



@oqgn_om | oqgn.com

Leading the Way in Gas Transportation

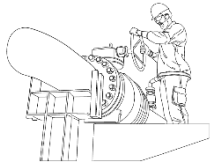
OQGN



@oqgn_om | oqgn.com

OQGN in Brief





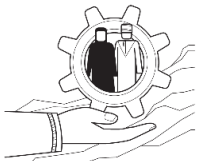
Exclusive gas transmission operator and owner



50-year concession expiring in 2070



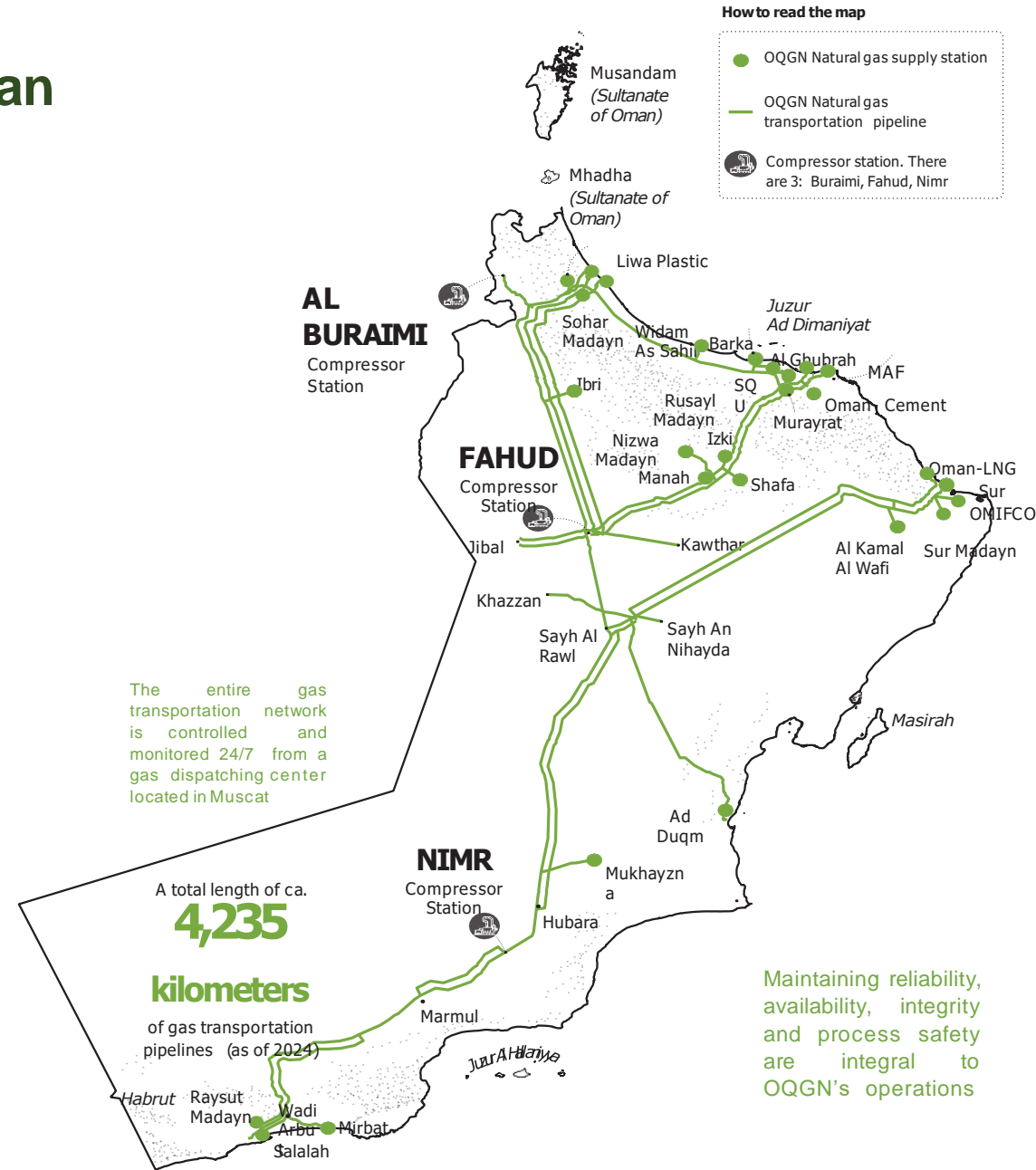
Strong growth prospects – near-term network expansion/ long-term growth initiatives



Strategy aligned with economic diversification strategy per Oman Vision 2040



OQGN maintains the Asset management standard certification ISO 55001:2014 as well as other certifications





Vast

4,235 km

of gas pipelines, 3 compressor stations and 26 gas supply stations

Experienced

500+

of dedicated, proud and highly qualified employees

Established

130+

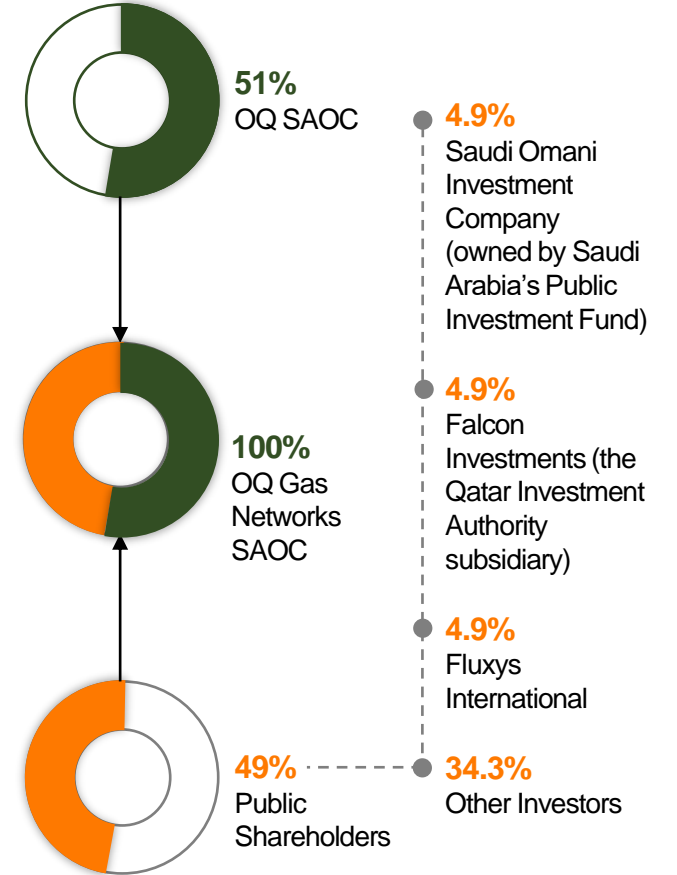
major consumers across Oman – Power & Desalination plants, Fertilizers, Chemicals, Petrochemicals, Refineries, Steel & Cement plants.

