>	<b>1,176,513</b>	<b>2,648,878</b>
<b>31 December 2024</b>							
Undiscounted lease liabilities	407,683	395,289	378,921	352,414	230,461	1,201,086	2,965,854
Finance charges	(151,192)	(135,649)	(116,622)	(97,623)	(82,841)	(298,144)	(882,071)
<b>Lease liabilities</b>	<b>256,491</b>	<b>259,640</b>	<b>262,299</b>	<b>254,791</b>	<b>147,620</b>	<b>902,942</b>	<b>2,083,783</b>

Movement in lease liabilities	Parent Company		Group	
	2025	2024	2025	2024
	RO	RO	RO	RO
At on 1 January	202,613	204,038	2,083,783	2,129,244
Additions	-	54,051	684,716	158,281
Disposals	-	(19,657)	-	(19,657)
Payments	(53,608)	(46,151)	(508,929)	(403,660)
Interest expense	9,033	10,332	189,927	163,613
Exchange rate fluctuations	-	-	199,381	55,962
<b>At 31 December</b>	<b>158,038</b>	<b>202,613</b>	<b>2,648,878</b>	<b>2,083,783</b>

### 21 Staff terminal benefits

	Parent Company		Group	
	2025	2024	2025	2024
	RO	RO	RO	RO
At 1 January	189,055	251,635	215,396	280,332
Charge for the year	32,162	7,515	42,074	16,000
Paid during the year	(16,945)	(70,095)	(15,034)	(80,936)
<b>At 31 December</b>	<b>204,272</b>	<b>189,055</b>	<b>242,436</b>	<b>215,396</b>

### 22 Accounts payable and accruals

	Parent Company		Group	
	2025	2024	2025	2024
	RO	RO	RO	RO
Trade creditors	349,479	353,633	4,531,248	5,328,762
Accrued expenses	885,314	889,788	2,384,497	2,518,265
Other creditors	117,459	117,579	2,630,159	2,213,050
Amounts due to related parties (note 24)	-	-	106,757	172,077
	<b>1,352,252</b>	<b>1,361,000</b>	<b>9,652,661</b>	<b>10,232,154</b>

### 23 Net assets per share

Net assets per share are calculated by dividing the equity attributable to the owners of the Parent Company at the reporting date by the number of shares outstanding as follows:

	Parent Company		Group	
	2025	2024	2025	2024
	RO	RO	RO	RO
Net assets (RO)	16,390,897	17,256,106	18,601,278	18,825,547
Number of shares outstanding at 31 December	85,000,000	85,000,000	85,000,000	85,000,000
<b>Net assets per share (RO)</b>	<b>0.193</b>	<b>0.203</b>	<b>0.219</b>	<b>0.221</b>

## National Gas Company SAOG and its Subsidiaries

### Notes to the separate and consolidated financial statements for the year ended 31 December 2025

#### 24 Related party balances and transactions

The Group has related party relationships with entities over which certain shareholders and Directors are able to exercise significant influence. The Group also has related party relationships with its Directors and senior management. In the ordinary course of business, such related parties provide goods and render services to the Group.

Prices and terms for transactions with related parties, which are entered into in the normal course of business, are on the agreed terms and conditions. Details of related parties balances and transactions (including transactions and balances with related parties as a result of common directorship) for the year ended 31 December 2025 and 31 December 2024 are as follows:

	Parent Company		Group	
	2025 RO	2024 RO	2025 RO	2024 RO
Due from subsidiaries	2,831,507	2,444,826	-	-
Less: provision for expected credit losses	(1,783,908)	(1,270,684)	-	-
Amount due from related parties (net) - Note 12	1,047,599	1,174,142	-	-
Non-current portion of loan to related parties	240,756	546,549	-	-
Current portion of loan to related parties	-	44,307	-	-
Amounts due to related parties (Note 22)	-	-	106,757	172,077

Transactions with related parties during the year were as follows:

