

OMIFCO H1 2026 Results

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Introduction

Soha Saniour

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Hello, everyone. My name is Soha Saniour from Arqaam Capital. I would like to welcome you all to OMIFCO's First Half 2026 Results Conference Call. It's my pleasure to host senior management today.

With me today we have Dr Ahmed Al Marhoubi, Chief Executive Officer; Mr Abdullah Al-Hashami, Chief Financial Officer; Mr Zaki Al Maawali, General Manager, Technical Services; and Mr Khalid Sulaiman Al Farsi, General Manager, Corporate Support. By now, you should have received the company's presentation. You can also download it using the link in your webcast window.

Disclaimer

Before we begin, please note that today's presentation contains forward-looking statements which are predictions, projections, or other statements about future events. These statements are based on current expectations and assumptions that are subject to risks and uncertainties, and should be read together with the company's financial statements filed with the Muscat Stock Exchange. Please refer to the detailed disclaimer found in slide number two of the presentation.

Today's Agenda and Speakers

Now let me introduce today's agenda. Management will provide an overview of Oman India Fertiliser Company, followed by a review of operational results. After the operational results, we move on to Growth update and market overview. Then we will zoom into the financial performance of the company. After closing remarks, there will be time for your questions to company management.

With that, I will now turn the call over to Dr Ahmed Al Marhoubi. Dr Ahmed, the floor is yours.

OMIFCO At a Glance

Ahmed Al Marhoubi

CEO, OMIFCO

Company Overview

Sure. Thank you, Soha, and good afternoon once again to all. I would like to welcome everyone. Thanks to all the shareholders. Thanks to all of you for attending with us today virtually to attend OMIFCO first half 2026 earnings call.

And now let me proceed to slide number five and start with a brief introduction about OMIFCO as a company overview.

So, as you are aware, OMIFCO has been established since the year 1994 as a joint venture between Sultanate of Oman and India. And both ammonia and urea plant commissioned in the year of 2005 at our integrated complex in Sur in Sultanate of Oman.

OMIFCO is owned 37.5% by OQ, the leading integrated energy company in Oman; 18.75% each by IFFCO and KRIBHCO, the largest India – fertiliser producer in India, and the remaining 25% in public floated on the Muscat Stock Exchange following to our listing day, which was in July 2026.

We receive our natural gas feedstock under a long-term agreement with Integrated Gas Company, IGC, owned by Ministry of Finance, Oman. And OQ Gas Networks is responsible for transportation and delivering the gas to our plant in Sur.

Also, I can brief you on the sales side. OQ Trading takes 100% of our urea exports and 50% of our ammonia offtake. We have also OQ Marketing handle domestic urea sales, and we have Kisan International Trading as IFFCO subsidiary takes the remaining 50% of our ammonia sales. And here I would like to mention that all the sales prices are linked to the international market indexes.

So let us move to slide number six, the next slide.

Integrated Producer of Granular Urea and Anhydrous Ammonia

Our manufacturing complex runs two ammonia trains and two urea trains fully integrated with our own storage facilities. We have our own captive power plant, two-berth deep water jetty, and we have captive waste treatment plant.

We have a nameplate capacity of 5,060 metric tonnes per day for urea, equivalent to around 1.65 million tonnes a year and 3,500 metric tonnes per day for ammonia, equivalent to 1.15 million tonnes on an annual basis. We are working in the best-in-class technology and process. That's the scale and self-sufficiency is what allowing us to consistently run above nameplate capacity, as you will see shortly, the result in the next slide.

Now let us move to slide number seven, please.

Business Continuity at OMIFCO

Let us brief you about business continuity at OMIFCO. A very important slide to show that a brief word about business continuity. OMIFCO operates a Business Continuity Management System aligned with ISO 22301 standard, which we have it, built around four-stage cycle: prepare, respond, recover, and resume.

So we maintain precaution protocol for two specific category, risk number one, natural threats such as monsoon we have, such as also we have tropical cyclone in between and other risk also, what is about ongoing political tension in the region.