Reliable

99.9%

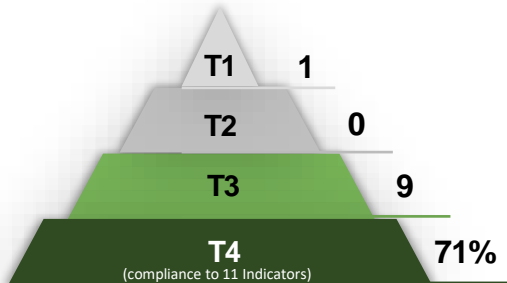
gas availability with a total of **42.98 Bn Cubic Meter** of gas transported, which is 6% higher than last year (40.5 BCM in 2023).

Company Structure





Process Safety Indicators

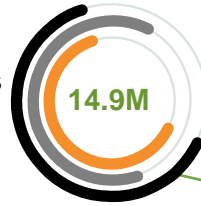


Manhours
Cummulative
Manhours for 2024



Safe Manhours

LTI Free Manhours
Cummulative
Manhours since the
last LTI in OQGN

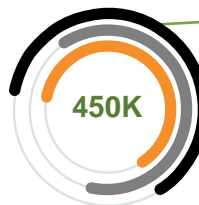


Kilometers
Cummulative
Kilometers driven
in 2024

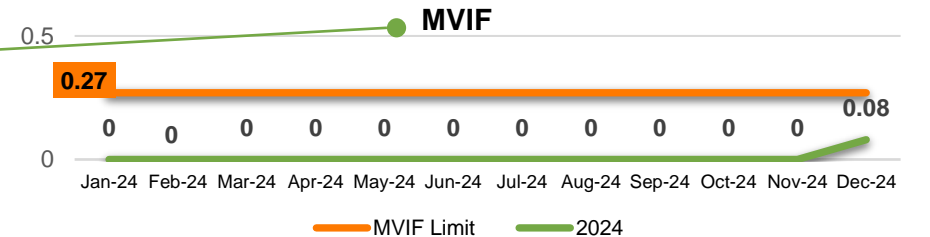
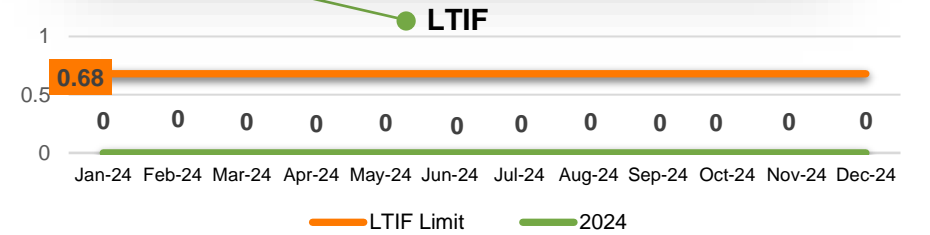
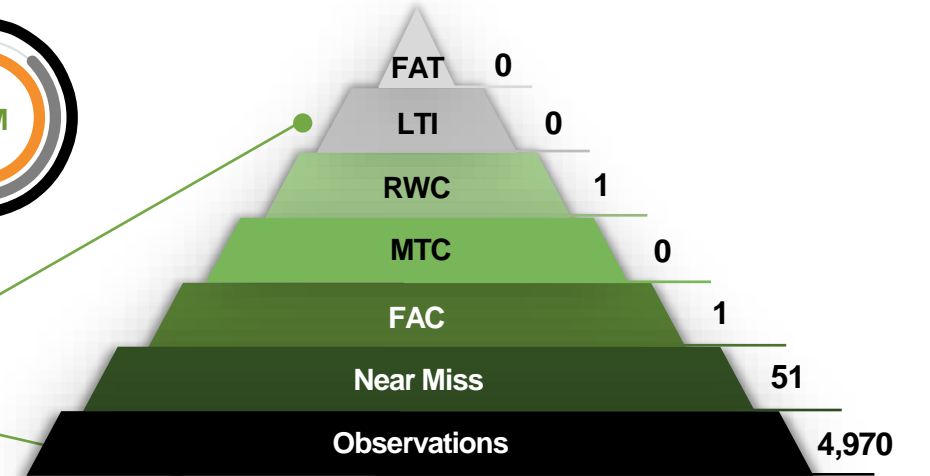


Kilometers Driven

MVI Free Kilometers
Cummulative
Kilometers since the
last MVI in OQGN



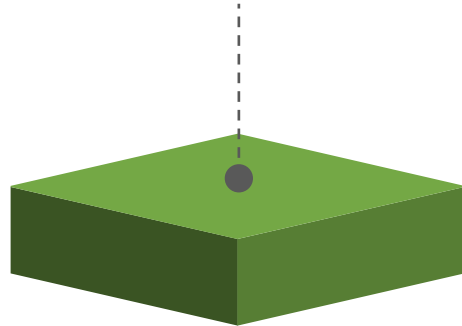
HSSE Indicators





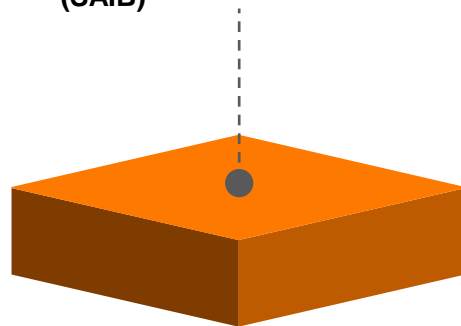
ENERGY TRANSITION

- Achieved **57% reduction in flaring** and a **48% cut in CO₂ emissions**



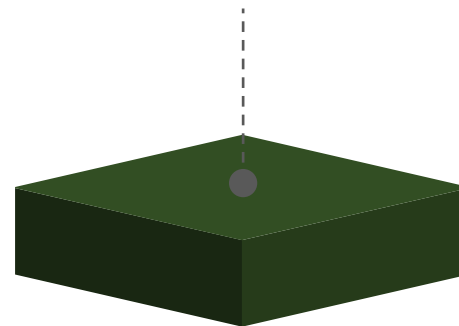
GAS NETWORK GROWTH

- Received initial approval **execution of 42" Fahud-Sohar loopline** and the **FEED phase for the OQGN/PDO SOGL interlink**
- Inauguration of the **32" South Grid De-bottlenecking Project (SAIB)**