	Parent Company		Group	
	2025 RO	2024 RO	2025 RO	2024 RO
Sales (from)/to subsidiaries - net	(354,464)	15,593	-	-
Asset sale / purchase	-	(55,346)	-	-
Expenses charged - net	216,959	206,906	-	-
Temporary loan	162,414	-	-	-
Interest expenses	24,005	35,388	-	-
Other expenses	(20,780)	(25,520)	-	-
Dividend income	298,250	222,915	-	-
Directors' remuneration and sitting fees	(33,200)	(38,600)	(110,714)	(163,740)

#### Provision for related party balances

Movement in the provision for expected credit losses for related parties are as follows:

	Parent Company	
	2025 RO	2024 RO
At 1 January	1,270,684	1,204,144
Add: provided during the year	513,224	150,000
Less: Reversal of provision for ECL	-	(83,460)
At 31 December	1,783,908	1,270,684

#### Compensation of key management personnel

Key management personnel are those persons having direct authority and responsibility for planning, directing and controlling the activities of the Group.

	Parent Company		Group	
	2025 RO	2024 RO	2025 RO	2024 RO
Senior management remuneration	243,044	254,388	673,563	638,922

**National Gas Company SAOG and its Subsidiaries**  
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**25 Revenue**

	Parent Company		Group	
	2025	2024	2025	2024
	RO	RO	RO	RO
<b>Revenue from contracts with customers</b>				
Sale of LPG	9,964,992	7,671,408	78,833,610	80,074,860
Sales other products	1,756,934	1,354,836	2,538,535	2,604,615
Other income	25,250	28,572	266,697	94,794
	<b>11,747,176</b>	<b>9,054,816</b>	<b>81,638,842</b>	<b>82,774,269</b>
<b>Revenue from other sources</b>				
Vehicle hire charges and rental income	56,510	75,145	1,765,781	922,048
	<b>56,510</b>	<b>75,145</b>	<b>1,765,781</b>	<b>922,048</b>
	<b>11,803,686</b>	<b>9,129,961</b>	<b>83,404,623</b>	<b>83,696,317</b>

**26 Cost of revenue**

		Parent Company		Group	
	Notes	2025	2024	2025	2024
		RO	RO	RO	RO
<b>COGS LPG :</b>					
Opening stock		27,019	22,077	942,738	452,798
Local purchases		7,637,208	5,545,674	45,918,018	46,651,745
Imports		-	-	18,863,485	21,422,807
Closing stock		(25,500)	(27,019)	(358,786)	(942,738)
		<b>7,638,727</b>	<b>5,540,732</b>	<b>65,365,455</b>	<b>67,584,612</b>
<b>Other direct expenses</b>					
COGS other products		1,237,085	935,137	1,895,987	1,690,426
Direct labour costs	28.1	658,573	677,928	1,566,095	1,487,027
Depreciation - direct		164,306	186,632	2,401,064	2,166,488
Depreciation on right-of-use assets - direct		29,173	29,172	287,741	248,157
Plant repair and maintenance expenses		45,230	34,937	2,212,481	2,015,347
Fuel and vehicle maintenance expenses		514,399	399,943	535,633	415,291
Transportation expenses		37,358	15,000	1,676,067	1,546,863
Other plant related expenses		128,773	118,271	3,469,228	1,770,320
Insurance expenses		99,898	105,055	248,636	203,244
Utilities expenses		69,840	62,960	100,382	84,399
Short term lease rent expenses		12,810	-	171,894	16,841
		<b>10,636,172</b>	<b>8,105,767</b>	<b>79,930,653</b>	<b>79,229,015</b>