So business continuity management is designed to protect our people, protect our performance and supply chain continuity.

We may move to next slide, slide number eight, about the key strategic pillars.

Key Strategic Pillars

This slide shows a key strategic pillar that we have at OMIFCO. We scale as integrated urea and ammonia producer. We work with a strong underlying demand fundamentals. We have an attractive location and access to global logistics. We run fully contracted with a cost competitive business model. Our position is tangible growth optionality company. Our company attractive dividend capacity is supported by a very strong cash generation.

We are debt-free. Debt-free fortress balance sheet leaves sufficient room for funding our growth.

And last but not least, that the company is run by a very experienced and highly skilled management team related to the industry of ammonia and urea. We'll touch on several of this as we go through today's results.

Let us move to the next slide, which is slide number nine, about OMIFCO at a glance.

H1 2026 OMIFCO at a Glance

You may see on the right side on safety and people. We maintain our zero LTI record since October 2019 and proud to have achieved over 25.7 million safe man-hours, alhamdulillah, since then, and which include nearly around 1.8 million safe man-hours in the first half of the year 2026.

Regarding the employees, as of 30th June, we have 636 employees with 80% omanisation rate achieved.

So in the first half we operated at 119% utilisation for urea, compared to a nameplate capacity of 5,060 tonnes per day. And for ammonia, we operate at 107% utilisation compared to the nameplate capacity of 3,500 tonnes per day. That delivered the first half 2026 revenue of OMR178.2 million from urea and OMR12.7 million from ammonia.

You may see on the slide EBITDA of OMR99.7 million at 51.9% margin. And the bottom line net profit OMR80.2 million at 41.8% margin.

Let us move to the next slide. Here we are talking about the operational results. My colleague Mr Zaki Al Maawali will take over. Please.

Operational Highlights

Zaki Al Maawali

General Manager, Technical Services, OMIFCO

H1 2026 Key Highlights

Thank you, Dr Ahmed. Good afternoon, everyone. I will now take you through our operational results for the quarter and the first half of 2026.

So slide number 11 in front of us represents the first half of 2026 key highlights. In the first half of this year, urea production was one million tonne, up 6.2% year-on-year at an average 119% utilisation rate, 3.2 percentage points higher than a year ago. Urea revenue was over OMR178 million, up 46.9% year-on-year on sales volume of 989,000 tonnes, up 6.9%. For the first half, urea realised US\$477 per tonne in average, against US\$344 in average in the first half of last year.

As we see in front of us on this slide, ammonia production was 659,000 tonne, up 1.3% year-on-year at 107% average utilisation, essentially in line with the prior year. Most of the ammonia is never sold. It is the feedstock for our own urea production, which, as I said, rose 6.2% in the first half. So more ammonia was retained inside the complex and less was left to sell.

We retained 606,000 tonnes against 557,000 a year ago, and sales were 53,000 tonnes against 93,000. Ammonia revenue still rose 21.4% to OMR12.7 million because the realised price was US\$622 per tonne against US\$291 a year ago.

Q2 2026 Production Volumes & Utilization Rates

Moving on to slide number 12. Looking at the quarterly trend, urea production of 500,000 tonnes at 119% average utilisation, marking a tenth consecutive quarter running above nameplate capacity. This is an achievement we are proud of here in OMIFCO. Ammonia production of 319,000 tonnes at 107% average utilisation was in line with our guided range.

As noted, our next scheduled turnaround for the complex is in the first quarter of 2027, with the opportunity to carry out some common activities for the purpose of enhancing the unit availability and reliability.

Growth Update

Moving on now to the growth opportunity in OMIFCO. Let me here close with an update on the OMIFCO growth.

Optimally Positioned to Capture Growth Opportunities

So slide 14 in front of us now. Our growth plans works across three horizons. In the first – in the short-term, we are focussed on operational efficiency, process and equipment upgrades, renewable energy projects and initiatives to cut energy use and emissions. Some of the carried out upgrades include Urea 2 reactor replacement and Ammonia 2 reformer tubes replacement. There are as well many projects serve energy reduction and clean energy like upgradation of syngas compressor.