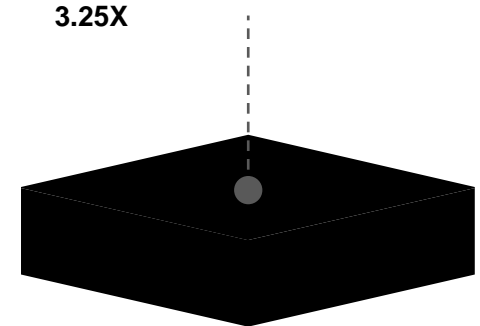
PROJECTS

- Achieved **substantial completion** for JAL International, Dhofar Fisheries, and Salalah Mills projects
- Successful execution of a **Remote Techno Plug (RTP) operation** on 48" tie-ins at the Gas Network Hub (GNH)—**the first of its kind in Oman.**
- Commissioned **gas blending facility** at Central Gas Network Hub enabling **added value in gas supply chain**



BUSINESS & FINANCIAL

- Maintained **99.9% gas availability**
- Signed MoUs** with 11 Academic Institutes to **support utilization of training levy**
- Achieved the **Highest gas delivery record of 131 MSCM per day**
- Total Income** generated amounted to **OMR 154.8 Mn**, while **Net Profit** amounted to **OMR 47.8 Mn surpassing the year's target**
- Successfully re-priced the USD facility** with favorable cost of debt
- Achieved an **Adjusted Net Debt / RAB ratio of 0.33X**, while the **Adjusted Net Debt / Regulated Adjusted EBITDA ratio** was at **3.25X**



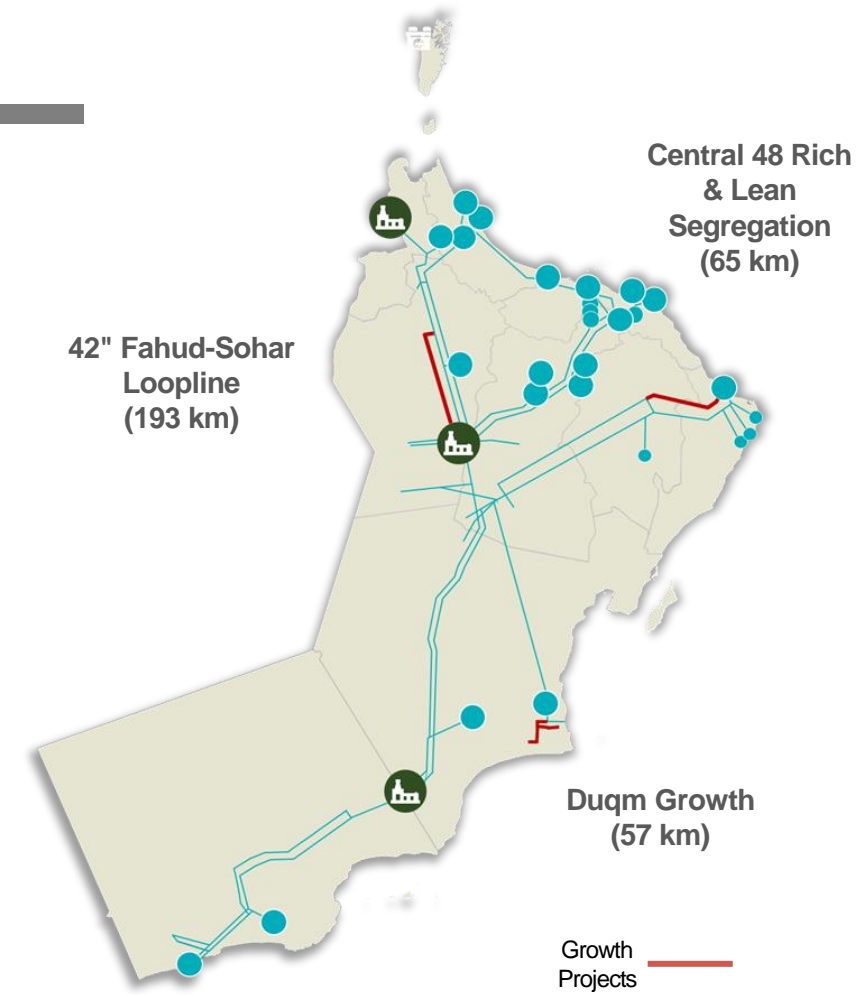
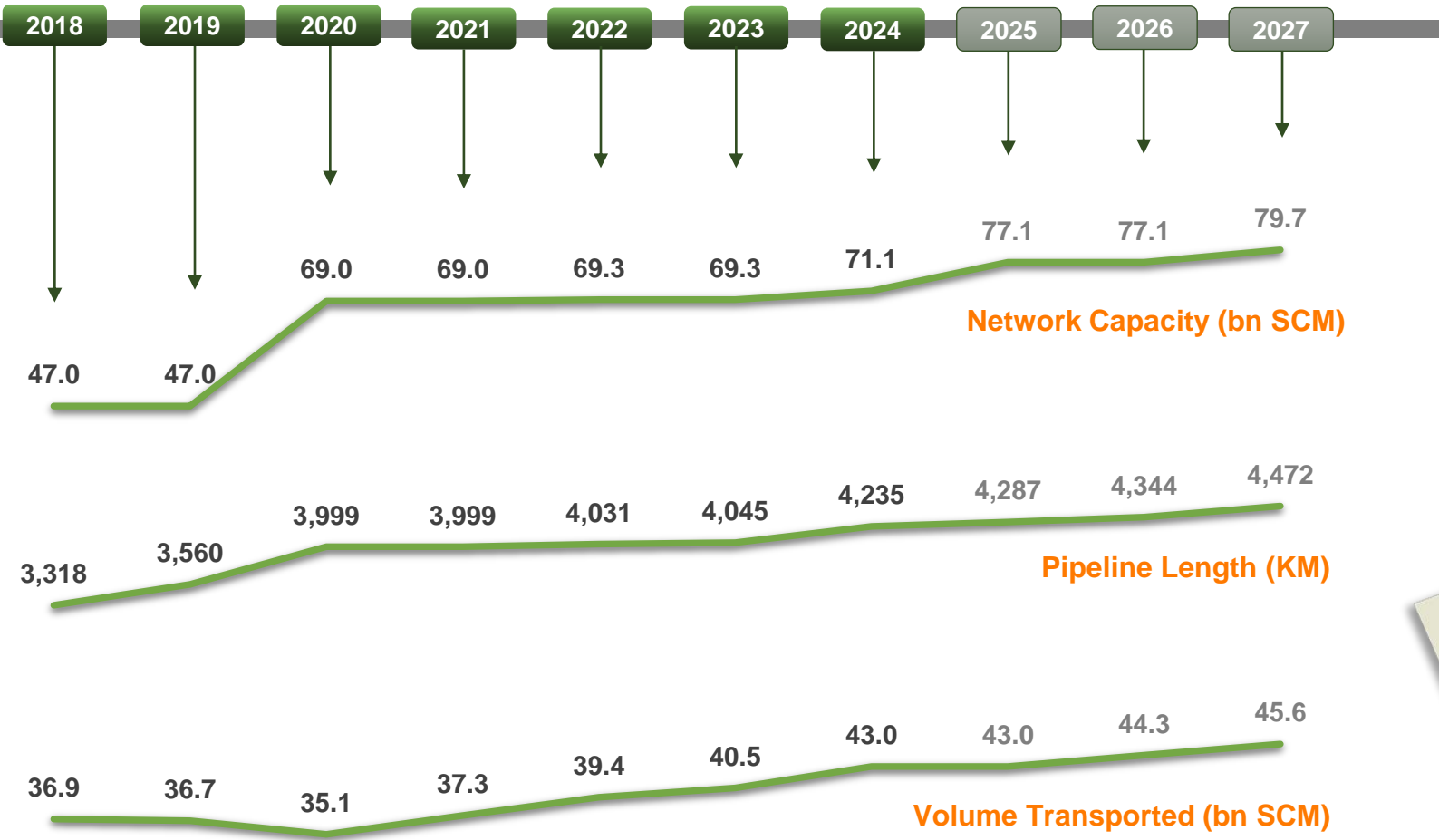


