

OQ GAS NETWORKS SAOG

**Condensed interim financial information
for six-month period ended 30 June 2025**

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For the six month period ended 30 June 2025

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OQ GAS NETWORKS SAOG
CONDENSED STATEMENT OF FINANCIAL POSITION
As at

		30 June 2025	31 December 2024
		RO	RO
	<i>Notes</i>	<i>unaudited</i>	<i>audited</i>
Assets			
Non-current assets			
Capital work in progress	14	974,365	940,337
Concession receivables	15	966,343,340	909,265,346
Contract assets	15	76,045,353	117,045,327
Right of use assets	16	8,783,901	9,372,503
Investment properties	17	3,597,816	3,670,288
Deferred tax asset	12	8,354,155	7,195,979
		<u>1,064,098,930</u>	<u>1,047,489,780</u>
Current assets			
Concession receivables	15	31,428,288	30,869,283
Inventories	18	2,972,477	2,968,613
Trade and other receivables	19	16,769,126	13,684,135
Cash and cash equivalents	20	24,688,866	15,816,311
		<u>75,858,757</u>	<u>63,338,342</u>
Total assets		<u>1,139,957,687</u>	<u>1,110,828,122</u>
Equity and Liabilities			
Equity			
Share capital	21	433,062,392	433,062,392
Treasury shares held by liquidity provider	21	(290,549)	-
Reserve on trading of treasury shares	21	(36,566)	-
Legal reserve	21	43,445,906	40,910,742
Actuarial reserve		33,952	75,721
Retained earnings		153,290,808	151,781,006
Total equity		<u>629,505,943</u>	<u>625,829,861</u>
Liabilities			
Non-current liabilities			
Term loan	22	359,308,024	345,669,934
Employees' end of service benefits	23	424,680	578,153
Lease liabilities	24	9,827,940	10,448,558
Deferred income	25	5,256,058	5,262,377
Deferred tax liabilities	12	65,871,387	60,443,332
		<u>440,688,089</u>	<u>422,402,354</u>
Current liabilities			
Term loan	22	9,267,800	9,267,800
Lease liabilities	24	522,357	198,210
Trade and other payables	26	59,973,498	53,129,897
		<u>69,763,655</u>	<u>62,595,907</u>
Total liabilities		<u>510,451,744</u>	<u>484,998,261</u>
Total equity and liabilities		<u>1,139,957,687</u>	<u>1,110,828,122</u>

These condensed interim financial information were authorized for issuance by the Board of Directors on 29 July 2025.

The accompanying notes form an integral part of these condensed interim financial information.

OQ GAS NETWORKS SAOG
CONDENSED INTERIM STATEMENT OF PROFIT OR LOSS AND OTHER
COMPREHENSIVE INCOME

For the six months period ended 30 June 2025 (unaudited)

		For the three months period ended 30 June		For the six months period ended 30 June	
		2025	2024	2025	2024
		RO	RO	RO	RO
	Notes	<i>unaudited</i>	<i>unaudited</i>	<i>unaudited</i>	<i>audited</i>
Income					
Revenue	6	33,461,971	20,654,085	51,138,993	36,841,521
Finance income	7	19,151,420	18,844,478	38,544,688	38,147,821
Other income	8	251,651	4,487,689	450,271	6,140,529
		<u>52,865,042</u>	<u>43,986,252</u>	<u>90,133,952</u>	<u>81,129,871</u>
Expenses					
Construction costs	6	(22,579,602)	(10,690,443)	(30,566,383)	(17,212,660)
Operating expenses	9	(6,893,072)	(6,745,105)	(13,052,806)	(12,830,897)
Administrative expenses	10	(2,986,220)	(3,573,447)	(5,973,005)	(5,997,267)
Finance cost	11	(5,591,764)	(6,319,291)	(10,920,243)	(12,655,241)
		<u>(38,050,658)</u>	<u>(27,328,286)</u>	<u>(60,512,437)</u>	<u>(48,696,065)</u>
Profit before income tax		14,814,384	16,657,966	29,621,515	32,433,806
Taxation	12	(2,059,367)	(2,556,379)	(4,269,879)	(4,764,996)
Profit for the period		<u>12,755,017</u>	<u>14,101,587</u>	<u>25,351,636</u>	<u>27,668,810</u>
Other comprehensive loss					
<i>Items that will not be reclassified to profit or loss</i>					
Defined benefit obligation actuarial loss	23	(41,769)	(83,167)	(41,769)	(83,167)
Other comprehensive loss for the period		<u>(41,769)</u>	<u>(83,167)</u>	<u>(41,769)</u>	<u>(83,167)</u>
Total comprehensive income for the period		<u>12,713,248</u>	<u>14,018,420</u>	<u>25,309,867</u>	<u>27,585,643</u>
Basic and diluted earnings per share					
(Baiza)	13	<u>2.95</u>	<u>3.26</u>	<u>5.85</u>	<u>6.39</u>

The accompanying notes form an integral part of these condensed interim financial information.