HRU or hydrogen recovery unit replacement is another example. OMIFCO completed as well four phases solar panel installation, producing around one megawatt peak of clean power and had completed the upgradation of all process plant lighting from conventional to LED, reducing the energy demand across the complex.

In the mid-term, we are advancing our plant expansion plans. This would be a production capacity expansion. We have submitted a formal natural gas allocation request to Integrated Gas Company. The request is under discussion with IGC, and there are positive signs for providing the required quantity for the proposed expansion.

OMIFCO has also completed the revalidation of the 2018 feasibility study for the potential third train with the assigned parties.

And in the long term, we are positioning for innovation and product diversification, including a clean energy and decarbonisation plan aligned with the national targets and exploring the hydrogen carbon capture and ammonia diversification opportunities.

Mr Khalid will take us now through the market overview.

Market Overview

Khalid Sulaiman Al Farsi

General Manager, Corporate Support, OMIFCO

Market Overview

Thank you, Zaki. And in the coming three slides, we will go through the – some market overview and some highlights.

Slide number 16 shows the overall market overview. As you can see on the left side, the first half of 2026 was a far more volatile period for the global urea market, as compared to the same period of last year.

The market was mainly driven by security of supply rather than normal price competition as we usually know. The demand was also supportive, but it was not strong enough to hold those levels. And the factor behind the correction actually in May was weaker buying from Korea, Japan, Australia, and parts of Europe.

Urea rose from around US\$400 per tonne in early 2026 to above US\$800 during April. This is the highest level since 2023. And then the price fell back to approximately US\$450 by June. Over the first five months of the year, the Middle East urea averaged approximately to US\$600 per tonne, which is around 60% higher than the same period of last year.

In the middle, you can see here the second half of the year, our view based on the Argus forecast and other research. Our view is that volatility will continue, but with the prices below the April high rates. The market has already corrected sharply from the peak and has moved back to the more balanced positions.

It is expected that the market may still face such price instability, and there are four factors we are watching to monitor that: mainly the Chinese export availability, Indian tender demand, Brazil seasonal buying, and then Middle East supply.

In the right side, you can see here the longer view. The global urea demand is expected to grow to around 215 million tonnes a year by 2035. And for specifically India, as our core market, it will need from nine million to 12 million tonnes a year through 2040, as the domestic production in India will continue to fall short as compared to the consumption.

Q2 2026 Urea & Ammonia Realized Price Trends

In the next slide, slide number 17, this is a few highlight about Q2 2026 urea and ammonia realised price trends.

As you can see in regard to the Q2 2026 urea and ammonia realised price trends, our average realised urea price in the second quarter was US\$557 per tonne, which is nearly 61% year-on-year. While the average realised ammonia price in the second quarter was US\$687 per tonne, which is nearly 152% year-on-year. As mentioned earlier, the benchmark moved a long way inside the single quarter from above US\$800 in the second half of April, back to approximately US\$450 by June. Our average realised price set is in between, capturing both the April peak and the June correction figures.

As highlighted already, our contracted discount under OQ Trading offtake agreement is 3% to 3.5% for urea and 5% for ammonia, though the realised discount vary with the index mix and the timing of each shipment.

Here also, let me take the driver we referred to on the market slide. Disturbance to the Middle East production and the conflict in the region has led to cutting the availability of urea and ammonia from the region. Additionally, also the higher gas price and energy prices and freight costs raised the cost of the – and risk of moving the product and the supply chain.

In regard to Indian tender, Indian tender remain the main source of price support as in 2025, but with a far more noticeable effect on the price of this year. If we talk about the Chinese export policy, was the second major source of volatility. The return of the Chinese product to the international market actually eased the supply of urea and concern and brought the price back down and normalised the price.

Demand, as already mentioned, was supportive, but it does not sustain the peak because of these highlighted drivers.