@oqgn_om | oqgn.com

Growth And Future Aspiration

OQGN

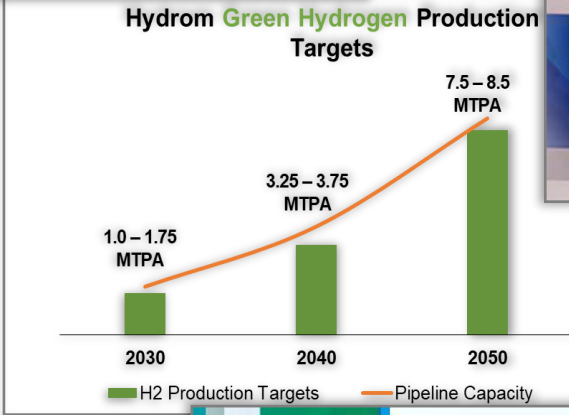
OQGN continues expanding its natural gas network to meet growing natural gas demand in the medium-term



Collaborating with The Government to develop hydrogen pipeline infrastructure

OQGN has been appointed as the National Infrastructure Provider for H2 pipelines, advising Hydrom on master planning & collaborating with partners

The Sultanate of Oman has set out ambitious Green Hydrogen Production Targets that will be enabled by OQGN.

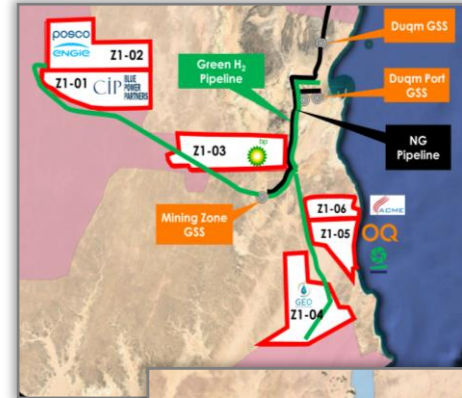


OQGN conducted a strategy study on Hydrogen to assess the intricacies of developing a Hydrogen CUI and its commercialization, ensuring that OQGN emerges as a leading Hydrogen Network Operator.



OQGN is actively involved in Hydrom's feasibility study, aligning on technical, commercial, financial, and legal considerations.

OQGN will leverage its pipeline expertise & exploit synergies to lower the LCOH



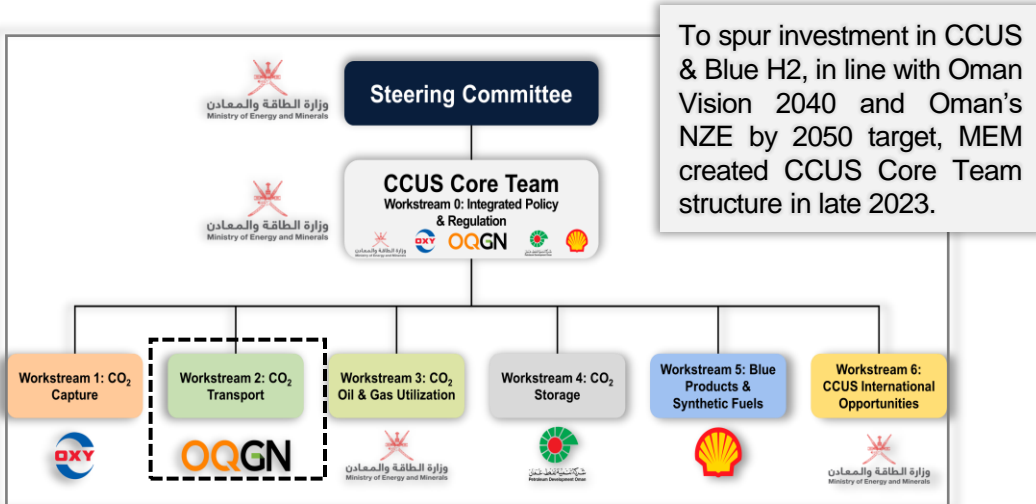
OQGN is planning to develop an optimal hydrogen pipeline network to cater to announced & future blocks, taking advantage of economies of scale & ROW efficiencies to lower transportation costs.



