

An aerial photograph of Muscat, Oman, showing a dense urban area built into a valley. In the foreground, a large, multi-lane pipeline network runs through the landscape, with several parallel pipes visible. The background features rugged mountains under a clear sky. The image is overlaid with a green-to-orange gradient and white text.

**OQ Gas Networks SAOG  
(OQGN) is at the heart of  
Oman's energy ecosystem.**

**redefining possibilities.** From pioneering green hydrogen infrastructure to leading decarbonization efforts, OQGN is committed to building a sustainable energy future that empowers future generations.

With every kilometer of its expansive pipeline network, OQGN channels the nation's energy, empowering industries and communities. This vast network is the cornerstone of Oman's energy infrastructure, enabling Oman to meet its growing energy demands while advancing towards a sustainable future.

**Energizing  
Excellence**



# OQGN



## OQGN in Brief



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# OQGN | Overview – At a Glance

## ❖ Who we are

OQ Gas Networks (OQGN) is the sole owner, developer, and operator of Oman's Natural Gas Transportation and Distribution Network (NGTN), a critical infrastructure that supports the national economy.

### EMPOWERING GROWTH

Expanding pipeline length and capacity to enhance gas transmission for power generation and a growing consumer base.

**4,235 km**  
total pipeline length

**70.48 BCM**  
network capacity

**130+**  
industrial customers

**100%**  
Gas availability (as of Q1 25)

**90%+**  
of electricity generated with OQGN-delivered gas

### NURTURING TALENT

Fostering a culture of excellence through training, development, and initiatives to boost satisfaction and uphold core values.

**1,111**  
total training hours (Q1 25)

**94.6%**  
Omanization

### ENERGIZING EXCELLENCE

Achieving business excellence through advanced digital solutions and a culture of continuous improvement.

- Long-Term Network Development Plan
- Digital Transformation Programme
- OQGN-wide innovations ecosystem
- New organizational model
- Electronic Management of Change system

### REVOLUTIONIZING THE FUTURE

Leading energy transition projects to shape a sustainable future and diversify energy infrastructure.

- The National Infrastructure Provider for green hydrogen pipelines
- Collaborating with Hydrom on creating the hydrogen pipeline network
- Collaborating with Oxy Oman for the CCUS value chain

### GENERATING VALUE

Maximizing margins and dividend payout to deliver exceptional returns for shareholders.

**74.9%**  
Regulated Adjusted EBITDA margin (Q1 25)

**x3.27**  
Adjusted Net Debt / Regulated Adjusted EBITDA (Q1 25)

**33.8%**  
Net Profit margin (Q1 25)

### YIELDING SUSTAINABILITY

Integrating ESG principles and committing to ambitious net-zero goals for a greener tomorrow.