**27 Administrative and selling expenses**

		Parent Company		Group	
	Note	2025	2024	2025	2024
		RO	RO	RO	RO
Employee related costs	28.1	668,495	681,475	1,775,865	2,048,089
Depreciation - indirect		34,520	31,747	155,859	135,842
Depreciation on right-of-use assets - indirect		27,025	24,213	84,223	79,688
Office expenses		155,152	139,617	369,699	310,963
Professional charges		26,383	31,502	335,167	293,635
General expenses		21,437	9,423	135,651	41,753
Communication expenses		24,592	29,356	56,379	63,720
Printing and stationery expenses		6,116	2,968	17,436	14,009
Advertisement expenses		1,730	1,410	1,730	1,410
Donations		10,000	10,000	12,436	10,793
Rent expense		-	-	102,002	76,721
Repairs and maintenance expenses		13,320	16,519	20,351	20,430
Directors' remuneration and sitting fees		33,200	38,600	110,714	163,740
Business travel expenses		18,321	25,277	132,172	133,122
Withholding tax		720	3,453	748	3,480
Marketing and publicity expenses		8,146	15,435	91,497	85,524
		<b>1,049,157</b>	<b>1,060,995</b>	<b>3,401,929</b>	<b>3,482,919</b>

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**28 Employees costs**

	Parent Company		Group	
	2025	2024	2025	2024
	RO	RO	RO	RO
Wages and salaries	1,030,375	1,119,313	2,576,805	2,598,119
Other employee benefit costs	194,373	165,675	632,133	833,739
Social security costs	70,158	66,900	90,948	87,258
Provision for staff terminal benefits (Note 21)	32,162	7,515	42,074	16,000
	<b>1,327,068</b>	<b>1,359,403</b>	<b>3,341,960</b>	<b>3,535,116</b>

**28.1 Allocation of employees costs**

	Parent Company		Group	
	2025	2024	2025	2024
	RO	RO	RO	RO
Cost of revenue (Note 26)	658,673	677,928	1,566,095	1,487,027
Administrative & Selling expenses (Note 27)	668,495	681,475	1,775,865	2,048,089
	<b>1,327,068</b>	<b>1,359,403</b>	<b>3,341,960</b>	<b>3,535,116</b>

**29 Other income - net**

	Parent Company		Group	
	2025	2024	2025	2024
	RO	RO	RO	RO
Interest income	45,654	52,180	70,670	40,233
Dividend income	69,630	62,655	69,630	62,655
Miscellaneous income	23,581	43,792	36,695	56,055
Gain/(loss) on disposal of property, plant and equipment	(8,073)	15,723	14,411	55,133
Reversal of provision for ECL (note 24)	-	83,460	-	-
	<b>130,792</b>	<b>257,810</b>	<b>191,406</b>	<b>214,076</b>

**30 Income taxes**

The Tax Authority in Oman follow the legal entity concept. There is no concept of group taxation in Oman. Accordingly each legal entity is taxable separately.

The tax rate applicable to all taxable entities of the Group ranges between from 15% to 24% (2024: 15% to 24%) on the taxable income. For the purpose of determining the tax expense for the year, the accounting profit of each individual legal entity has been adjusted for tax purposes. Adjustments for tax purposes include items relating to both income and expense.

	Parent Company		Group	
	2025	2024	2025	2024
	RO	RO	RO	RO

**Separate and consolidated statement of profit or loss:**

The tax charge for the year comprises:

Current year tax	13,569	-	304,520	421,292
Prior year tax	-	-	-	42,747
	<b>13,569</b>	<b>-</b>	<b>304,520</b>	<b>464,039</b>
Deferred tax	(58,007)	(77,177)	(300,846)	(297,179)
	<b>(44,438)</b>	<b>(77,177)</b>	<b>3,674</b>	<b>166,860</b>

	Parent Company		Group	
	2025	2024	2025	2024
	RO	RO	RO	RO
<b>Deferred tax liability / (asset):</b>				
At 1 January	341,436	418,613	2,175,906	2,407,809
Movement through other comprehensive income	(137,917)	-	(137,917)	12,673
Movement through profit or loss	(58,007)	(77,177)	(300,846)	(297,179)
Exchange difference on translation	-	-	173,547	52,603
<b>At 31 December</b>	<b>145,512</b>	<b>341,436</b>	<b>1,910,690</b>	<b>2,175,906</b>

**National Gas Company SAOG and its Subsidiaries**  
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**30 Income taxes (continued)**

