

Executive summary

2024 has been a transformative year for OQGN, marked by the establishment of new goals under our five-year strategy. The company focuses on expanding core gas midstream services while pioneering hydrogen and carbon dioxide transportation, strengthening Oman's energy transition efforts. This report highlights our key achievements, financial performance, operational milestones, and unwavering commitment to sustainability, laying the foundation for future growth and innovation.

Financial overview

In 2024, OQGN demonstrated financial resilience and adaptability with strong core performance and continued efficiency improvements. The Company achieved a 2.9% 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)¹. This new regulatory framework introduced a more favorable operating expense allowance and weighted average cost of capital (WACC), which enhanced OQGN's cash flow and income stability.

Despite the absence of certain one-time gains that benefited 2023 (such as OMR 8.8 Mn from hedge termination and OMR 5.4 Mn from shareholder loan interest waiver), the Company generated strong recurring profits, with a positive contribution from the OMR 5.3 Mn reimbursement under the Price Control 2 (PC2) allowance in 2024. Revenue and profit (excluding these one-off events), remain robust, reflecting the company's core operational strength and growth in the Regulated Asset Base.

Financial performance, OMR Mn

Metric	The full year ended on December 31		
	2023	2024	Change
Revenue for the period	174.0	154.8	(11.0%)
Revenue excluding one-off events	165.2	149.5	(9.5%)
Total expenses	(118.5)	(107.0)	(9.7%)
Profit excluding one-off events	41.3	42.5	2.9%
Profit for the period	55.5	47.8	(13.9%)

Income: OMR 154.8 million, down from OMR 174 million in 2023.

EBITDA: OMR 81.8 million, down from OMR 83.6 million in 2023.

Regulated Adjusted EBITDA²: OMR 104.3 million, down from OMR 107.2 million in 2023.

Net profit: OMR 47.8 million, down from OMR 55.5 million in 2023.

Assets: OMR 1,056 million Regulated Asset Base (represents concession receivable and contract asset due from the Shipper), up from OMR 1,042 million in 2023.

¹ The Price Control Period is a three-year time span during which OQGN's revenues are pre-approved by the Authority for Public Services Regulation (APSR) under the Regulated Asset Base (RAB) Framework.

² 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.

Earnings per share (EPS): Bz 11.04 with a dividend yield of 7.7%

Dividends: In 2024, OQGN paid OMR 68.9 million in dividends for 2023 and H1 2024

Loans: In 2024, OQGN successfully **repriced its USD facilities**. The margin was **reduced from 1.90% to 1.25%**.

Business excellence

In 2024, OQGN showed exceptional growth by launching several significant projects while remaining true to its commitment to innovation and the highest levels of safety.

Safety standards: TRIF 0.13 per 1 million man-hours, improved by 40.9% from 0.22 in 2023.

OQGN launched a three-year safety culture programme, implemented the Intalex platform for incident reporting, and adopted the HSSE Passport App to track mandatory health and safety training.

Network length & capacity: 4,235 km total pipeline length up by 4.7% from 4,045 km in 2023
71.1 BCM up by 2.6% from 69.3 BCM in 2023

Gas deliveries: 42.98 billion cubic meters (BCM), up 6.1% from 40.5 BCM in 2023, with 99.99% gas availability. 131.4 million cubic meters (MCM) A record single-day gas delivery was achieved with a 4.8% increase over the previous record.

Project delivery:

As of 31 December 2024, OQGN completed four projects, including the 17 km pipeline project in Ad' Duqm, and the Saib Project which added 208 km of 32-inch pipeline in the Dhofar Governorate to increase the south grid capacity by 60%.

Ten projects are ongoing, including the 48-inch CRL project, which increases system capacity by extending the 48" loop line (65 km) and developing a Gas Network Hub (GNH) in Central Oman. In addition, the 42-inch Fahud-Sohar Loop Line, not determined part of PC-3 and proposed through OQGN's Long Term Development plan, will add 9 MMSCMD to the north gas network by 2027, supporting growth in Sohar and Ibri region.

Market landscape and industry update

Oman's gas demand is expected to remain stable over the next two decades, driven by robust LNG exports and natural gas-based electricity generation, which together form a solid foundation for sustained demand. With a natural monopoly in midstream gas transportation, OQGN is well-positioned to benefit from stable demand. Looking ahead, Oman Vision 2040 focuses on economic diversification, particularly in green hydrogen and CO₂ transportation, where OQGN's expertise makes it the preferred operator to support and enable Oman's hydrogen ambitions.

Sustainability

OQGN's sustainability strategy supports Oman's energy transition and Vision 2040, with a strong focus on emissions reduction. In 2024, flaring decreased by 2% and venting by 38%, while the company began transitioning to electric vehicles. OQGN also hosted a methane emissions workshop with UNEP, fostering industry collaboration.