OQ GAS NETWORKS SAOG
CONDENSED STATEMENT OF CHANGES IN EQUITY
For the six months period ended 30 June 2025 (unaudited)

	<i>Notes</i>	Share capital RO	Own shares held by liquidity provider RO	Reserve on trading in equity shares RO	Legal reserve RO	Actuarial reserve RO	Retained earnings RO	Total RO
At 1 January 2024		433,062,392	-	-	36,131,199	120,640	177,665,996	646,980,227
<i>Total comprehensive income for the year</i>								
Net profit for the period		-	-	-	-	-	27,668,810	27,668,810
Other comprehensive income:								
Defined benefit obligation actuarial loss	23	-	-	-	-	(83,167)	-	(83,167)
Total comprehensive income for the period		-	-	-	-	(83,167)	27,668,810	27,585,643
Transfer to legal reserve	21	-	-	-	2,766,881	-	(2,766,881)	-
<i>Transactions with owners of the Company</i>								
Dividend	21	-	-	-	-	-	(43,999,785)	(43,999,785)
At 30 June 2024		<u>433,062,392</u>	<u>-</u>	<u>-</u>	<u>38,898,080</u>	<u>37,473</u>	<u>158,568,140</u>	<u>630,566,085</u>
At 1 January 2025		433,062,392	-	-	40,910,742	75,721	151,781,006	625,829,861
<i>Total comprehensive income for the year</i>								
Net profit for the period		-	-	-	-	-	25,351,636	25,351,636
Other comprehensive income:								
Defined benefit obligation actuarial loss	23	-	-	-	-	(41,769)	-	(41,769)
Total comprehensive income for the period		-	-	-	-	(41,769)	25,351,636	25,309,867
Transfer to legal reserve	21	-	-	-	2,535,164	-	(2,535,164)	-
<i>Transactions with owners of the Company</i>								
Trading in own shares	21	-	(290,549)	(36,566)	-	-	-	(327,115)
Dividend	21	-	-	-	-	-	(21,306,670)	(21,306,670)
At 30 June 2025		<u>433,062,392</u>	<u>(290,549)</u>	<u>(36,566)</u>	<u>43,445,906</u>	<u>33,952</u>	<u>153,290,808</u>	<u>629,505,943</u>

The accompanying notes form an integral part of these condensed interim financial information.

OQ GAS NETWORKS SAOG
CONDENSED INTERIM STATEMENT OF CASH FLOWS
For the six months period ended 30 June 2025 (unaudited)

		2025 RO <i>unaudited</i>	2024 RO <i>audited</i>
	<i>Notes</i>		
Operating activities			
Profit before income tax		29,621,515	32,433,806
Adjustments for:			
Depreciation		453,234	524,590
Provision for obsolete inventories	18	(789)	1,092
Provision for employees' end of service benefits	23	38,050	48,953
Income on concession assets	7	16,131,535	16,286,975
Deferred income	25	(68,825)	(24,342)
Interest income on call accounts and short term deposits	7	(398,681)	(388,190)
Exchange gain		-	(347,749)
Finance cost	11	10,920,243	12,655,241
Operating cash flows before working capital changes		56,696,282	61,190,376
Working capital changes:			
Inventories		(3,075)	(77,902)
Trade and other receivables		(2,904,920)	(841,946)
Trade and other payables		4,475,630	(19,438,077)
Cash generated from operations		58,263,917	40,832,451
Employees' end of service benefits paid	23	(233,292)	-
Interest paid		(10,356,798)	(11,800,092)
Interest income received on fixed deposits	7	398,681	388,190
Receipt of connection fee	25	62,506	697,669
Net cash generated from operating activities		48,135,014	30,118,218
Investing activities			
Additions in capital work in progress	14	(34,028)	-
Additions in contract asset	6	(30,566,383)	(17,212,660)
Net cash used in investing activities		(30,600,411)	(17,212,660)
Financing activities			
Repayment of term loan	22	(4,633,900)	(4,633,900)
Proceeds from term loan	22	18,000,000	35,000,000
Acquisition of own shares through liquidity provider	21	(327,115)	-
Dividends paid		(21,306,670)	(43,999,785)
Payment of lease liabilities	24	(394,363)	(392,716)
Net cash used in financing activities		(8,662,048)	(14,026,401)
Net increase (decrease) in cash and cash equivalents		8,872,555	(1,120,843)
Cash and cash equivalents at 1 January	20	15,816,311	23,770,963
Cash and cash equivalents at 30 June	20	24,688,866	22,650,120

The accompanying notes form an integral part of these condensed interim financial information.