The deferred tax comprises the following temporary differences:

	Parent Company		Group	
	2025	2024	2025	2024
	RO	RO	RO	RO
<b>Separate and consolidated statement of other comprehensive income:</b>				
Revaluation of land	(526,570)	(684,488)	(646,194)	(773,104)
<b>Separate and consolidated statement of profit or loss:</b>				
Provision for expected credit losses	104,127	89,542	259,643	226,407
Related party provisions	271,958	186,514	271,958	186,514
Brought forward losses	-	52,449	-	52,449
ROUA and lease liability	7,875	6,132	65,567	44,757
Others	-	-	-	-
Net book value of fixed assets	(2,901)	(11,585)	(1,861,684)	(1,912,929)
Deferred tax liability	381,059	323,052	(1,264,496)	(1,402,802)
<b>Deferred tax liability - net</b>	<b>(145,511)</b>	<b>(341,436)</b>	<b>(1,910,690)</b>	<b>(2,175,906)</b>

	Parent Company		Group	
	2025	2024	2025	2024
	RO	RO	RO	RO
<b>Current liability:</b>				
Opening	-	-	27,422	9,507
Current year tax	13,569	-	304,520	464,039
Prior years / repayment	-	-	(306,640)	(359,299)
Exchange rate differences	-	-	18,330	(86,825)
	<b>13,569</b>	<b>-</b>	<b>43,632</b>	<b>27,422</b>

A reconciliation of tax charge is set out below:

	Parent Company		Group	
	2025	2024	2025	2024
	RO	RO	RO	RO
<b>(Loss) / profit before tax (including from discontinued operations)</b>	<b>(294,105)</b>	<b>143,566</b>	<b>(755,250)</b>	<b>399,225</b>
Income tax expense at the rates mentioned above	13,569	-	304,520	464,039
Relating to (reversal) / origination of deferred tax liability	(58,007)	(77,177)	(300,846)	(297,179)
	<b>(44,438)</b>	<b>(77,177)</b>	<b>3,674</b>	<b>166,860</b>

The tax returns of the Parent Company for the years 2022 to 2024 have not yet been agreed with the Tax Authority at the Ministry of Finance. Management is of the opinion that additional taxes, if any, related to the open tax years would not be significant to the Parent Company's financial position as at 31 December 2025.

Further, the tax assessment for the year 2020 has been completed by the Tax Authority in the year 2024, the objection filed by management is also settled in Year 2025. Final assessment report for the Year 2020 is awaiting.

The tax assessment of subsidiaries incorporated in jurisdictions outside Oman are at different stages. Management is of the opinion that any additional taxes that may be assessed would not be significant to the Group financial position as at 31 December 2025.

## National Gas Company SAOG and its Subsidiaries

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### 31 Discontinued operations

As detailed in note 2.2 and note 10 to the separate and consolidated financial statements, the Parent Company / Group has classified investments in NGC Energy LLC and NGC Central Gas Systems LLC (subsidiaries) as held-for-sale.

Summarised statement of profit or loss for the year ended 31 December 2025 and 31 December 2024 related to the above mentioned assets disposed-off and disposal groups are as follows:

	Parent Company		Group	
	2025 RO	2024 RO	2025 RO	2024 RO
Revenue	-	-	-	-
Cost of revenue	-	-	(19,728)	(18,281)
<b>Gross loss</b>	-	-	<b>(19,726)</b>	<b>(18,281)</b>
Administrative expenses	-	-	(28,865)	(39,352)
<b>Operating loss</b>	-	-	<b>(48,591)</b>	<b>(57,633)</b>
Other income - net	-	-	(1,536)	18,912
Finance costs	-	-	(486)	(576)
Provision for expected credit losses	-	-	(251,906)	(827)
<b>Loss before tax</b>	-	-	<b>(302,519)</b>	<b>(40,124)</b>
Income tax	-	-	-	-
<b>Loss after tax</b>	-	-	<b>(302,519)</b>	<b>(40,124)</b>
<b>Loss for the year from discontinued operations</b>	-	-	<b>(302,519)</b>	<b>(40,124)</b>

### 32 Earnings / (loss) per share

The basic earnings per share is calculated by dividing the profit of the Group and Parent Company for the year attributable to the Owners of the Parent Company, by the weighted average number of shares outstanding.