Revenues Product Mix

In the next slide, slide number 18, revenue product mix. Here we'll be speaking about the sales. All urea and ammonia export volume are sold through OQ Trading, while the domestic urea is sold through OQ Marketing at volume capped to near 60,000 tonnes per year, which is equal to 3% of our total annual production.

And as highlighted by Mr Zaki earlier, most of our ammonia production is used internally for producing urea, with a surplus volume sold to OQ Trading and/or Kisan International Trading under dedicated offtake agreement.

Here you can see also in the table that urea in the left side, that urea sale rose to 91% revenue in the second quarter from 89% a year ago, and to 93% of our first half revenue, from 91%. On India specifically, our offtake agreement has renewed as already disclosure has been issued, has been renewed from August 2026 until February 2031, covering 50% of OMIFCO urea production around one million tonnes per year.

India has historically accounting for around 71% of our urea export volume and around 61% of our ammonia export volume over 2023 until 2025.

By that, that's what we have about the market overview and highlight. I'll be now handing over to the CFO, Mr Abdullah Al-Hashami, to take us through some financial result and figures. Abdullah?

Financial Results

Abdullah Al-Hashami

CFO, OMIFCO

Thank you. Khalid, thank you very much, and also thank you, Dr Ahmed and Mr Zaki. Good afternoon to all. Here I would like to take you through OMIFCO financial results for the quarter and for the first half of the year 2026. Here it's good to mention that all figures appear in the coming slides are in Omani rials.

H1 2026 Key Financial Highlights

Moving to the slide number 20. This slide focusing on the financial highlights. For the first half of the year, the total revenue was OMR192 million, up 43.9% year-on-year, with a gross margin at 64.9% and down by 3.7 percentage point.

EBITDA was OMR99.7 million, also up 43.9%, margin flat year-on-year at 51.9%. Net income was OMR80.2 million, up 48%. CAPEX was OMR3.6 million, down 51.9% from the first half of last year due to phasing effect of some maintenance project.

Free cash flow was OMR77.2 million, up 82.2%, giving a free cash flow to EBITDA conversion of 77.4%, up 16 percentage point year-on-year.

Total Revenue, EBITDA And Net Profit Performance

Moving to the page number 21. Here in this slide, focusing on H1 revenue, EBITDA, and net profit performance. Over the first half, revenue rose 44% year-on-year to OMR192 million. EBITDA rose 43.9% to OMR99.7 million, and net profit rose 48% to OMR80.2 million.

Moving to the next slide, number 22.

Total revenue And EBITDA Development

Here this slide focusing on revenue and EBITDA development. The revenue increase was driven almost entirely by urea exports, which added OMR45.3 million in the quarter and OMR56.5 million over the first half, with a smaller contribution from higher ammonia export prices.

On EBITDA the quarter, OMR28 million increase up 90% year-on-year, and the first half OMR30.4 million increase, up 44%, both came as revenue gain outpaced the rise on cost of sale, mainly due to the increase in natural gas feedstock under the new gas supply agreement.

Balance Sheet Highlights

Moving to the next slide, number 23, focusing on the balance sheet highlights. Our balance sheet grew 46% to OMR383 million, with current assets overtaking non-current assets at 55% of the total. Equity funding decreased to 68% of the balance sheet from 75% a year ago, as non-current liability nearly tripled on the OMR40.2 million site restoration provision.

Cash and bank balances reach OMR85.2 million, the highest in five quarters, and I would like to remind you that OMIFCO has been debt-free aside from the minor lease liability since 2014 and has maintained a net cash position every year since.

Trailing 12 months return on assets recovered to 39% from quarter earlier, while return on equity 57.3% is nearly 2 percentage point higher than the last year.

H1 2026 Cash Flow

Moving to the slide number 24 focusing on the cash flow. First half EBITDA of OMR99.7 million converted to OMR78.5 million of free cash flow before dividend after working capital movement, income tax paid and capital expenditure. Under our dividend policy, the '26 base dividend carries a variable component tied to performance. From '27 onwards, we will pay, inshallah, the higher of 90% of net income or 3% per annum escalation on the '26 base.