OQ GAS NETWORKS SAOG
NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION
For the six months period ended 30 June 2025 (unaudited)

1. Legal status and principal activities

OQ Gas Networks SAOG (“the Company”) was incorporated as a closely held joint-stock company under the Commercial Companies Law of Oman on May 23, 2000. On October 24, 2023, the Company was listed on the Muscat Stock Exchange (MSX) following the OQ SAOC’s (Parent Company) decision to undertake a secondary sale of up to 49% of its shares through an Initial Public Offering (IPO). Since 2023, the Parent Company, which is wholly owned by the Government of the Sultanate of Oman via the Oman Investment Authority (“OIA” / “Ultimate Parent Company”), retains a 51% ownership stake in the Company.

The Company's operations were initially governed by the Concession Agreement dated August 22, 2000, ratified by Royal Decree 78/2000 on August 28, 2000. From January 1, 2018, a new revenue and tariff mechanism, the Regulatory Asset Base (RAB), was introduced via an amendment to the August 22, 2000 Tariff and Transportation Agreement ("Amended TTA"). On June 9, 2020, the Company signed an Amended Concession Agreement with the Government of the Sultanate of Oman, which was ratified on October 28, 2020 by Royal Decree 122/2020. This Amended Concession Agreement, which supersedes the Amended TTA, maintains the same terms for determining and charging transportation charges, resulting in no change to the accounting treatment.

The Company’s objective is to acquire, construct, operate, maintain, repair and augment gas transportation pipelines and perform other activities relating to the gas transportation.

The Company holds 100% ownership of Energy Infrastructure Company LLC (“EIC”) (Previously Gas Transmission Company LLC (“GTC”)) registered in the Sultanate of Oman which is non-operational and hence not consolidated. The Company plans to use EIC to conduct any non-regulated business in the future.

2. Basis of preparation

These condensed interim financial information for six month period ended 30 June 2025, have been prepared in accordance with IAS 34 Interim Financial Reporting, applicable provisions of the requirements of the Commercial Companies Law of Oman 2019 and Ministerial Decision 146/2021 issuing Commercial Companies Regulations and the applicable requirements of Capital Market Authority (CMA), and should be read in conjunction with the Company’s last annual financial statements as at and for the year ended 31 December 2024 (‘last annual financial statements’). They do not include all of the information required for a complete set of financial statements prepared in accordance with IFRS Standards. However, selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the Company’s financial position and performance since the last annual financial statements.

3. Application of new and revised International Financial Reporting Standards

a. New and amended standards adopted by the Company

A number of new standards, amendments to standards and interpretations are effective for the periods beginning on 1 January 2025. Those which are relevant to the Company are set out below.

- Amendments to IAS 21, Lack of exchangeability.

b. New and revised IFRS in issue but not yet effective

The new and amended standards and interpretations that are issued, but not yet effective, up to the date of issuance of the Company’s condensed interim financial information are disclosed below.

OQ GAS NETWORKS SAOG
NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION
For the six months period ended 30 June 2025 (unaudited)

3. Application of new and revised International Financial Reporting Standards (*continued*)

b. New and revised IFRS in issue but not yet effective (*continued*)

The Company intends to adopt these new and amended standards and interpretations, if applicable, when they become effective.

- Classification and measurement of financial instruments (amendments to IFRS 9 and IFRS 7). Effective date of this amendment is for annual periods beginning on or after 1 January 2026.

- Subsidiaries without public accountability (IFRS 19). Effective date of this amendment is for annual periods beginning on or after 1 January 2027.

- Presentation and disclosure in financial statements (IFRS 18). Effective date of this standard is annual periods beginning on or after 1 January 2027.

4. Summary of significant accounting policies

Except as described in note 3, the accounting policies applied in these interim condensed financial information are the same as those applied in the Company's financial statements as at and for the year ended 31 December 2024.

The policy for recognising and measuring income taxes in interim period is disclosed in note 12.

5. Critical judgments and key sources of estimation uncertainty

In preparing these interim condensed financial information, management has made judgements and estimates that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates.

The significant judgements made by management in applying the Company's accounting policies and the key sources of estimation uncertainty were the same as those described in the last annual financial statements.