Developed Decarbonization Strategy with a **net-zero target**

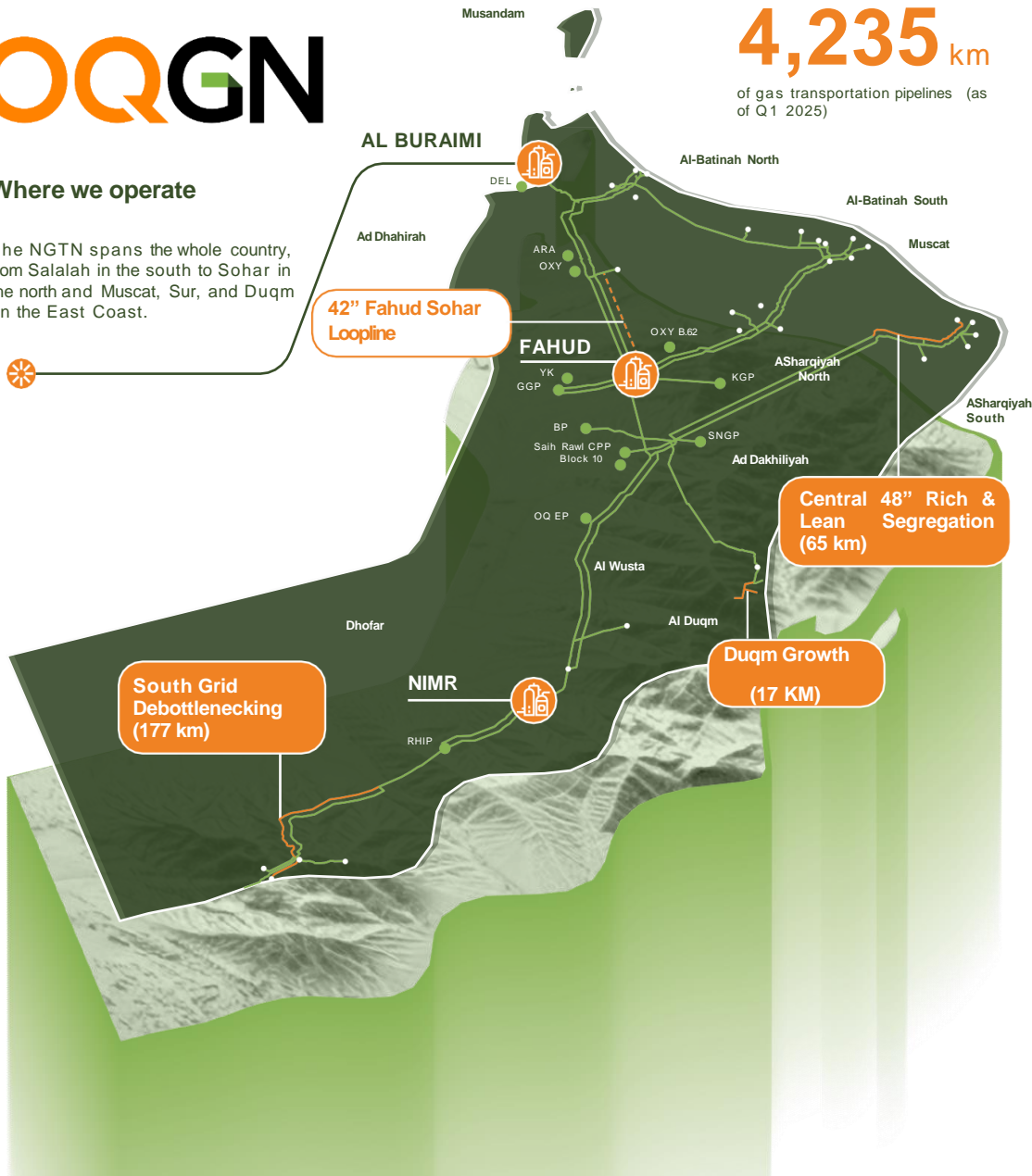
**-3.4%**  
2024 Scope 1 & Scope 2 GHG emissions compared to 2023

E  
R  
N  
G  
E  
Y



## Where we operate

The NGTN spans the whole country, from Salalah in the south to Sohar in the north and Muscat, Sur, and Duqm on the East Coast.



The entire gas transportation network is controlled and monitored 24/7 from a gas dispatching centre located in Muscat



Maintaining reliability, availability, integrity and process safety are integral to OQGN's operations



**Metering stations**  
Measure the gas flow at the connection points



**Block Valve Stations (BVS)**  
Gate valves to stop the gas flowing in case of emergency in the network

3

**compressor stations**  
compress the gas and increase its pressure, providing energy to move the gas through the pipeline

26

**gas supply stations (GSS)**  
are used to treat and condition the gas to comply with consumer

**50 Years**  
Concession agreement

**Exclusive**  
Gas transmission operator and owner

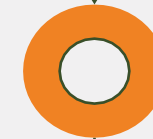
## 2040 Vision

Of economic diversification is in alignment with OQGN's strategy

## Shareholder structure



**51%**  
OQ SAOC



**100%**

OQ Gas Networks SAOG



**100%**

Energy Infrastructure Company Gas Transmission Comany LLC (EIC)

The Saudi Omani Investment Company (owned by Saudi Arabia's Public Investment Fund) 4.9%