Dividends are paid semi-annually in September and April. And we paid dividend of OMR30.8 million in the first half of the year related to second half dividend of the year of '25.

That is from my side. I will back now to Dr Ahmed for recap and conclusion.

Closing Remarks

Ahmed Al Marhoubi

CEO, OMIFCO

Recap of the OMIFCO Opportunity

Thank you, Abdullah. Closing remarks. So we will move to the last slide for today's presentation. As highlighted before, OMIFCO is a large scale, fully integrated urea and ammonia producer with a competitive cost position and tangible growth opportunity.

Also, we operate in a market with robust long-term fundamentals for both products, underpinned by our strategic venture with the OQ Group and also with our great relationship with Government of India as well. Our contracted business model continues to deliver a very high margin and strong cash generation through-the-cycle, supporting attractive and sustainable shareholder returns.

So this is the final slide. We are coming to the end of our presentation today. And now we are pleased to open the floor for any questions or clarification that you may have. Thank you once again to all of you for your kind attention. And I would like back to you, Soha.

Q&A

Soha Saniour: Thank you, Dr Ahmed, Mr Abdullah, Mr Zaki, and Mr Khalid. As a reminder, you can send your questions through the Q&A button in the webcast window. I will wait for a minute to wait for questions to come through. We have our first question about the company's margins. What are the driving factors behind your high EBITDA margin and net profit margin in the period?

Khalid Sulaiman Al Farsi: Can you repeat again, Soha?

Ahmed Al Marhoubi: Let me take this, Khalid. Abdullah?

Soha Saniour: Yes, sure. What are the main driving factors behind your high EBITDA and net profit margin during the period?

Ahmed Al Marhoubi: Okay. A very strategic question. Thank you for the question. Alhamdulillah, that we have very great EBITDA margin, and also we have very good net profit margin. I can summarise that mainly due to operational efficiency as well high plant utilisation, which we are mentioning. We operate above 115% to 120% on average in the urea as well. In ammonia, we are above the nameplate. We are working 107% to 109% in between.

We are very good also, strong plant availability and high production availability you can say. Also, if I may add as well, we are very well fixed, if I can say, cost management. And if we move from sales point of view, urea, we have a great netback instead of urea sales as well as ammonia sales. I think this is – I can summarise by this way to answer. Thank you.

Soha Saniour: Thank you. The next question is about the expansion project. If the expansion proceeds, how would you fund it, and what would it mean for the dividend?

Ahmed Al Marhoubi: Funding if expansion?

Soha Saniour: The funding of the expansion.

Ahmed Al Marhoubi: Okay. So in fact – let me go through this, Abdullah. So in fact, expansion as investment decision has not been yet finalised. However, we have very great growth opportunity to proceed further, as mentioned in the growth, either short-term, medium-term, and long-term. So the expansion is part of the medium term that we are planning for.

Expansion as investment decision, that is mainly we need allocation of gas. And to get allocation of gas, we are in a very positive discussion with IGC to proceed. Once IGC agree to allocate gas for us, then also we have to proceed with the technical evaluation, we have to proceed with the commercial evaluation and so on. So I can summarise that we are in a very good, positive discussion with IGC to allocate the gas to us, and immediately we submit to our Board and to proceed further with expansion. Accordingly, the investment decision that quickly will be decided. Thank you.

Soha Saniour: Thank you very much. The following question is about the gas agreement. So the gas agreement runs until 2035. What is the plan for feedstock beyond that, and what happens if it resets materially higher price?

Ahmed Al Marhoubi: Okay. Let me go.

Khalid Sulaiman Al Farsi: Please go.

Ahmed Al Marhoubi: Yeah. The NGSA now, what we have, the Natural Gas Supply Agreement, is we have a contract up to July 2035. It's a very good time period we can say with IGC. I talk about 10 years almost. So yes, as a positive, we'll take immediate action to discuss beyond 2035 because we secured the gas price for next 10 years as an agreement with the IGC.