Measurement of fair values

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique.

For financial reporting purposes, fair value measurements are categorised into Level 1, 2 or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2: inputs other than quoted prices included in level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

OQ GAS NETWORKS SAOG
NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION
For the six months period ended 30 June 2025 (unaudited)

6. Revenue

Notes	For the three months period ended 30 June		For the six months period ended 30 June	
	2025	2024	2025	2024
	RO	RO	RO	RO
	<i>unaudited</i>	<i>unaudited</i>	<i>unaudited</i>	<i>audited</i>
<i>Services transferred over time:</i>				
Construction revenue	15.2	24,339,680	11,523,227	32,948,631
Allowance for expenditures	27.1	7,905,943	7,903,155	15,874,247
Allowance for pass-through cost		1,216,348	1,208,163	2,316,115
Project management and other services		-	19,540	-
		<u>33,461,971</u>	<u>20,654,085</u>	<u>51,138,993</u>
				<u>36,841,521</u>

6.1. Construction revenue is recognized on market-based margin on the construction cost of RO 30,566,383 (30 June 2024: RO 17,212,660) equal to the rate of return on assets pre-agreed with the regulator.

6.2. All revenue is generated from customers within the Sultanate of Oman.

7. Finance income

Income on concession assets	7.1	18,935,762	18,680,265	38,146,007	37,759,631
Interest income on call accounts and short term deposits	7.2	215,658	164,213	398,681	388,190
		<u>19,151,420</u>	<u>18,844,478</u>	<u>38,544,688</u>	<u>38,147,821</u>

7.1. Income on concession assets is as follows:

Concession receivables	17,607,814	14,651,781	34,724,956	29,377,359
Contract assets	1,327,948	4,028,484	3,421,051	8,382,272
	<u>18,935,762</u>	<u>18,680,265</u>	<u>38,146,007</u>	<u>37,759,631</u>

Income on concession assets are presented in the statement of cashflows as cashflow from operating activities as below:

Notes	For the six months period ended 30 June	
	2025	2024
	RO	RO
	<i>unaudited</i>	<i>audited</i>
Billed during the period	14	54,277,542
Income on concession assets during the period	14	(38,146,007)
	<u>16,131,535</u>	<u>16,286,975</u>

7.2. Profit on call accounts in Islamic banks is RO 388,600 (30 June 2024: RO 360,181) and interest on call accounts in conventional banks is RO 10,081 (30 June 2024: RO 28,009). The call accounts had an interest / profit rate of 0.70% to 4.85% (30 June 2024: 0.70% to 5.75%).

OQ GAS NETWORKS SAOG
NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION
For the six months period ended 30 June 2025 (unaudited)

8. Other income

Notes	For the three months period ended 30 June		For the six months period ended 30 June	
	2025 RO <i>unaudited</i>	2024 RO <i>unaudited</i>	2025 RO <i>unaudited</i>	2024 RO <i>audited</i>
Allowance for expenditures related to prior years	-	3,957,142	-	5,276,189
Tender fee and others	142,409	90,032	243,450	343,457
Income from investment property 27.2	74,278	74,278	148,556	148,556
Amortization of deferred income 25	34,451	18,252	68,825	24,342
Gain on sale of assets	513	236	(10,560)	236
Net exchange gain	-	347,749	-	347,749
	251,651	4,487,689	450,271	6,140,529

During 2024, the regulator agreed to provide an adjustment for additional allowance for operating expenditures related to prior years.

9. Operating expenses

Employee costs		3,687,040	3,527,483	6,903,380	6,570,150
Pass through costs 9.1		1,216,348	1,208,163	2,316,115	2,437,146
Repair and maintenance		1,134,166	1,169,510	2,138,623	2,112,735
Insurance		479,782	516,248	919,130	1,030,514
Depreciation of right of use assets 16		192,087	213,318	380,762	424,916
Catering and accommodation		154,548	100,935	341,133	226,301
Health and safety costs		28,712	8,365	54,452	28,043
Provision for obsolete inventories 18		389	1,083	(789)	1,092
		6,893,072	6,745,105	13,052,806	12,830,897

9.1. Pass through costs represents fuel gas and regulator fees which are reimbursable on actual incurred basis presented as "Allowance for pass-through cost" in note 6.