Falcon Investments LLC (the Qatar Investment Authority subsidiary) 4.9%

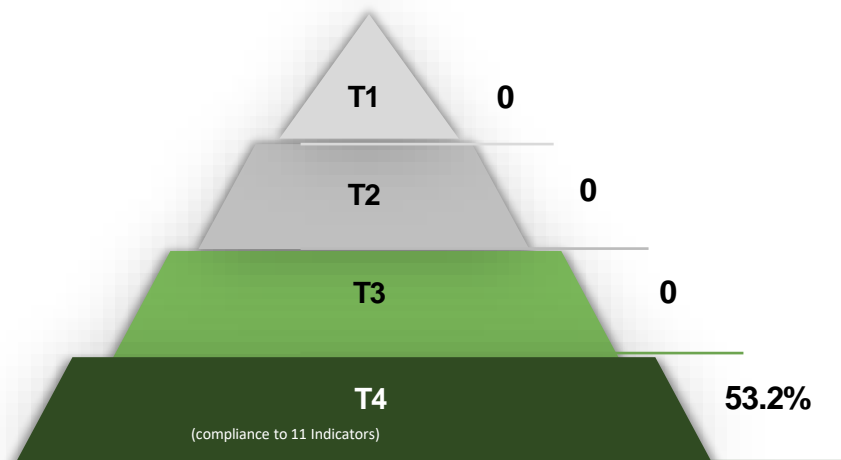
Fluxys International 4.9%

Other investors 34.3%



**49%**  
Public shareholders

## Process Safety Indicators



## Safe Manhours

### LTI Free Manhours

Cummulative Manhours since the last LTI in OQGN

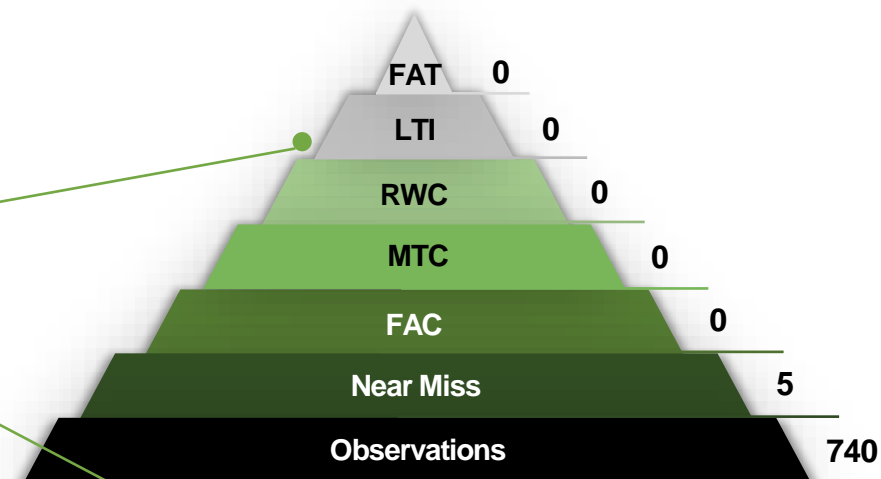


### Manhours

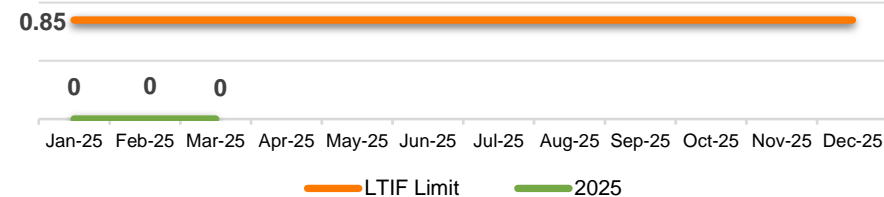
Cummulative Manhours for 2025



## HSSE Indicators



### LTIF



## Kilometers Driven

### MVI Free Kilometers

Cummulative Kilometers since the last MVI in OQGN

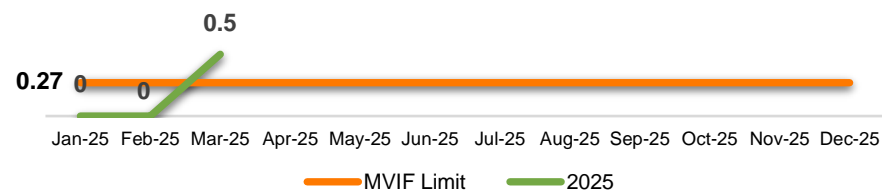


### Kilometers

Cummulative Kilometers driven in 2025



### MVIF

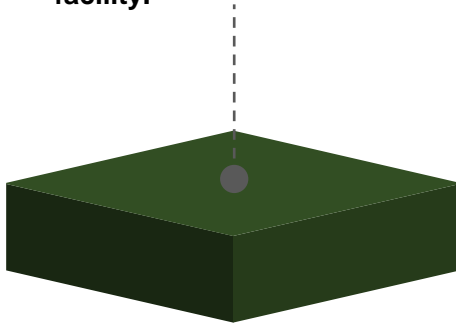






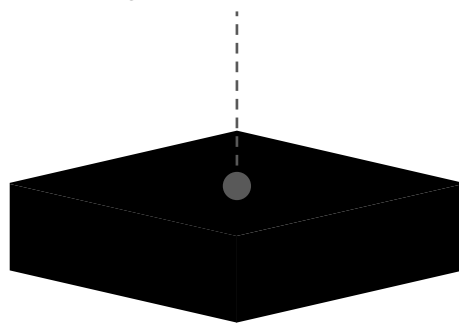
## FINANCIAL

- **Total Income** generated amounted to **OMR 37.1 Mn**, while **Net Profit** amounted to **OMR 12.6 Mn** surpassing the quarter's target.
- **Lowered Finance costs** due to the repricing of the USD facility.



