

## Executive Summary

The company financial performance for the first half of 2024 exceeded the business plan. Beside financials, the operational results have also been exceptional, especially with the commencement of Price Control 3 (2024-2027) supported by the operational growth and excellence.

This report outlines the performance and achievements of the company in different areas including financial and operational. This further showcases our commitment to health & safety, corporate social responsibility, setting the stage for future growth and innovation.

## Operational Performance

	H1 2023	H1 2024
Pipeline growth (Km)	-	177
Total Length (Km)	4,031	4,223
Gas Transported (Bn Cubic Meter)	19.4	21.2

OQGN's network length has increased following the commissioning of South Grid Project (A loop-line for the purpose of increasing the capacity in South Region of the Country) by 177 km. The company has also scored a record of highest gas delivery of 131 Million Standard Cubic Meter per day during the month of June 2024.

## QHSE Performance

OQ Gas network QHSE performance of H1 2024 has accomplished an outstanding milestone in ensuring safety in the workplace achieving 10.7 million safe man-hours. In addition to 17 million safe kilometers with zero Motor Vehicle Incidents. This is a testimony of OQGN's full compliance in road safety standards.

## Financial Performance

In RO Mn	Six Months ended 30 <sup>th</sup> June			
	2024	2023	Change in figures	Change in %
<b>Revenue excluding one-off events</b>	<b>75.5</b>	<b>76.2</b>	<b>(0.7)</b>	<b>(0.9%)</b>
Effect of one-off event 1*	-	8.8	(8.8)	
Effect of one-off event 2**	5.3	-	5.3	
<b>Revenue for the period</b>	<b>80.8</b>	<b>85.0</b>	<b>(4.2)</b>	<b>(4.9%)</b>

Total expenses	(53.1)	(51.9)	(1.2)	(2.3%)
<b>Profit excluding one-off events:</b>	<b>22.4</b>	<b>18.9</b>	<b>3.5</b>	<b>18.5%</b>
Effect of one-off event 1*	-	8.8	(8.8)	
Effect of one-off event 2**	5.3	-	5.3	
Effect of one-off event 3***	-	5.4	(5.4)	
<b>Profit for the period</b>	<b>27.7</b>	<b>33.1</b>	<b>(5.4)</b>	<b>(16.3%)</b>

\* Gain on termination of hedge

\*\* Reimbursement of PC2 opex allowance

\*\*\* Waiver of interest on shareholder loan

OQGN's financial results showed a slight decrease of RO 0.7 Mn in revenue mainly due to lower construction revenue. Net profits increased by RO 3.5 Mn compared to the same period in 2023 primarily due to increase in WACC following commencement of Price Control 3.

The variance in comparison to 2023 is attributable to one-off events resulting in reimbursement of PC2 opex allowance of RO 5.3 Mn in 2024, financial gains of RO 8.8 Mn from the termination of a hedge in 2023 and RO 5.4 Mn from the waiver of interest on a shareholder loan in 2023.

The Board of Directors in their meeting held on 25 September 2024 have proposed an interim dividend of 5.75 baiza per share representing 90% of the profit for the six month period ended 30 June 2024.

## Sustainability Performance

With OQGN's continuous commitment towards sustainability and achieving Oman's vision of Net zero by 2050, the company commenced implementation of OQGN decarbonization strategy, such as the use of mobile recompression, flare recovery and Energy Management System.

As of 30 June 2024, OQGN has a total number of employees of 468, with an Omanization rate of 93.8%.

## Thanks and Appreciation

We sincerely thank our shareholders and customers for believing in OQGN's vision. We also extend our gratitude to our executive leadership team and employees for their tremendous efforts. Thanks to your trust and contributions, we are on track and are confident that we will be achieving remarkable results and OQGN will continue to reach new heights of success.