	Parent Company		Group	
	2025 RO	2024 RO	2025 RO	2024 RO
(Loss) / profit attributable to equity holders of the Parent Company				
- From continued operations	(249,667)	220,743	(488,138)	52,452
- From discontinued operation	-	-	(302,519)	(40,124)
(Loss) / profit attributable to ordinary equity holders of the Parent Company	(249,667)	220,743	(790,657)	12,328
Weighted average number of shares	85,000,000	85,000,000	85,000,000	85,000,000
<b>Basic (loss) / earnings per share (RO)</b>				
From continuing operations	(0.003)	0.003	(0.006)	0.001
From discontinued operations	-	-	(0.0036)	(0.0005)
<b>Basic (loss) / earnings per share (RO)</b>	<b>(0.003)</b>	<b>0.003</b>	<b>(0.009)</b>	<b>0.0001</b>

As there are no dilutive potential shares, the diluted earnings per share is identical to the basic earnings per share.

### 33 Segment reporting

The Group's only significant business segment is the marketing and selling of LPG.

#### Geographic information

##### Revenues from external customers

	Group	
	2025 RO	2024 RO
Oman	11,725,649	9,122,928
Other GCC countries	1,320,873	1,240,232
Asia	70,358,101	73,333,157
	<b>83,404,623</b>	<b>83,696,317</b>

This includes revenue earned by the entity classified as held for sale (note 31) as at the reporting date.

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**34 Commitments**

	Notes	Parent Company		Group	
		2025 RO	2024 RO	2025 RO	2024 RO
Capital commitments	34.1	34,563	66,054	2,625,783	384,693
Purchase commitments		258,432	165,486	258,432	165,486

34.1 This relates to the various expenditure to be incurred on the development of property, plant and equipment.

**35 Contingencies**

**35.1 Performance guarantees**

	Notes	Parent Company		Group	
		2025 RO	2024 RO	2025 RO	2024 RO
Performance guarantees	35.2	1,096,066	1,003,883	1,096,066	1,003,883

35.2 Bank guarantees are provided by the scheduled banks on behalf of the Parent Company for the various related party transactions initiated by the Parent Company and its related parties.

35.3 On 1 November 2023, the Company had filed a suit in the High Court of Muar against a competitor distributor ("the Defendant") for unlawful detention of cylinders and unlawful interference with the Company's trade.

The Defendant is counterclaiming for costs of the claim, interest on amounts found due to the Defendant and damages for the Injunction Order, loss of income or profit, costs of storing the said cylinders as well as damages to the Defendant's reputation, image and goodwill.

The trial has been concluded on 13 November 2024. Subsequently, the Company and the defendant filed their written submissions and reply submissions.

Following the High Court's decision and subsequent appeal process, the Defendant ("as Respondent") and the Company ("as Appellant") attended the Court of Appeal case management on 30 January 2026, during which the hearing date previously set for 21 January 2026 was vacated. The appeal hearing is now fixed for 10 September 2026.

35.4 At 31 December 2025 the Parent Company and Group had contingent liabilities in respect of guarantees arising in the ordinary course of business from which it is anticipated that no material liabilities will arise amounting to RO 1,096,066 (2024: RO 1,003,883).

**36 Financial instruments risk**

**Overview**

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 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 separate and consolidated financial statements.

The Board of Directors has overall responsibility for the establishment and oversight of the Group's risk management framework and is responsible for developing and monitoring the Group's risk management policies.

**(a) Credit risk**

Credit risk arises from bank balances, contractual cash flows of debt investments carried at amortised cost, derivative financial instruments and deposits with banks and financial institutions, as well as credit exposures to wholesale and retail customers, including outstanding receivables.