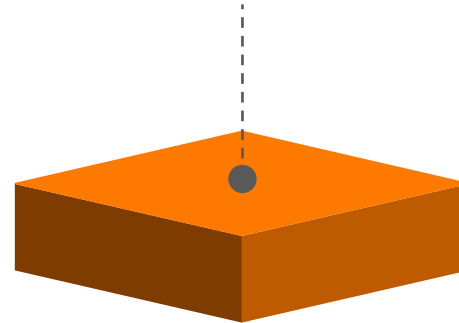
## BUSINESS

- Maintained **100% gas availability**
- Achieved the **Peak gas dispatched in March 2025** record of **120.4 MSCM per day**
- Awarded with the **OPAL Award for Best Practices 2024 on the MUEEN Project** (Digitalization of gas pipeline ROW inspection managements for PM and CM)



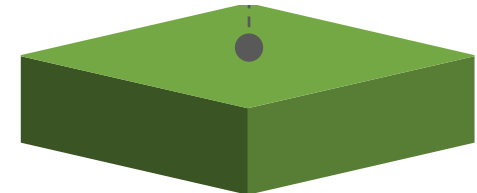
## GAS NETWORK GROWTH & PROJECTS

- Manufacturing has **commenced for the 42" Pipeline project**.
- Two Major allocations for new Power Plants in Ad Duqm and Misfah have been issued by the Shipper.



## SUSTAINABILITY & ENERGY TRANSITION

- Aligned on basic principals of the Hydrogen Shared Services and signed the first non-binding Shared Services Agreement Term Sheet with a gH2 developer (GEO) while negotiations with others are on-going.
- Provided key inputs to Policy Maker (MEM) to define CO2 pipeline transport technical regulations and commercial framework and provided significant support for drafting of key policy and regulatory documents.
- **Signed an MoU with Sohar Industrial Port Company** in collaboration on pipeline **infrastructure development and transportation** of Hydrogen and CO2.
- Published the company's ESG MSX Disclosures