10. Administrative expenses

Employee costs		2,223,519	2,170,751	4,142,399	3,641,055
Information technology costs		173,916	651,556	622,781	799,873
Legal and professional		144,656	119,824	398,424	411,524
Travel		108,489	165,394	205,034	284,623
Building and maintenance services		74,042	163,829	185,387	305,420
Depreciation of investment property 17		36,236	47,117	72,472	99,674
Utilities and office expenses		(7,968)	22,442	35,768	82,853
Donations		12,990	18,024	17,990	18,024
Other expenses		220,340	214,510	292,750	354,221
		2,986,220	3,573,447	5,973,005	5,997,267

OQ GAS NETWORKS SAOG
NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION
For the six months period ended 30 June 2025 (unaudited)

11. Finance cost

	Notes	For the three months period ended 30 June		For the six months period ended 30 June	
		2025	2024	2025	2024
		RO	RO	RO	RO
		<i>unaudited</i>	<i>unaudited</i>	<i>unaudited</i>	<i>audited</i>
Interest on term loan		5,294,291	6,066,069	10,323,747	12,138,642
Interest on lease liability	24	150,081	138,601	305,732	277,666
Amortization of deferred finance cost	22.2	136,086	119,466	271,990	238,933
Net exchange loss		11,306	(4,845)	18,774	-
		5,591,764	6,319,291	10,920,243	12,655,241

12. Taxation

Income tax expense is recognised at an amount determined by multiplying the profit (loss) before tax for the interim reporting period by management's best estimate of the weighted-average annual income tax rate expected for the full financial year. As such, the effective tax rate in the interim condensed interim financial information may differ from management's estimate of the effective tax rate for the annual financial statements.

The taxation charge for the period is comprised of:

Deferred tax

-in respect of current period	1,999,367	2,556,379	4,159,879	4,764,996
-in respect of prior period	60,000	-	110,000	-
	2,059,367	2,556,379	4,269,879	4,764,996

13. Earnings per share

Profit for the period	12,755,017	14,101,587	25,351,636	27,668,810
Weighted average number of shares	4,330,623,920	4,330,623,920	4,330,623,920	4,330,623,920
Basic and diluted earnings per share	2.95	3.26	5.85	6.39

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For the six months period ended 30 June 2025 (unaudited)

14. Capital work in progress

	30 June 2025 RO unaudited	31 December 2024 RO audited
<i>Cost</i>		
At 1 January	940,337	-
Additions during the period / year	34,028	940,337
At 31 December	974,365	940,337

- 14.1. Capital work in progress represents work done on project to construct pipelines to transport hydrogen and carbon dioxide. This relates to project under construction not covered under the service concession agreement.

15. Concession assets

15.1. Concession receivables

	Notes	30 June 2025 RO unaudited	31 December 2024 RO audited
At 1 January		940,134,629	801,750,879
Transferred from contract assets	15.2	74,517,364	163,311,810
Transfer from investment property	17	-	893,295
Finance income	7	34,724,956	62,079,110
Billed during the period/year		(51,605,321)	(87,900,465)
At 31 December		997,771,628	940,134,629
Non-current / current:			
Non-current asset		966,343,340	909,265,346
Current asset		31,428,288	30,869,283
		997,771,628	940,134,629

15.2. Contract assets

	Notes	Due from Shipper RO	Due from others RO	Total RO
At 1 January 2025		116,145,377	899,950	117,045,327
Additions during the period	6	32,948,631	-	32,948,631
Transferred to concession receivables upon completion	15.1	(74,517,364)	-	(74,517,364)
Transferred to a related party		-	(180,071)	(180,071)
Finance income	7	3,421,051	-	3,421,051
Billed during the period		(2,672,221)	-	(2,672,221)
At 30 June 2025		75,325,474	719,879	76,045,353

OQ GAS NETWORKS SAOG
NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION
For the six months period ended 30 June 2025 (unaudited)

15. Concession assets (continued)

15.2. Contract assets (continued)

	Notes	Due from Shipper RO	Due from others RO	Total RO
At 1 January 2024		240,290,734	899,950	241,190,684
Additions during the year	6	36,254,860		36,254,860
Transferred from a related party		2,183,268		2,183,268
Transferred to concession receivables upon completion	15.1	(163,311,810)		(163,311,810)
Finance income	7	12,588,042		12,588,042
Billed during the year		(11,859,717)		(11,859,717)
At 31 December 2024		<u>116,145,377</u>	<u>899,950</u>	<u>117,045,327</u>

Concession receivables and contract assets have effective interest rate of 7.39% (2024: 7.42%) per annum and will be settled / recovered over the term of the Concession Agreement.

There has been no change in the estimation techniques or significant assumptions made during the current reporting period in assessing the loss allowance.

16. Right of use assets

The Company leases building, land for various infrastructure and vehicles for operations.