Feedstock is a very important raw material for us. It is a very important business to us. So accordingly, we will take an action ahead once before expiry of the agreement to proceed with the relevant, I can say, the stakeholder support from the Board and stakeholder to proceed with IGC for extension, inshallah, at that time.

Soha Saniour: Thank you. Your domestic urea off-take with OQ Marketing expires on 31st October 2026. Has a renewal been agreed, and on what terms?

Ahmed Al Marhoubi: Local urea.

Khalid Sulaiman Al Farsi: Local urea. Yeah, definitely under discussion. Yes, I can answer this. So our sector as a fertiliser, we are completely linked to food security. So as a strategic and to be a good citizen at OMIFCO, we are supporting the local farmers. It's a very important agreement with OQ Marketing that to support local farmers, which is linked to food security in the country as well.

We are in discussion with OQ Marketing, hopefully to be finalised by the month of September, before October, inshallah. We are in a positive discussion with OQ Marketing to renew the agreement.

Soha Saniour: Thank you. So the next question is, this is your first results call since listing on 8th July. How do you assess the post-IPO period, and what have you heard from investors?

Ahmed Al Marhoubi: Yeah. We have very positive experience, we can say. Once we move to listing company, we engage more with our shareholders, instead of transparency, compliance, declaration. It's a very positive, and we had very positive feedback.

Soha Saniour: Thank you. What's the company's contribution to CSR, and how does the company set the priorities for CSR projects?

Ahmed Al Marhoubi: Thank you, Soha. This is a very good question. In OMIFCO, we are allocating 3% from the net profit before tax for the CSR responsibilities. In OMIFCO, actually, we are focusing on four main areas, which are the entrepreneurship and human capital building. Also, we have environmental stewardship. We have also community development and outreach. We have also elevating the quality of life and others.

So in OMIFCO, actually, we feel proud about the – about OMIFCO contribution toward the society. And up to end of last year, alhamdulillah, we have spent more than OMR100 million toward the society contribution.

Khalid Sulaiman Al Farsi: Different reports, so many recognition and awards.

Ahmed Al Marhoubi: Yes, we got many recognition from here, from Oman, from even outside Oman about the contribution to CSR towards the society.

Soha Saniour: Thank you very much. There is a question about the urea volumes. Why is the urea sold less compared to the production volumes?

Ahmed Al Marhoubi: Yes. Thank you. Actually, the production, as highlighted by Zaki continues, alhamdulillah, in a good utilisation rate. But in regards to the sales, it actually depends on the market situation and to attract the best – the highest netback in the market. As we said – as we have highlighted in the market overview, the market after April and May start to like stabilise.

And for that, we jointly with OQ Trading, we just tracked the best prices available in each destination or each index. So that's why sometime we just postpone some of the shipment and wait for getting the best rate. Thank you.

Soha Saniour: Thank you. So there's a question about any unplanned turnarounds during July or August of this year so far. Have there been any unplanned turnarounds?

Ahmed Al Marhoubi: Do you want to take this?

Zaki Al Maawali: I'll take this. So thank you for the question. When it comes to the first half of this year, since we are covering that part during this presentation and this opportunity, we have had unplanned for a few days for ammonia as well as for the urea. This is comparative to the last year unplanned shutdowns. If I will extend the question to the plant, when it comes to the plant shutdown, we did not have any plant shutdown during the same period, which is the first half of this year.

Soha Saniour: Noted. So the next question is about dividends. The net profit achieved is equivalent to the full year distribution of last year. Does that mean we will see higher than anticipated dividends? When are the mid-year dividend recommendation by the Board?

Abdullah Al-Hashami: Thank you very much. Our dividend policy remains unchanged as it was disclosed in the prospectus. So for '26, the company has committed to pay \$185 million, plus an exceptional, \$25 million approved by the Board because of the improvement in the revenue this year. So it will remain same for '26. For '27 and '28, it will be either 90% from the achieved profit or 3% escalation on '26 dividend.