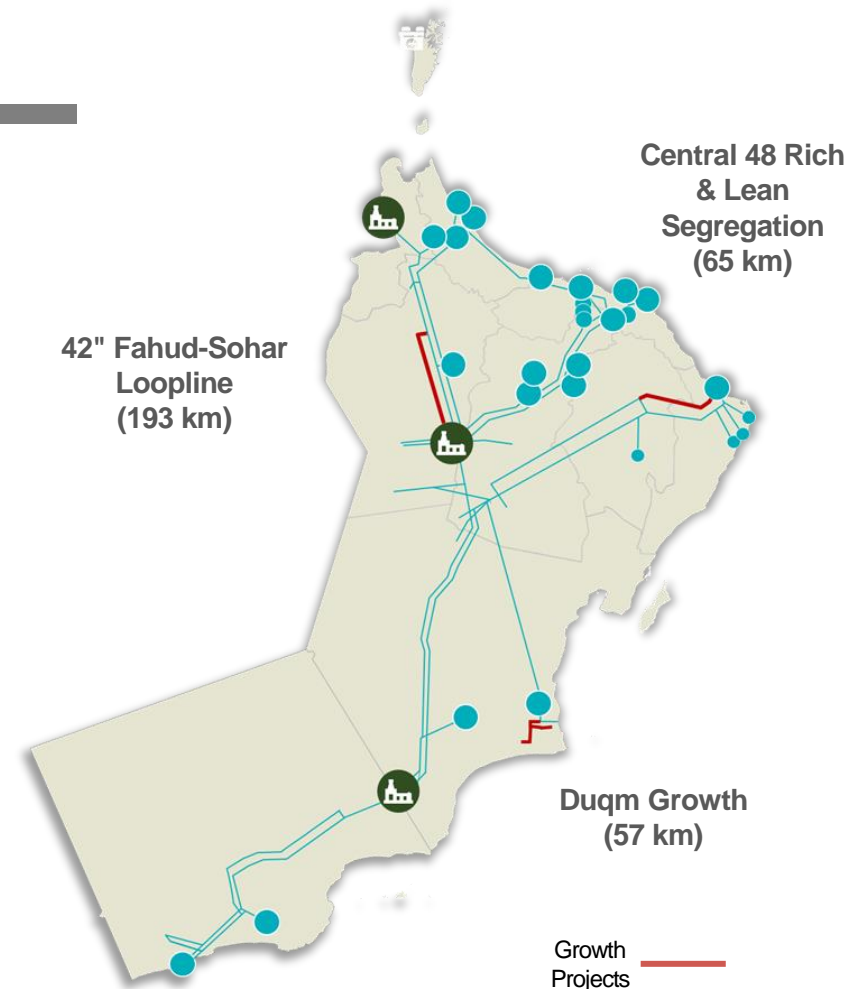
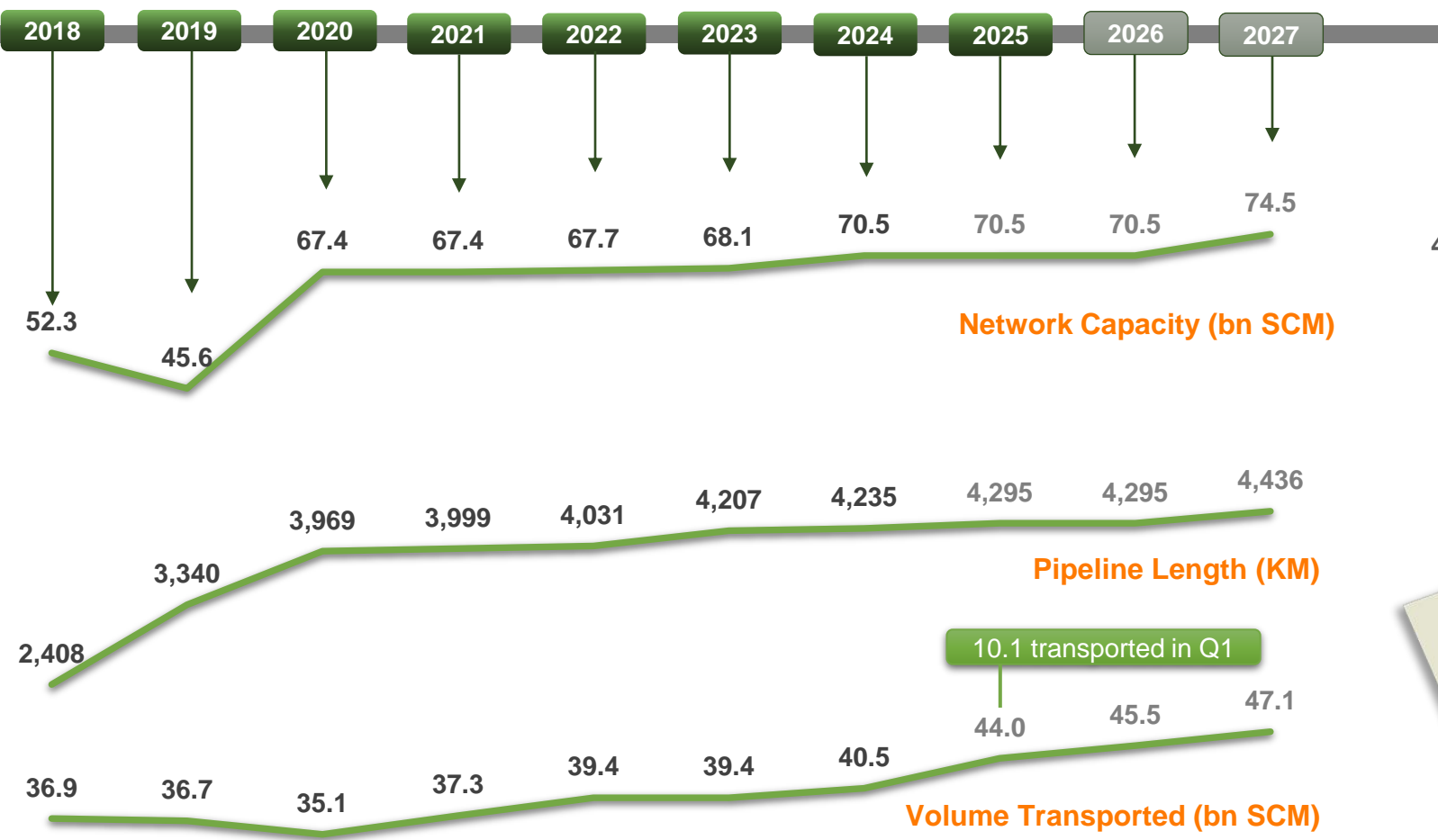


# OQGN

## Growth And Future Aspiration



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



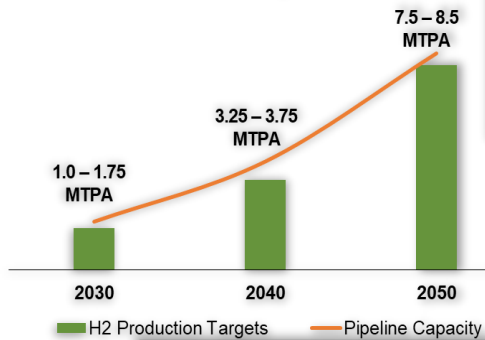


# Collaborating with The Government to develop hydrogen pipeline infrastructure

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.