OQGN is conceptualizing the CO2 pipeline network to meet first movers' requirements

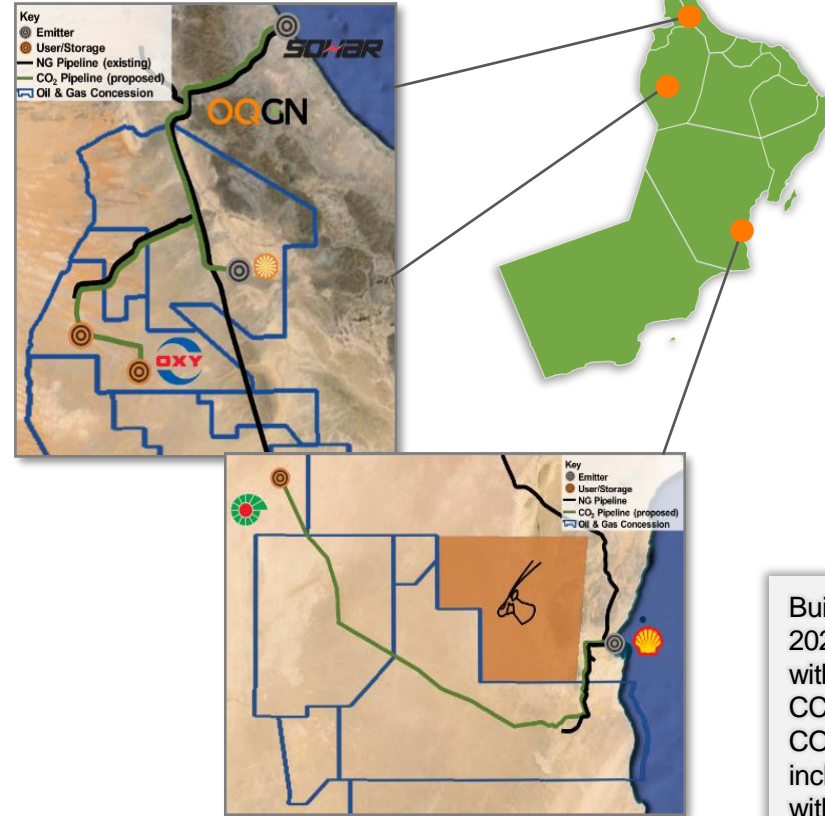
Ministry of Energy & Minerals is developing CCUS & Blue H2 regulations & policies with key stakeholders

OQGN is collaborating with stakeholders to develop Trailblazer Projects



To spur investment in CCUS & Blue H2, in line with Oman Vision 2040 and Oman's NZE by 2050 target, MEM created CCUS Core Team structure in late 2023.

- OQGN is advising MEM on regulatory & techno-commercial aspects of CO2 transport.
- To enable first movers, MEM designated Trailblazer Project status to 3, commercial scale CCUS projects.



Governed by a JSA, OQGN is working with Shell, OQ & PDO on Blue Horizons' pre-FEED. OQGN is exploring attractive commercial models with regards to the CO2 transport pipeline, ensuring bankability & shareholder value.



Building on the MoU signed in 2023, OQGN is collaborating with Oxy to develop an attractive CCUS value chain to meet Oxy's CO2-EOR requirements, including commercial aspects with regards to the CO2 transport pipeline.



@oqgn_om | oqgn.com

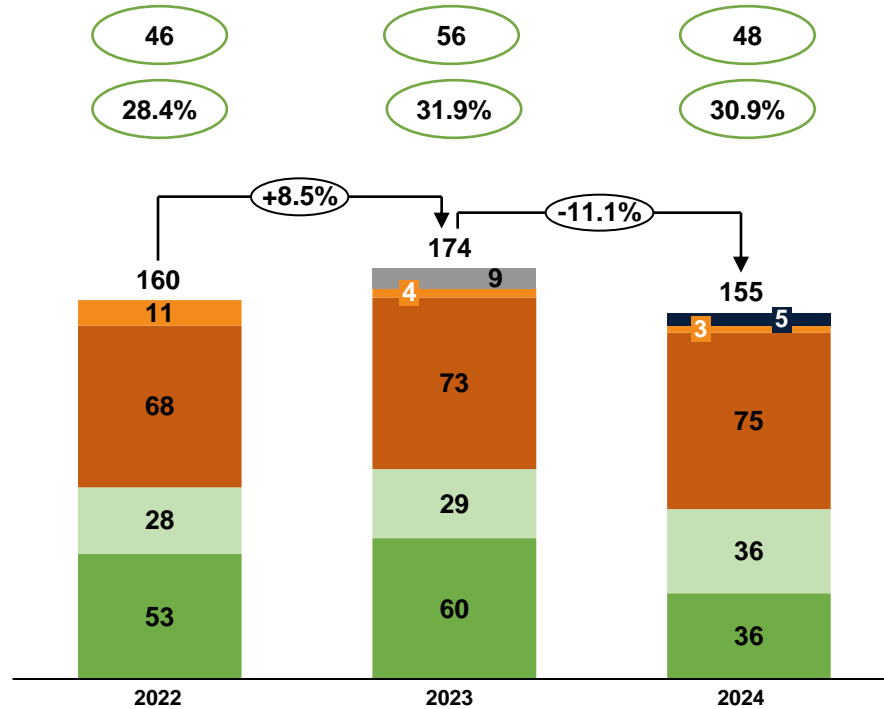
2024 Performance



OMRm

Net Profit

Net Profit Margin



- Construction revenue
- Allowance for expenditures and pass through costs
- Finance income (concession receivables and contract asset)
- Interest on fixed deposits, other income and project management services
- Transfer from OCI on termination of hedge
- Allowance for expenditure related to previous price controls periods

