

Executive Summary

2023 has been a pivotal year for OQGN, marked by significant financial growth, operational excellence, and strategic advancements towards sustainability and community engagement. This report outlines our achievements, financial performance, operational milestones, and our commitment to corporate social responsibility, setting the stage for future growth and innovation.

Financial Overview

OQGN experienced substantial financial growth in 2023, with notable increases across key financial indicators:

Income: OMR 174 million, up from OMR 160.4 million in 2022.

EBITDA: OMR 84 million, an increase from OMR 71 million the previous year.

Regulated Adjusted EBITDA*: OMR 107 million, rising from OMR 96 million, showcasing our operational efficiency and profitability.

Profit: Increased to OMR 55.5 million from OMR 45.6 million, reflecting our strategic success and market resilience.

Assets: Growth of 4.5% in concession receivable and contract assets, reaching OMR 1,042 million.

Earnings Per Share (EPS): Improved to 12.82 Bz from 10.53 Bz, demonstrating our strong financial health and investor confidence.

Dividends: A commitment to paying a total of 10.16 Bz per share for 2023, with a significant portion already distributed as an interim dividend.

In alignment with our strategy to set our capital structure for long-term growth, OQGN secured two unsecured conventional term financing facilities and two Wakala Facility Agreements, enhancing our financial flexibility and investment capability.

Operational Excellence

Our operational achievements in 2023 underscore our commitment to safety, efficiency, and innovation:

Safety Standards: Achieving 7,451,745 hours LTI-free, reflecting our dedication to maintaining a safe work environment.

Digital Transformation: Implementation of the Intalex platform for incident reporting, promoting a culture of safety and operational transparency.

Gas Deliveries: A record-setting delivery of 40.5 BCM of natural gas in 2023, ensuring 100% gas availability and reinforcing our role in Oman's energy sector.

Project Delivery: Completion of thirteen growth projects, with a total investment of OMR 132.5 million, expanding our operational capacity and infrastructure.

Corporate Social Responsibility (CSR)

OQGN remains deeply committed to the economic development and well-being of Oman and its people. Our CSR initiatives in 2023 focused on environmental stewardship, educational support, and community development:

Educational Outreach: Conducting public awareness workshops on pipeline safety, and partnering with local educational institutions to foster knowledge and awareness.

Community Development: Strategic collaborations with the Directorate General of Education and the Directorate General of Health Services in Dhofar, investing in projects that align with our CSR framework and contribute to community welfare.

Future Outlook

Looking ahead, OQGN is poised to expand its core gas midstream services and explore new avenues in hydrogen and carbon dioxide transportation. Our engagement in MoUs with industry partners on hydrogen and CCUS initiatives positions us at the forefront of the energy transition, aligning with global sustainability trends and Oman's strategic energy goals.

Conclusion

2023 has set a new benchmark for OQGN in terms of financial performance, operational achievements, and our commitment to sustainability and community engagement. As we look to the future, we remain dedicated to driving innovation, operational excellence, and contributing to Oman's economic development and environmental sustainability.

*Regulated Adjusted EBITDA is calculated as EBITDA – construction revenue + construction cost – finance income on concession receivables and contract asset + billed during the year against concession receivables and contract assets