Ahmed Al Marhoubi: Whichever is higher.

Abdullah Al-Hashami: Yes, whichever is higher.

Soha Saniour: That is clear. Thank you. So we have a question asking about the pricing formula used for long-term urea and ammonia offtake contracts. What is the pricing formula used for long-term urea and ammonia offtake contracts?

Khalid Sulaiman Al Farsi: Yes. It is as highlighted in few slide in the presentation. We have a discount of 3% to 3.5% for urea, with reference to the indexes published, international index published, and 5%, again, relevant to the indexes published also. 5% for ammonia and 3% to 3.5% for urea.

Soha Saniour: Thank you. Also, a related question. For the second quarter of 2026, are prices determined using a trailing monthly average, so say April to June, or does the pricing window follow a different lagging structure, like a trailing T-minus one or T-minus two monthly average?

Khalid Sulaiman Al Farsi: I didn't get the question.

Ahmed Al Marhoubi: Can you read the question, please, Soha?

Soha Saniour: Yeah, sure. So for the second quarter of 2026, are prices determined using a trailing monthly average, or does the pricing window follow a different lagging structure? Like, is there a lag between the realised price and whatever we see as benchmark prices along these lines?

Khalid Sulaiman Al Farsi: Yes. Thank you. Yeah, maybe. See, our realised price for urea US\$557 per tonne. But as we highlighted, the Q1, as – H1 actually faced a big prices of US\$800 on April, and then within only 30 days, it goes down to US\$450. So this gap actually create this gap in the realised price. However, we still, as compared, alhamdulillah, as compared year to year, we are also in a better position, and we'll keep all the time attracting the best prices available in each – for each shipment.

Soha Saniour: Thank you. Can you provide the CAPEX guidance for the second half of 2026 and for the full year 2027?

Abdullah Al-Hashami: CAPEX? What is – the CAPEX?

Zaki Al Maawali: CAPEX guidance.

Soha Saniour: Yes.

Abdullah Al-Hashami: Okay. For OMIFCO, we have annual budget for the CAPEX, so it's vary from – it depends from one year to another. But for the remaining, we expect from \$10 million to \$15 million for the remaining – for the full year.

Soha Saniour: Thank you. So there is a question about the creaming revenue. Can you clarify the creaming revenue paid during the period? And what is the expected – another question is about the expected duration of the scheduled turnaround in Q1 2027.

Abdullah Al-Hashami: First question was about creaming mechanism?

Soha Saniour: Yeah, the creaming mechanism.

Abdullah Al-Hashami: Yes, creaming was that, as I already mentioned in the financial statement, there was some creaming mechanism applied, and because of the high price, because there is a certain threshold as agreed with the IGC, the sole supplier of gas. So yes,

the prices in first half of the year has crossed that – this threshold. And based on that, yeah, the amount was applied for creaming mechanism and to be transferred to IGC account as per the agreement term and conditions.

The figures are already highlighted in the financial statement. And you can refer to the financial statement, and you will find out the creaming mechanism amount.

Zaki Al Maawali: So I'll will cover the second half of that question related to the planned shutdown. Yes, in OMIFCO, we are having a planned shutdown, which is a total complex shutdown within the first quarter of 2027. We are planning to carry out a few common activities related to the seawater, fresh cooling water. This will enhance the availability and the reliability of these networks, and this is in line with the requirements from the operational teams, including the inspection and maintenance and operational teams. Of course, all of the highlights from the safety are being considered as well during these planned turnarounds.

Soha Saniour: Thank you. The next question is about the cybersecurity system for the company. How is the cybersecurity system? Have there been any cybersecurity attacks impacting the operations of the company?

Ahmed Al Marhoubi: Go ahead, Abdullah.