Information about leases for which the Company is a lessee is presented below.

	Notes	Leasehold land RO	Motor vehicles RO	Building RO	Total RO
At 1 January 2024		7,932,536	-	402,741	8,335,277
Additions	24	1,779	1,828,128	20,645	1,850,552
Depreciation	9	(261,258)	(369,781)	(182,287)	(813,326)
At 31 December 2024		<u>7,673,057</u>	<u>1,458,347</u>	<u>241,099</u>	<u>9,372,503</u>
At 1 January 2025		7,673,057	1,458,347	241,099	9,372,503
Adjustment due to revision of lease terms	24	(453,446)	-	-	(453,446)
Additions	24	-	234,845	10,761	245,606
Depreciation	9	(122,001)	(166,392)	(92,369)	(380,762)
At 30 June 2025		<u>7,097,610</u>	<u>1,526,800</u>	<u>159,491</u>	<u>8,783,901</u>

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17. Investment property

	Notes	30 June 2025 RO unaudited	31 December 2024 RO audited
<i>Cost</i>			
At 1 January		4,064,768	5,060,140
Transfers to concession receivables	15.1	<u>-</u>	<u>(995,372)</u>
At 31 December		4,064,768	4,064,768
 <i>Accumulated depreciation</i>			
At 1 January		394,480	324,412
Depreciation	10	72,472	172,145
Transfers to concession receivables	15.1	<u>-</u>	<u>(102,077)</u>
At 31 December		466,952	394,480
Carrying amount		3,597,816	3,670,288

18. Inventories

Stores, spares and consumables		2,985,912	2,980,426
Less: Provision for obsolete stock		(13,435)	(11,813)
	18.1	<u>2,972,477</u>	<u>2,968,613</u>

18.1. Movement in provision for obsolete stock is as follows:

At 1 January		11,813	17,309
Provision written off		2,411	(2,555)
Charge for the period / year	8	(789)	(2,941)
At 31 December		<u>13,435</u>	<u>11,813</u>

19. Trade and other receivables

Receivables from IGC	27.4	12,455,477	11,866,225
Due from related parties	27.5	575,146	462,967
		13,030,623	12,329,192
Prepaid insurance		842,342	160,328
Project management fee receivable from third parties		505,332	757,384
Provision for doubtful debt		(21,010)	(21,010)
Advance to liquidity provider	21.4	1,697,612	-
Advances to contractors		16,437	37,687
Advances to employees		-	76,403
Accrued revenue		59,106	60,625
Other receivables		638,684	283,526
		<u>16,769,126</u>	<u>13,684,135</u>

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20. Cash and cash equivalents

	Notes	30 June 2025 RO unaudited	31 December 2024 RO audited
Cash at bank	20.1	24,677,701	15,807,469
Cash in hand		11,165	8,842
		24,688,866	15,816,311

- 20.1. Cash at bank comprises of cash at Islamic banks of RO 23,493,501 (31 December 2024: RO 15,167,816) and cash at conventional banks of RO 1,184,200 (31 December 2024: RO 639,653).

21. Share capital and reserves

21.1. Share capital

The Company's authorized share capital is RO 500,000,000 (31 December 2024: RO 500,000,000).

The paid-up share capital comprises of 4,330,623,920 shares of RO 0.100 each (31 December 2024: 4,330,623,920 shares of RO 0.100 each).

Details of shareholders who hold 10% or more of the Company's shares are as follows:

	Number of shares 2025 RO unaudited	% of share holding 2025 RO unaudited	Number of shares 2024 RO audited	% of share holding 2024 RO audited
OQ SAOC	2,208,618,200	51%	2,208,618,200	51%

21.2. Legal reserve

Article 132 of the Commercial Companies Law of Sultanate of Oman requires that 10% of the Company's net profit after tax to be transferred to a non-distributable legal reserve until the amount of the legal reserve equals to one-third of the Company's share capital. This reserve is not available for distribution. During the period, RO 2.54 million (30 June 2024: RO 2.77 million) has been transferred to legal reserve.

21.3. Dividend

On 7 January 2024, the shareholders approved to pay a dividend of 7.62 baisa per share relating to the third quarter ended on 30 September 2023.

On 18 March 2024, the shareholders approved to pay a final dividend of 2.54 baisa per share relating to the last quarter of the year ended 31 December 2023.

On 20 October 2024, the shareholders approved to pay a dividend of 5.75 baisa per share relating to the six-month period ended on 30 June 2024.

On 26 March 2025, the shareholders approved to pay a final dividend of 4.92 baisa per share relating to the third and fourth quarter of the year 2024.