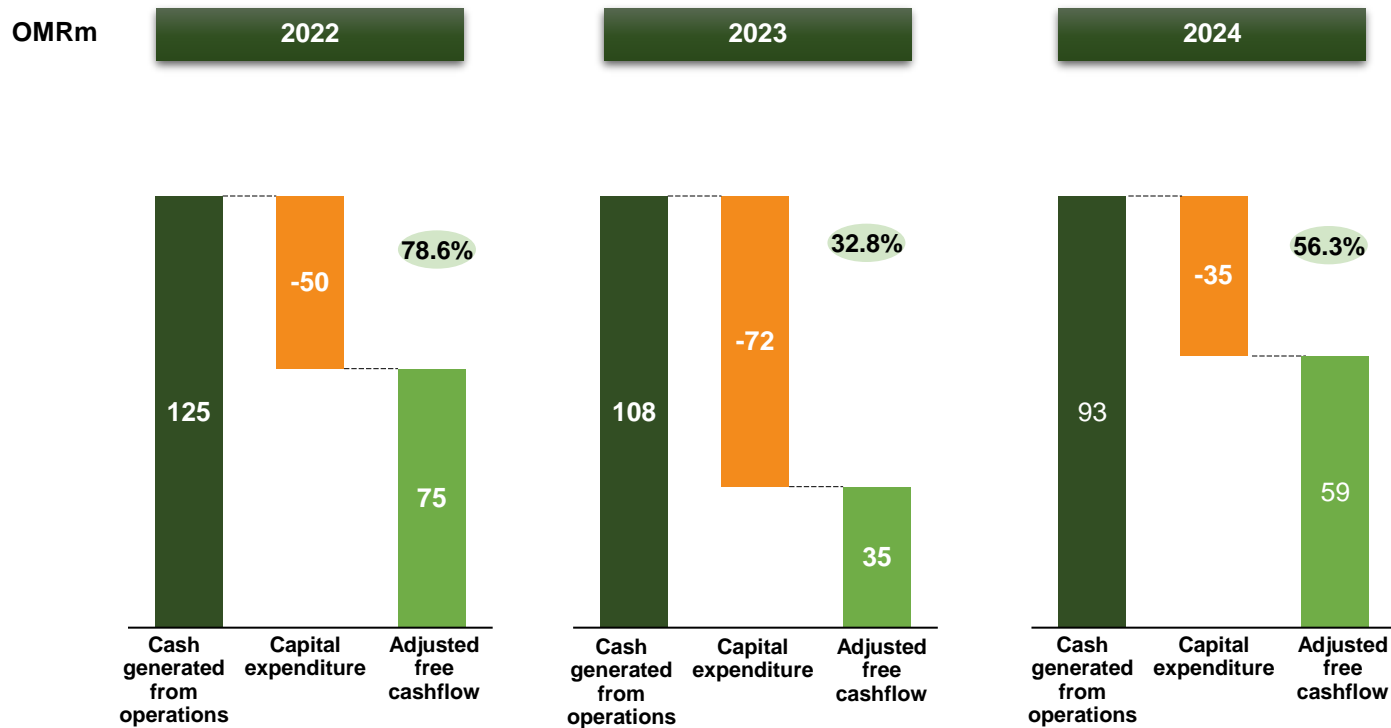
Observations

- By excluding one-off events, OQGN achieved a 3.1% increase in profit which were primarily driven by a more favorable operating expense allowance and favorable weighted average cost of capital (WACC) in Price Control 3 which started in January 2024.
- The company generated strong recurring profits, supported by a positive contribution from the RO 5.3 Mn reimbursement of the PC2 OpEx allowance in 2024.
- The decrease in income is mainly attributed to lower construction revenue in 2024.



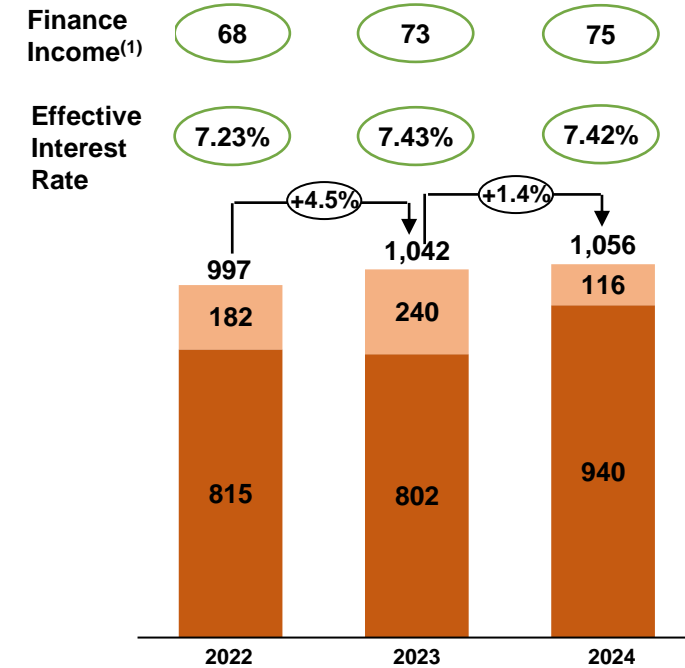
- Observations**
- Construction margin is equal to the CWIP WACC.
 - OQGN recorded a decrease in Construction Costs in 2024 compared to 2023 mainly due to an underspend in growth & sustaining projects, reversal of over accrual of prior year, receipt of insurance claim, and the reversal of withholding payment towards Gas Supply to New Power Plant in North project.
 - Opex and pass-through allowance as a percentage of actual Opex and admin expenditure has increased to 93% in 2024 vs. 87% in 2023 due to higher opex allowance agreed with regulator for 2024.
 - Opex and admin expenses increased in 2024 vs 2023 mainly due to increase in insurance and employee cost driven by change in accounting treatment of Project Delivery employee related cost.
 - Other expenses increased due to an increase in IT expenses and regulation related fees.

(1) (Construction Revenue – Construction Costs) / Construction Costs.



Regulated Adjusted Cash Conversion⁽¹⁾

(1) Regulated Adjusted Cash Conversion = Adjusted FCF (i.e., cash generated from operations (before deducting income tax paid, employees' end of service benefits paid, interest paid, interest income received on fixed deposits and receipt of Connection Fee) minus Capital Expenditures) / Regulated Adjusted EBITDA.