Hydrom Green Hydrogen Production Targets

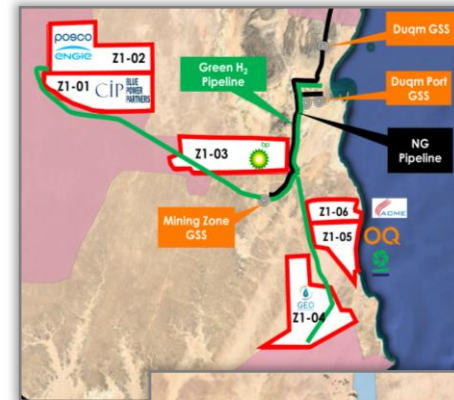


OQGN conducted a strategy study on Hydrogen to assess the intricacies of developing a Hydrogen CUI and its commercialization, ensuring that OQGN emerges as a leading Hydrogen Network Operator.



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



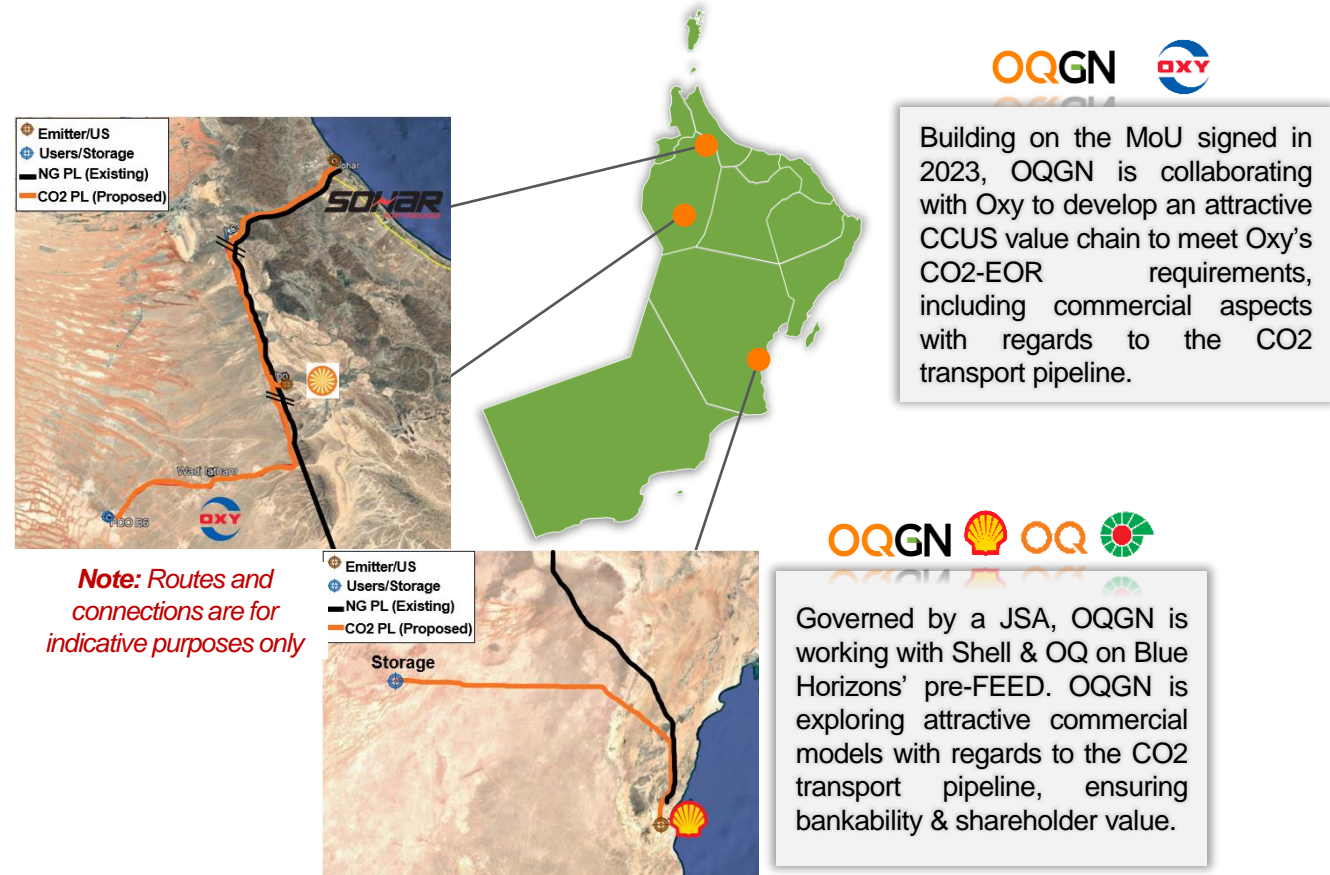
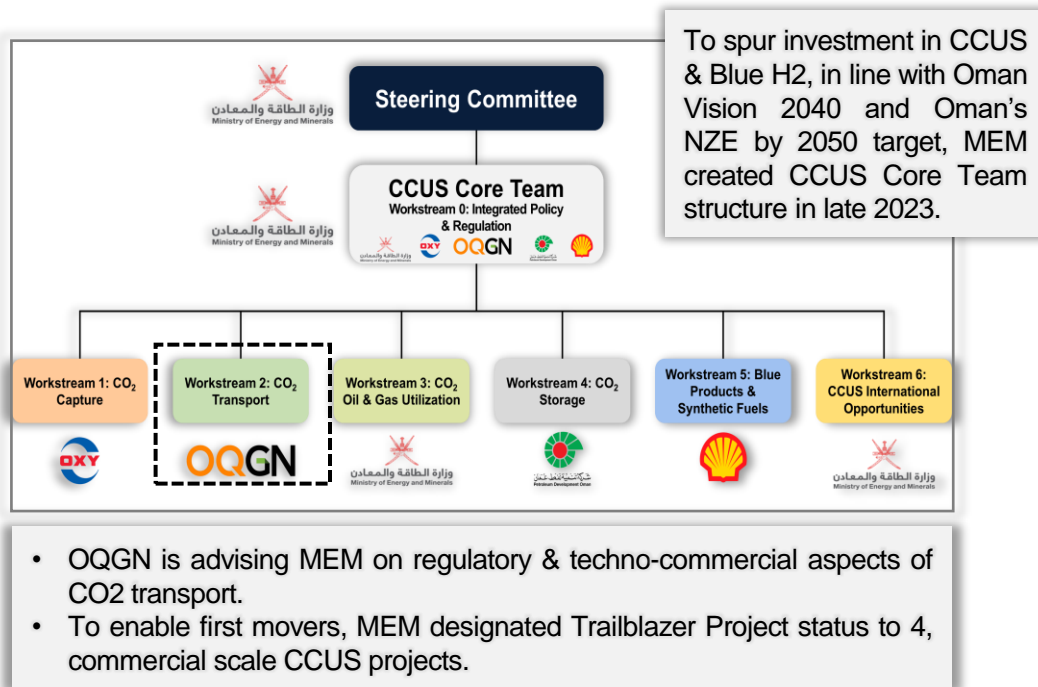
**Note:** Routes and connections are for indicative purposes only