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21. Share capital and reserves (*continued*)

21.4. Own shares held by liquidity

During 2025, the Company engaged a third party licensed liquidity provider on Muscat Securities Exchange (MSX) to facilitate the selling and buying of its own shares. At 30 June 2025, the liquidity provider held 2.91 million shares on behalf of the Company at par value.

The premium recognized on trading in its shares is recorded as “Reserve on trading in own shares”. Such reserve which amounted to RO 36,566 is classified under equity. Included under the reserve is a net gain of RO 81,652 realized during the period.

22. Term loans

	Notes	30 June 2025 RO <i>unaudited</i>	31 December 2024 RO <i>audited</i>
Term loans	22.1	371,854,400	358,488,300
Less: unamortized transaction cost	22.2	(3,278,576)	(3,550,566)
		<u>368,575,824</u>	<u>354,937,734</u>
Presented as:			
Non-current liability		359,308,024	345,669,934
Current liability		9,267,800	9,267,800
		<u>368,575,824</u>	<u>354,937,734</u>
22.1. The movement in term loan is as follows:			
At 1 January		358,488,300	333,124,380
Drawdown		18,000,000	35,000,000
Repayment		(4,633,900)	(9,267,800)
Exchange gain		-	(368,280)
At 30 June / 31 December		<u>371,854,400</u>	<u>358,488,300</u>
22.2. The movement in unamortized transaction cost is as follows:			
At 1 January		3,550,566	3,656,025
Paid during the period/year		-	373,445
Amortised during the period/year	11	(271,990)	(478,904)
At 30 June / 31 December		<u>3,278,576</u>	<u>3,550,566</u>
22.3 At the reporting date, the unutilized balance of the term loans was RO 73 million (31 December 2024: RO 91 million).			
22.4 With effect from 17 June 2025, the interest rate on Omani denominated facilities has been reduced from 5.70% to 5.15% per annum till 5th anniversary (15 June 2028) and thereafter at the base rate (the monthly “Private Sector OMR Time Deposit” rate as published in the most recent CBO Bulletin) plus 1.0% per annum till 15 June 2030 and base rate plus 1.20% thereafter.			

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23. Employees' end of service benefits

	Notes	30 June 2025 RO <i>unaudited</i>	31 December 2024 RO <i>audited</i>
The movement in employees' end of service benefits is as follows:			
At 1 January		578,153	512,356
Charge for the period/year		38,050	99,471
Un-realised actuarial gain		41,769	44,919
Paid during the period / year		(233,292)	(78,593)
At 30 June / 31 December		<u>424,680</u>	<u>578,153</u>

24. Lease liabilities

The movement in lease liabilities is as follows:

At 1 January		10,646,768	9,075,256
Additions	16	245,606	1,850,552
Adjustment due to revision of lease terms	16	(453,446)	-
Accretion of interest	11	305,732	588,488
Payments		(394,363)	(867,528)
At 30 June / 31 December		<u>10,350,297</u>	<u>10,646,768</u>
<i>Presented as:</i>			
Non-current liability		9,827,940	10,448,558
Current liability		522,357	198,210
		<u>10,350,297</u>	<u>10,646,768</u>

25. Deferred income

The Company has received contributions in aid of construction of connection assets. Movement in the liability recognized in the statement of financial position is as follows:

At 1 January		5,262,377	4,673,519
Contributions received		62,506	1,028,875
Contribution reversed		-	(160,995)
Recognized as income	8	(68,825)	(279,022)
At 30 June / 31 December		<u>5,256,058</u>	<u>5,262,377</u>

26. Trade and other payables

Payables to contractors for construction contracts		23,242,532	16,582,271
Contract liability		17,930,036	17,810,816
Accrued expenses and provisions		8,942,220	10,566,109
Trade payables		5,930,146	4,251,900
Interest payable on term loan		720,175	753,226
Due to related parties	27.6	2,393	108,440
Other payables		3,205,996	3,057,135
		<u>59,973,498</u>	<u>53,129,897</u>

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27. Related parties

The Company enters into transactions with companies and entities that fall within the definition of a related party as contained in IAS 24 Related Party Disclosures. Related parties comprise the shareholders, directors, key management personnel and business entities that have the ability to control or exercise significant influence over financial and operating decisions of the Company. The Company maintains balances with these related parties which arise in the normal course of business from the commercial transactions at mutually agreed terms. Outstanding balances at year end are unsecured and settlement occurs in cash.

