

Executive Summary

The company's financial performance for the third quarter of 2024 has exceeded business plan. Beyond the financial results, operational performance has been exceptional, with an uninterrupted gas supply to customers and the successful deployment of technologies to efficiently separate rich and lean gas in transmission.

This report underlines the company's significant achievements across financial and operational fronts, showcasing an unwavering commitment to health and safety with an outstanding 13.3Mn LTI-free manhours, advancing sustainability initiatives, and setting a powerful foundation for future growth and innovation.

QHSSE Performance

OQGN's maintains excellent safety records, as no LTIs were recorded this year. This results in accumulation of 13.3 million man-hours LTI and demonstrates OQGN's commitment to maintaining safety as a core value within our day-to-day activities.

Operational Performance

As of Q3, OQGN has transported a total cumulative of 32.3 Bn Cubic Meter of gas, which is 6% higher than last year (30.3 BCM in Q3 2023). This reflects the company's unwavering commitment to reliability and operational excellence.

In addition, the company has executed a Remote Techno Plug (RTP) operation on its 48" tie-ins at Gas Network Hub (GNH) to the newly constructed gas blending station. This process was the first of its kind to be executed in Oman for 48" gas transmission pipelines and the completion of the tie-ins embarks our journey towards enabling an added value in the gas chain by segregating the lean and rich gas.

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 Energy Management System and gas heaters optimization.

In addition, OQGN launched its first Sustainability Report. This comprehensive report underscores our commitment to Environmental, Social, and Governance (ESG) principles. It provides a transparent account of our sustainability efforts, achievements, and the challenges we have faced. This report is not just a reflection of our past activities but a roadmap for the future, showcasing our strategic priorities and goals for sustainable growth. It aligns with the Global Reporting Initiative (GRI), SASB's Oil and Gas industry standards, MSX ESG Disclosure Guideline and UN Sustainable Development Goals (SDGs).

As of 30 September 2024, OQGN has a total number of employees of 469, with an Omanization rate of 93.82%.

Financial Performance

In RO Mn	Nine Months ended 30th September			
	2024	2023	Change in figures	Change in %
Revenue excluding one-off events	110.0	120.6	(10.6)	(8.8%)
Revenue for the period	115.3	129.4	(14.1)	(10.9%)
Total expenses	(77.2)	(84.5)	7.4	(8.7%)
Profit excluding one-off events:	32.8	30.6	2.2	7.2%
Profit for the period	38.1	44.8	(6.7)	(15.0%)

Key Highlights:

- OQGN achieved a **7.2% increase in profit excluding one-off events**, demonstrating strong operational performance and efficiency improvements, which were primarily driven by the commencement of Price Control 3 (PC3). This new regulatory framework introduced a more favorable operating expense (OpEx) allowance and weighted average cost of capital (WACC).
- Despite the absence of certain one-time gains that benefited 2023 (such as RO 8.8 Mn from hedge termination and RO 5.4 Mn from shareholder loan interest waiver), the company generated **strong recurring profits**, with a positive contribution from the **RO 5.3 Mn reimbursement under the PC2 OpEx allowance** in 2024.
- Revenue and profit excluding these one-off events remain robust, reflecting the **company's core operational strength**.

Thanks and Appreciation

We extend our heartfelt appreciation to our shareholders and customers for their trust in the OQGN's vision. We are equally grateful to our executive leadership team and employees for their exceptional efforts. Your confidence and dedication have positioned us on the right path, and we are confident that together we will achieve outstanding results, propelling the company to even greater heights of success.