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 ensure necessary infrastructure is in place to support successful implementation of trailblazers





# OQGN



## Q1 2025 Performance



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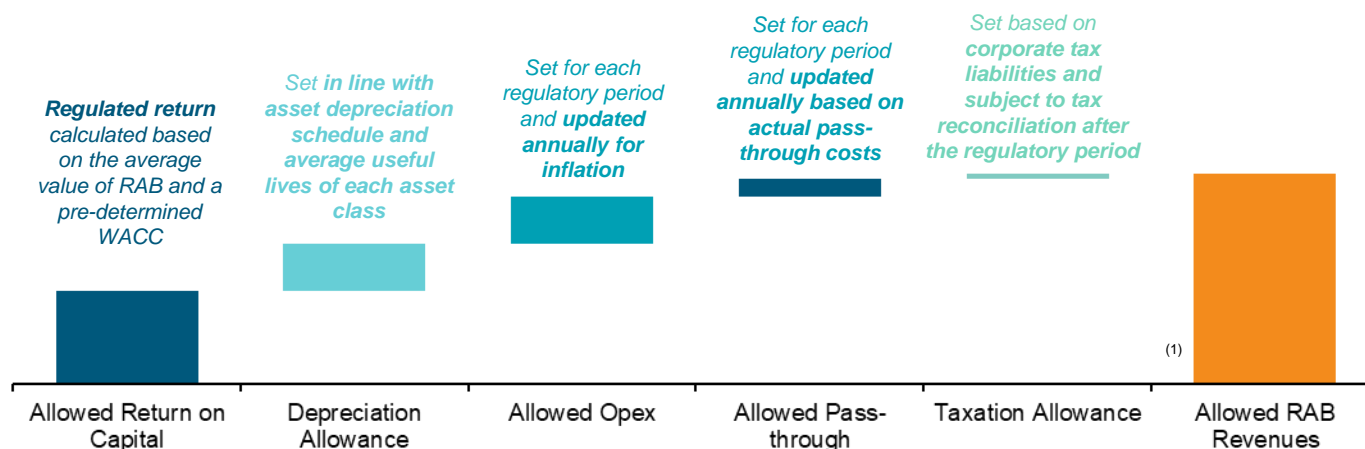
| @weareoqgn