Strengthening transparency, the company published its first sustainability report and voluntarily disclosed ESG performance to MSX. Additionally, OQGN continues to integrate digital solutions to enhance energy efficiency and minimize environmental impact. These milestones reaffirm our commitment to responsible growth and our net-zero vision for 2050.

Investor and customer viewpoint

Our unwavering reliability underscores customer satisfaction, highlighting our pivotal role in Oman's energy landscape. A year after a record-breaking IPO, OQGN presents a strong investment case, backed by its exclusive role in Oman's natural gas infrastructure, stable financial performance, and alignment with Oman Vision 2040. The company's crucial position in the energy sector and its exploration of emerging opportunities ensure long-term growth and resilience.

Digitalization & Innovation

OQGN's commitment to digitalization and innovation is reflected in the establishment of a dedicated team to drive technological advancements, oversee digital initiatives, and collaborate with local academic institutions on research and development. This focus enables the company to integrate cutting-edge solutions across its operations, enhancing efficiency and technological capabilities. By collaborating with local IT companies and leveraging emerging technologies, OQGN develops tailored solutions that align with its strategic objectives.

In 2024, OQGN partnered with Omantel to deploy satellite technology for long-range surveillance and third-party intrusion detection. Additionally, OQGN successfully executed the first smart plugging operation in Oman's gas pipelines, seamlessly connecting live systems with new stations without interrupting gas supply, delivering significant economic and environmental advantages. OQGN also enhanced its Geographic Information System (GIS) capabilities through the in-house development of Mueen, a customized Right of Way Management System (ROWMS) that digitizes gas network monitoring. Furthermore, the team established a machine learning platform for Valve Condition Monitoring (VCM), enabling predictive maintenance and reducing the risk of valve failures.

Looking ahead, OQGN will expand its innovation and digitalization efforts through strategic partnerships with solution providers, focusing on data utilization, system integration, AI, and process automation. By leveraging the company's existing data resources, these initiatives will accelerate project delivery, drive business excellence, and support OQGN's decarbonization strategy.

Achievements and recognition

OQGN's numerous awards in 2024 reflect our unwavering commitment to excellence, innovation, and sustainability, setting new benchmarks in the energy sector. The company was recognized as the Best Performing Company under the Large Cap category at the Alam Al Iktisaad Excellence Awards 2024. OQGN also received IFN Equity and IPO Deal of the Year 2023 and IFN Oman Deal of the Year 2023 at the Islamic Finance News (IFN) 2023 Awards. Further accolades included the Best Use of Technology for Asset Integrity Award in the Operation

Technology category at the Asset Reliability and Integrity Show 2024, as well as the title of Oman's Most Trusted Brand in the B2B category at Oman's Most Trusted Brand Awards 2023. OQGN QHSSE was honored with the Operational Excellence Best Practice Award 2024 from OPAL for the innovative MUEEN Smart Pipeline Surveillance and Intrusion Platform, showcasing our commitment to safety and technological advancement.

Corporate social responsibility (CSR)

OQGN's Corporate Social Responsibility (CSR) initiatives in 2024 focused on impactful community engagement and development. Key projects included Murshid's Educational Pack, simplifying business concepts for young students, and the OQGN Innovation Hub, equipping schools with advanced lab infrastructure.

To support academic excellence, OQGN honored the top 30 General Diploma achievers and backed the Al Kamil wa Al Wafi Summer Camp, fostering youth skills development. The Tassad Program, in collaboration with Riyada, empowered over 75 SMEs through training and industry connections.

Volunteerism remained strong, with 439 employees contributing 659 hours, benefiting over 6,000 people. OQGN also distributed 1,550 trees, reinforcing its commitment to a greener future. Looking ahead, we remain dedicated to driving social progress, empowering local talent, and creating lasting value for Oman's communities.

Future outlook

For the next five years, OQGN will focus on solidifying its position as a critical infrastructure provider by expanding its existing network, becoming the partner of choice in energy transition projects, and emphasizing its role in sustainability.

Under its strategy, OQGN is set to expand core gas midstream services while advancing into hydrogen and Carbon Dioxide (CO₂) transportation. As part of Oman's green hydrogen strategy, the Company has signed an MoU with Hydrom in 2024 and was appointed the National Infrastructure Provider for Hydrogen (H₂) pipelines. The company advises on regulatory and techno-commercial aspects of CO₂ transport, working under a Memorandum of Understanding with Oxy Oman to develop a CCUS value chain. It also collaborates with Shell, OQ, and PDO on the Blue Horizons low-carbon and ammonia pre-FEED project to explore bankable commercial models.

Conclusion

2024 has been a defining year for OQGN, setting new strategic goals and benchmarks in operational excellence. As we move forward, we remain focused on expanding our core gas midstream services while pioneering hydrogen and carbon dioxide transportation, reinforcing Oman's energy transition goals. Our commitment to sustainability and operational excellence continues to drive long-term value creation, supporting Oman's Vision 2040 and creating new revenue streams for the company.