Concession receivables
 Contract assets⁽²⁾

(1) Includes finance income on contract assets and concession receivables.
 (2) Only including contract assets due from MEM.

Commitment To A Robust Capital Structure Allowing For Future CAPEX Funding And Sustainable Dividend Distribution

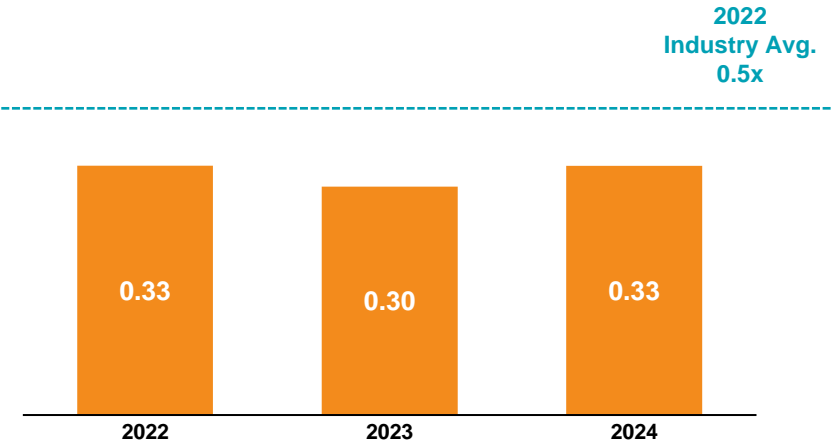
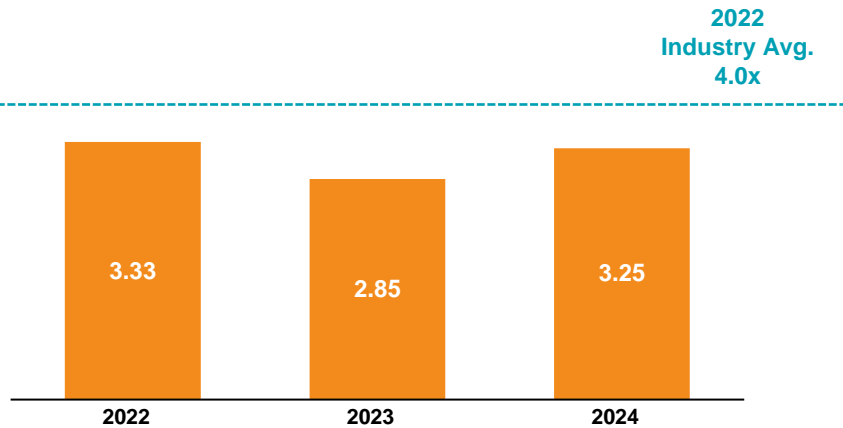
Efficient Capital Structure...

| <i>OMRm</i> (1 OMR = 2.6 USD) | As of Dec-23 | As of Dec-24 |
|--|--------------|--------------|
| Term Loan | 329 | 355 |
| Total Debt | 329 | 355 |
| Cash and Cash Equivalents | (24) | (16) |
| Adjusted Net Debt | 306 | 339 |
| <i>Adjusted Net Debt / Regulated Adjusted EBITDA</i> | 2.85x | 3.25x |
| <i>Adjusted Net Debt / RAB</i> | 0.30x | 0.33x |