Abdullah Al-Hashami: Sorry, I will take this question. Very important question. You know the cybersecurity one of the high risk globally. So – and in OMIFCO, we have classified the cybersecurity one of the 10 top risks in OMIFCO. So how to mitigate this risk? The company has taken many steps. One of them, we have adopted the latest technology. Also, we have a dedicated team in IT. Also, we have increased the number of awareness programme to OMIFCO employees to the contractors. And, alhamdulillah, of course, there is attempts to hack our system but, alhamdulillah, because of these steps which OMIFCO has taken, alhamdulillah, we could manage, and we never faced any issues so far, alhamdulillah.

Soha Saniour: Great. Thank you. So the next question is, following the Government of India contract renewal, should we expect 50% of volumes to go to India starting 1st August?

Ahmed Al Marhoubi: Yes. From 1st August until the end of the contract, five years, 50% of the amount since that date should go to Government of India, yes.

Soha Saniour: Clear. Further to that, did the \$3 per tonne charge to OQ Trading apply in the first half, or do we expect it to apply starting 1st August as well?

Khalid Sulaiman Al Farsi: It will be applied to the actual volume sent to the GoI, Government of India, to the actual volume. So since we started only one month ago, it's almost start in August, still this not applied. But it will be applied on actual, as per the quantity or volume exported to the Government of India.

Soha Saniour: Thank you very much. Are there any updates on the gas allocation for the expansion project?

Ahmed Al Marhoubi: Yes. That is, as we are mentioning before, we are in a very positive discussion with IGC. The IGC is a government company. They are supporting such expansion. OMIFCO, with a very great result, you may notice it's a big opportunity for expansion. Hopefully, once we finalise with IGC, Integrated Gas Company, that agreed to finalise the

allocation of gas, which is in a very positive scenario discussion, we'll proceed with the next step immediately for expansion. Thank you.

Soha Saniour: Thank you. So urea ran at 119% of nameplate capacity, a tenth consecutive quarter above capacity. How much headroom is left, and is this sustainable?

Zaki Al Maawali: I'll take this question. When it comes to the capacity utilisation of urea this year, it is aligned basically with the previous years. Same is true for the capacity utilisation for ammonia plant. Of course, our focus when it comes to the operation is not only the capacity utilisation, it is meeting all of the operational units requirements as well as the safety requirements for all of the process units, as well as personnel working there.

Maintaining the capacity utilisation as well, I would add here that it is a result of efforts and plan which we have started many years back to upgrade many of the main units related to the ammonia and process unit. And we are taking the current figures. We are achieving the current values for the capacity utilisation under both ammonia and urea as a result of those efforts and effective plans started years back.

Soha Saniour: Great. Thanks for that. The next question is about the market. Of the four factors you are watching in the second half, what is the swing factor? And how do you read Chinese export availability?

Ahmed Al Marhoubi: Yes. All factors are equally important to and impacting the urea price and supply and demand trends. But yes, the Chinese market, because as it is known, normally they are – will be away from the international market for a few years, but sometimes they will set that policy to start exporting, which has happened this time. It impacts the urea price. Then let me say it actually normalised the urea price during the first half of the year. We are expecting that the Chinese policy will not continue for the full year. They will stop within this, as per report and research. Again, the price will stabilise in the same normal average of urea as known historically.

Soha Saniour: Thank you very much. So the last question we have is, does the company have a programme to develop the Omani workforce?

Ahmed Al Marhoubi: Yes, I think I can. Yeah, we have very good programme. In OMIFCO, we have a competency framework, a succession plan programme that to train and develop the employee within the organisation and also with the OM organisation as well. It's a very important even it is from our scorecard and KPI that as industry, we need to keep our people very well competent, to meet any challenge of updated technology and updated challenge and so on. So we have very complete programme for training and development to improve and develop our internal employees in total. Thank you.

Soha Saniour: Thank you very much. Thank you, management team. Our conference call now comes to an end. If you have any further questions to management or want to learn more about OMIFCO, kindly refer to the contact information. Thank you all for listening and for your questions. Have a great day.

[END OF TRANSCRIPT]