**(i) Risk management**

Credit risk is managed on a group basis. For banks and financial institutions, only independently rated parties with a range of rating of between Aa3 to Baa3 are accepted based on Moody's independent rating.

If individual customers are independently rated, these ratings are used. Otherwise, if there is no independent rating, risk control assesses the credit quality of the customer, taking into account its financial position, past experience and other factors. Individual risk limits are set based on internal or external ratings in accordance with limits set by the board. The compliance with credit limits by individual customers is regularly monitored by line management.

Sales to retail customers are required to be settled in cash or using major credit cards, mitigating credit risk. There are no significant concentrations of credit risk, whether through exposure to individual customers, specific industry sectors and / or regions.

**(ii) Impairment of financial asset**

The Group has following types of financial assets that are subject to the expected credit loss model:

- Trade receivables
- Amounts due from related parties
- Advances to related parties
- Loan to related parties

While cash and cash equivalents are also subject to the impairment requirements of IFRS 9, the identified impairment loss was immaterial.

**Trade receivables**

The group applies the IFRS 9 simplified approach to measuring expected credit losses which uses a life-time 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. The contract assets relate to unbilled work in progress and have substantially the same risk characteristics as the trade receivables for the same types of contracts. The Group has therefore concluded that the expected loss rates for trade receivables are a reasonable approximation of the loss rates for the contract assets.

The expected loss rates are based on the payment profiles of sales over a period of 36 months before 31 December 2025 and the corresponding historical credit losses experienced within this period. The historical loss rates are adjusted to reflect current and forward-looking information on macroeconomic factors affecting the ability of the customers to settle the receivables. The Group has identified the GDP, inflation rate and oil barrel rate of the countries in which it sells its goods and services to be the most relevant factors, and accordingly adjusts the historical loss rates based on expected changes in these factors.

National Gas Company SAOG and its Subsidiaries

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36 Financial instruments risk (continued)

(a) Credit risk (continued)

Trade receivables (continued)

On that basis, the loss allowance as at 31 December, was determined as follows for trade receivables:

Parent

31 December 2025	Current	More than 30 days past due	More than 60 days past due	More than 120 days past due	Total
Expected credit loss %	1.70%	4.90%	9.37%	60.04%	20.31%
Gross carrying amount of trade receivables (RO)	1,472,392	358,265	320,711	917,288	3,068,656
Loss allowance	25,032	17,555	30,036	550,702	623,325

Group

Continued operations

31 December 2025	Current	More than 30 days past due	More than 60 days past due	More than 120 days past due	Total
Expected credit loss %	0.80%	3.53%	6.52%	64.24%	21.93%
Gross carrying amount of trade receivables (RO)	3,182,149	540,116	460,992	1,991,744	6,175,001
Loss allowance (RO)	25,504	19,084	30,036	1,279,475	1,354,099

Discontinued operations

31 December 2025	Current	More than 30 days past due	More than 60 days past due	More than 120 days past due	Total
Expected credit loss %	0%	0%	0%	85.62%	85.62%
Gross carrying amount of trade receivables (RO)	-	-	-	898,125	898,125
Loss allowance (RO)	-	-	-	768,988	768,988

Parent

31 December 2024	Current	More than 30 days past due	More than 60 days past due	More than 120 days past due	Total
Expected credit loss	1.43%	4.71%	8.34%	62.18%	21.53%
Gross carrying amount of trade receivables (RO)	1,400,783	212,192	193,731	843,368	2,650,074
Loss allowance	20,080	9,994	16,166	524,399	570,639

Group

Continued operations

31 December 2024	Current	More than 30 days past due	More than 60 days past due	More than 120 days past due	Total
Expected credit loss	0.72%	2.30%	4.22%	58.47%	22.02%
Gross carrying amount of trade receivables (RO)	2,843,791	501,804	382,779	2,120,255	5,848,629
Loss allowance	20,552	11,523	16,166	1,239,753	1,287,994