Historical Net Debt / Adjusted EBITDA

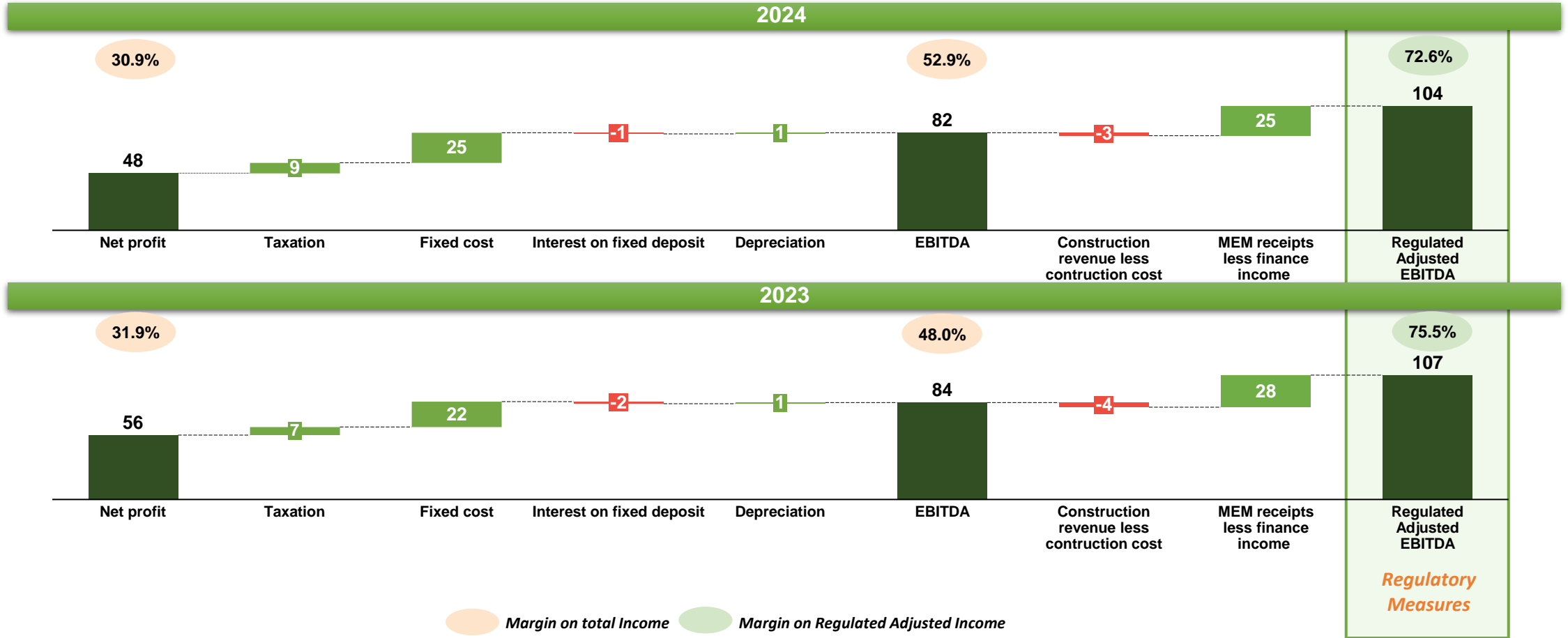
Historical Net Debt / RAB

... Ensuring Ample Room for Leverage Capacity



Net Profit to Regulated Adjusted EBITDA Bridge

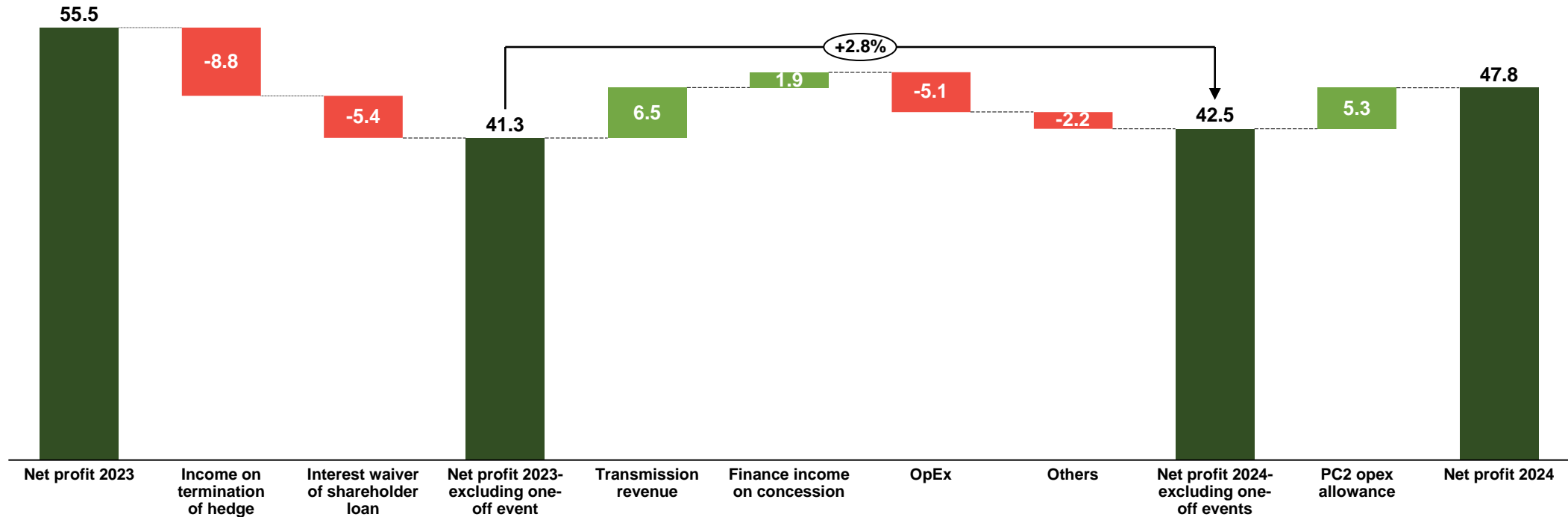
OMRm



Net profit 2023 vs Net profit 2024

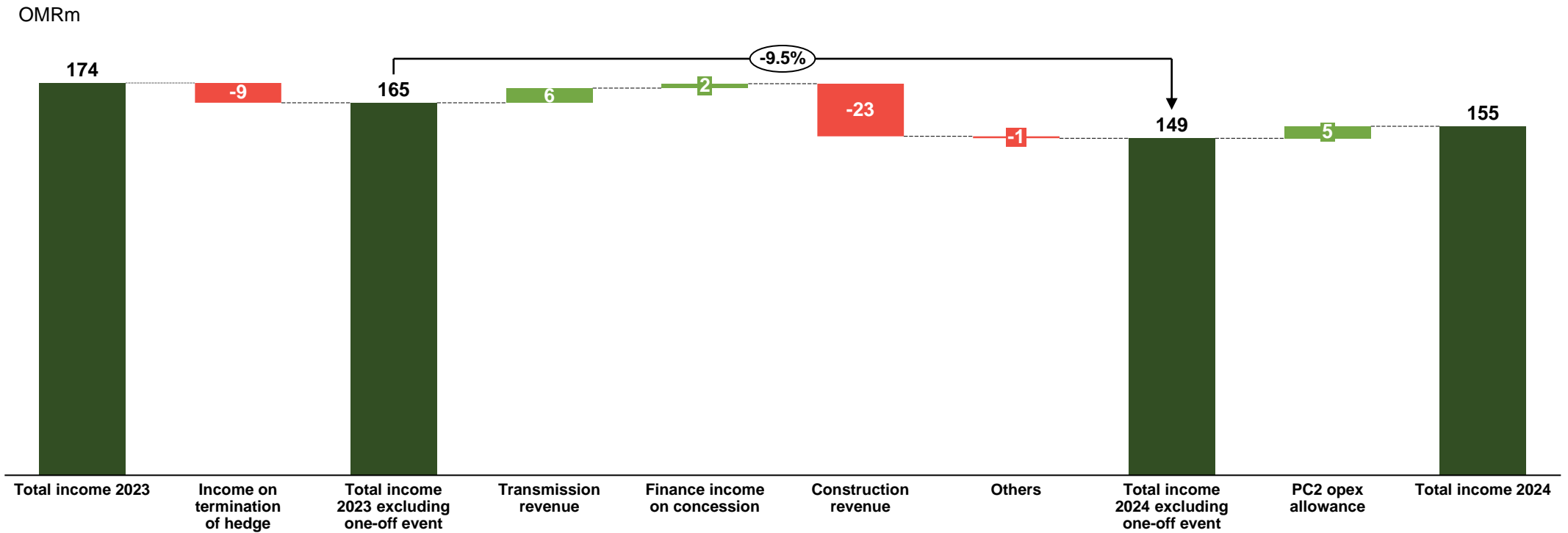
OQGN's performance reflected a RO 2.2 Mn increase in net profit supported by commencement of Price Control 3 which entailed a better OpEx allowance and WACC as compared to Price Control 2.

OMRm



Total Income 2023 vs Total Income 2024

OQGN's performance reflected a RO 10.6 Mn decrease in total income mainly due to lower construction revenue in 2024 partly offset by higher transmission revenue and finance income.



Questions and Answers

Thank You!