Government of Sultanate of Oman (the Government) indirectly owns the Company. The Company has applied the exemptions in IAS 24 related to transactions with the Government and other entities controlled, jointly controlled or significantly influenced by the Government. In this respect, the Company has disclosed certain information, to meet the disclosure requirements of IAS 24, in this note.

Most of the related party transactions are with the Government / state owned entities (such as IGC) and with the entities under common control by the Parent Company.

27.1. Transactions with shipper

		For the six months period ended 30 June	
	Notes	2025 RO <i>unaudited</i>	2024 RO <i>audited</i>
Invoiced to IGC under RAB rules		72,587,124	72,450,064
<i>Classified as:</i>			
Allowance for expenditures	6	15,874,247	15,806,310
Allowance for pass-through costs	6	2,316,115	2,437,146
Allowance for expenditures for previous years	8	-	5,276,189
Billed during the period against concession receivable	15.1	51,605,321	46,347,680
Billed during the period against contract assets	15.2	2,672,221	7,698,926
Recognized in contract liability	26	119,220	(5,116,187)
		72,587,124	72,450,064
<i>Revenue and expenses from IGC</i>			
Construction revenue	6	32,948,631	18,553,525
Finance income on concession arrangement	7	38,146,007	37,759,631
Fuel gas cost		2,146,101	2,337,138

27.2. Transactions with other related parties

Income from investment property	8	148,556	148,556
Other income		34,605	310,047
Training		18,820	78,993
IT related services		686,785	726,733

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27. Related parties (*continued*)

27.3. Key management personnel compensation is as follows:

Key management compensation and board remuneration during the period is as below:

	For the six months period ended 30 June	
	2025	2024
	RO	RO
	<i>unaudited</i>	<i>audited</i>
Short term benefits (wages and salaries)	71,346	61,738
Other benefits	52,915	47,654
Board remuneration	101,300	87,500
	225,561	196,892

27.4. Receivables from IGC

	30 June	31 December
	2025	2024
	RO	RO
	<i>unaudited</i>	<i>audited</i>
Receivables from Integrated Gas Company	19 12,455,477	11,866,225

27.5. Amounts due from Parent Company and other related parties under common control

Parent Company	5,460	-
Subsidiaries of the Parent Company	569,686	462,967
	575,146	462,967

27.6. Amounts due to Parent Company and other related parties under common control

Parent Company	-	107,180
Subsidiaries of the Parent Company	2,393	1,260
	2,393	108,440

28. Commitments and contingencies

The Company is defending an action brought by MEM for indemnification of penalties MEM incurred due to delays in project delivery. Although liability is not admitted, if the defence against the action by MEM is unsuccessful, then the Company may be liable for an amount of RO 19.5 million (31 December 2024: RO 20.9 million). The Parent Company has agreed to indemnify the Company from and against any amount determined to be payable by the Company in respect of the MEM claim. Based on legal advice, the Company's management believes that the defence against the actions will be successful.

As at reporting date, the Company had commitments pertaining to the capital projects under construction of RO 45.7 million (31 December 2024: RO 15.8 million).

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29. Financial instruments

Details of significant policies and methods adopted including the criteria for recognition for the basis of measurement in respect of each class of financial assets and financial liabilities are disclosed in note 5 to the condensed interim financial information.

	Notes	30 June 2025 RO unaudited	31 December 2024 RO audited
Categories of financial instruments			
Financial assets (at amortised cost)			
Concession receivables	15.1	997,771,628	940,134,629
Trade and other receivables (excluding advances)	19	16,752,689	13,570,045
Cash and bank balances	20	24,688,866	15,816,311
		1,039,213,183	969,520,985
Financial liabilities (at amortised cost)			
Term loan	22	368,575,824	354,937,734
Lease liability	24	10,350,297	10,646,768
Trade and other payables (excluding contract liability)	26	42,043,462	35,319,081
		420,969,583	400,903,583

30. Segment information

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker ("COD"). COD, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the strategic decisions maker. The Company's operating activities are disclosed in note 1 to these condensed interim financial information. The strategic business unit is managed as one segment. For the strategic business unit, COD reviews internal management reports on a monthly basis. Performance is measured based on the profit before income tax, as included in the internal management reports. COD considers the business of the Company as one operating segment and monitors accordingly. The requirements of IFRS 8: Operating Segments - paragraphs 31 to 34 relating to entity wide disclosures have been covered under condensed statement of financial position, condensed statement of profit and loss and other comprehensive income and also in notes 1 to 5 to these condensed interim financial information.

31. Comparative information

Certain comparatives information has been reclassified to conform to the presentation for the current period. Such reclassifications were made to improve the quality of presentation and do not affect previously reported profit or equity.