**National Gas Company SAOG and its Subsidiaries**

**Notes to the separate and consolidated financial statements  
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**36 Financial instruments risk (continued)**

**(a) Credit risk (continued)**

**Trade receivables (continued)**

**Group**

**Discontinued operations**

31 December 2024	Current	More than 30 days past due	More than 60 days past due	More than 120 days past due	Total
Expected credit loss %	0%	0%	0%	69.25%	69.25%
Gross carrying amount of trade receivables (RO)	-	-	-	922,720	922,720
Loss allowance (RO)	-	-	-	638,988	638,988

Trade receivables are written off when there is no reasonable expectation of recovery. Indicators that there is no reasonable expectation of recovery include, amongst others, the failure of a debtor to engage in a repayment plan with the group, and a failure to make contractual payments for a period of greater than 120 days past due.

Impairment loss on trade receivables are presented as net impairment losses within operating profit. Subsequent recoveries of amounts previously written off are credited against the same line item.

**Balances with banks**

The Group limits its exposure to credit risk by placing balances with international and local banks. Given the profile of its bankers, management does not expect any counter party to fail to meet its obligations. The bank balances are held with the banks and financial institutions of repute.

Impairment of cash and cash equivalents has been measured on a 12-month expected loss basis and reflects the short maturities of the exposures. The Group considers that its cash and cash equivalents have low credit risk based on the external credit ratings of the counterparties.

**Due from related parties**

The Company applies IFRS 9 General Model approach to measure expected credit losses which uses 3 stage model to recognise expected credit loss depending upon the credit risk of the counter party.

To measure the expected credit loss, the Company assess the probability of default by the counter as a result of default event that are possible within 12 months after reporting date. The Company also assess the financial position of the counter party if it has sufficient liquid asset to pay off the balance if repayment is made on demand. In addition, the Company also determines the loss given default of the amounts due from related parties.

**(b) 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.

**Parent**

	Carrying amount RO	Contractual cash flows	
		Less than one year RO	1 – 5 years RO
<b>31 December 2025</b>			
Trade creditors	349,479	349,479	-
Other creditors	117,459	117,459	-
Long term loans	496,874	66,252	430,622
Short term loans	2,124,489	2,124,489	-
Lease Liabilities	172,878	51,074	121,804
Bank overdraft	437,252	437,252	-
	<b>3,698,431</b>	<b>3,146,005</b>	<b>552,426</b>

National Gas Company SAOG and its Subsidiaries

Notes to the separate and consolidated financial statements  
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36 Financial instruments risk (continued)

(b) Liquidity risk (continued)

Parent

	Carrying amount	Contractual cash flows	
	RO	Less than one year	1 – 5 years
	RO	RO	RO
31 December 2024			
Trade creditors	353,633	353,633	-
Other creditors	117,579	117,579	-
Short term loans	1,832,157	1,832,157	-
Lease Liabilities	222,084	66,116	155,968
Bank overdraft	461,813	461,813	-
	2,987,266	2,831,298	155,968

Group

	Carrying amount	Contractual cash flows	
	RO	Less than one year	1 – 5 years
	RO	RO	RO
31 December 2025			
Trade creditors	4,531,248	4,531,248	-
Other creditors	2,630,159	2,630,159	-
Long term loans	718,598	124,804	593,794
Short term loans	3,593,224	3,593,224	-
Lease Liabilities	3,687,643	524,999	3,162,644
Bank overdraft	437,252	437,252	-
	15,704,881	11,948,443	3,756,438

Group

	Carrying amount	Contractual cash flows	
	RO	Less than one year	1 – 5 years
	RO	RO	RO
31 December 2024			
Trade creditors	5,328,762	5,328,762	-
Other payables	2,213,050	2,213,050	-
Short term loans	1,832,157	1,832,157	-
Lease Liabilities	2,965,854	407,683	2,558,171
Bank overdraft	461,813	461,813	-
	12,973,713	10,415,542	2,558,171

(c) Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and equity prices 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 optimising the return.

**Currency risk**

The Group is exposed to foreign currency transactions mainly due to its subsidiary in Malaysia. Should there be any fluctuation of +/- 1% in the foreign exchange rate the impact would be +/- RO 20,618 (2024: RO 31,854) on the foreign currency translation reserve of the Group.

**Sovereign risk**

The LPG is made available to the Parent Company from four sources at different rates by the Ministry of Energy and Minerals. Presently, the Group is allocated more from the costlier source. Any further increase in allocation from the costlier source will adversely affect the profitability of the Group.

**National Gas Company SAOG and its Subsidiaries**

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**36 Financial instruments risk (continued)**

**(c) Market risk (continued)**

**Equity price risk**

Equity price risk arises from FVTOCI securities. The Group has maintained the portfolio of FVTOCI securities listed at Muscat Securities Market. Material investments within the portfolio are managed on an individual basis and all buy and sell decisions are approved by the Board of Directors.

**Sensitivity analysis - equity price risk**

The following table demonstrates the sensitivity of the Group's equity to a 5% change in the price of its equity holdings, assuming all other variables in particular foreign currency rates remain constant.

	Effect on 5% increase RO	Effect on 5% decrease RO
31 December 2025	50,522	(50,522)
31 December 2024	41,220	(41,220)

**(d) Interest rate risk**

The Group is exposed to rate risk on its bank overdraft facility obtained at commercial rates of interest. Further, the Group has short-term bank deposit, which are interest bearing and exposed to changes in market interest rates. The group has term loans with fixed interest rates.

The Group manages its exposure to interest rate risk by ensuring that significant borrowings are on a fixed rate basis. The Group borrows at interest rates on commercial terms and manages the interest rate risk by constantly monitoring the changes in interest rates and availing lower interest bearing facilities.

**37 Capital management**

The primary objective of the Group's capital management is to ensure that it maintains healthy capital ratios in order to support future development of the business and maximise shareholder value. The Group manages its capital structure and makes adjustments to it, in light of changes in economic conditions. Group's capital mix comprises only the shareholder's equity. To maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. No changes were made in the objectives, policies or processes during the year ended 31 December 2025.

**38 Fair value measurement**

The fair value of financial assets and liabilities at the reporting date approximates their carrying amount in the separate and consolidated statement of financial position.

**Fair value hierarchy**

The following table shows the level within the hierarchy of non-financial assets measured at fair value on a recurring basis.

**Parent**

2025	Level 1 RO	Level 2 RO	Level 3 RO
Financial assets at fair value through OCI	1,010,448	-	-
Freehold land	-	3,665,000	-
2024	Level 1 RO	Level 2 RO	Level 3 RO
Financial assets at fair value through OCI	824,396	-	-
Freehold land	-	4,584,450	-

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**38 Fair value measurement (continued)**

**Group**

	Level 1 RO	Level 2 RO	Level 3 RO
<b>2025</b>			
Financial assets at fair value through OCI	1,010,448	-	-
Freehold land	-	6,466,020	-
<b>2024</b>			
Financial assets at fair value through OCI	824,396	-	-
Freehold land	-	7,127,711	-

Assets	Valuation technique	Significant observable inputs	Sensitivity of inputs to the fair value
Land	Open market basis considers the selling price per square feet of land within a reasonably recent period of time in determining the fair value of land being revalued. This involves evaluation of active market prices of similar assets, making appropriate adjustments for difference in size, nature and location of the land.	Price per square feet of land	Estimated fair value increase / (decrease) if : price per square feet increase / (decrease)

All the listed equity securities are denominated in RO and are publicly traded in Oman. Fair values have been determined by reference to their quoted bid prices at the reporting date.

During the reporting period, there were no transfers between Level 1 and Level 2 fair value measurements, and no transfers into and out of Level 3 fair value measurements.

**39 Comparative figures**

Certain comparative information has been reclassified to conform to the presentation adopted in these separate and consolidated financial statements. Such reclassifications do not affect previously reported net profit or shareholders' equity.