## RAB Framework Pillars Driving a Reliable, Stable and Cost-Reflective Revenue

Well-defined RAB framework in place since 2018 **allowing lower risk and more predictable returns...**



**Not affected by natural gas prices**



**Not affected by gas volumes transported**



**Inflation adjusted**



**Incentives for cost efficiencies**



**Enabling predictable cash flow profile**

WACC determined by the regulator during periodic reviews every 4 years  
Capex plan approved by regulator for each regulatory period

Current Approved WACC: 7.79%  
Current Regulatory Period: 2024 – 2027

**Regulated and predictable cash flows not affected by natural gas price or volumes transported**

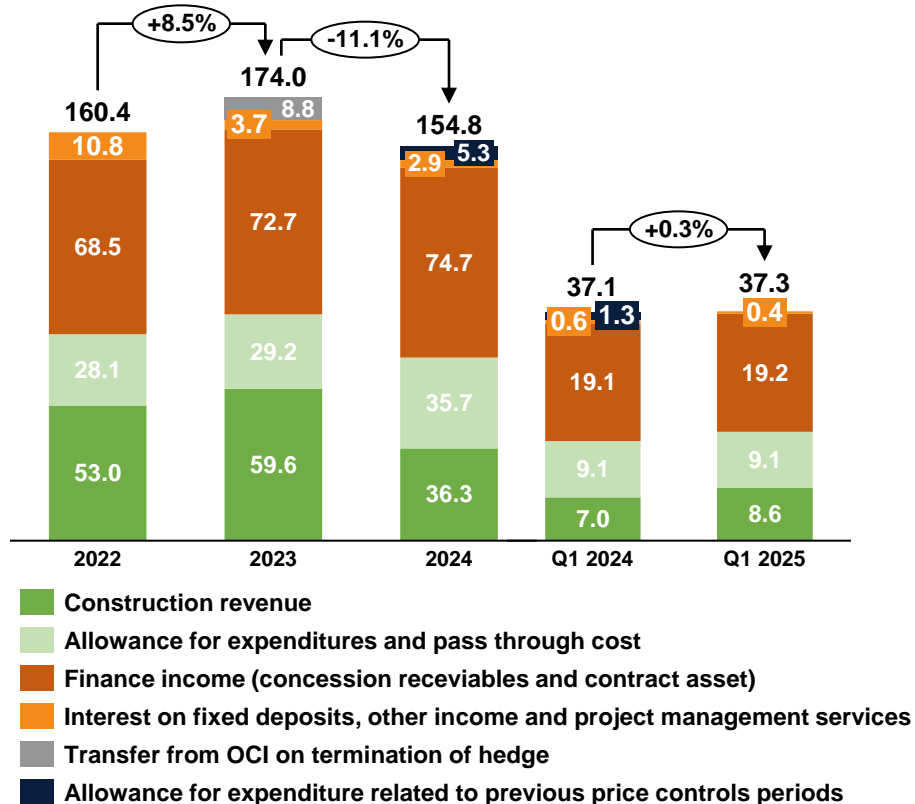
*Company prepares separate financial statements on the bases of IFRS and RAB Revenue Rules. Both sets of financial statements are presented in OMR*

IFRS Accounts	Regulatory Accounts
<ul style="list-style-type: none"> <li>The Company prepares the Financial Statements in accordance with IFRS and applies IFRIC 12 (Service Concession Arrangements), in which the Company recognises               <ul style="list-style-type: none"> <li><b>Financial assets</b> (concession receivables and contract assets) instead of property, plant and equipment in the statement of financial position</li> <li><b>Revenue and cost for construction of contract assets and finance income on the concession receivables and contract assets</b> instead of Allowed Return on Capital in the statement of profit or loss and other comprehensive income</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>The Company also prepares regulatory financial statements <b>pursuant to the RAB Rules</b>, whereby all adjustments under IFRIC 12 are reversed and property, plant and equipment and related depreciation and income and Allowed Return on Capital are recognised under the RAB Rules</li> <li>The Company prepares the regulatory financial statements for the purposes of <b>submission to the Regulator in compliance with the requirements of the RAB Rules</b> to enable the Regulator to perform the Annual Reconciliation to determine the Allowed RAB Revenue for the next year and RSP Reconciliation in order to determine the Allowed RAB Revenue for the next Price Control Period</li> </ul>

OMR Mn

**Net Profit** 45.6 55.5 47.8 13.6 12.6

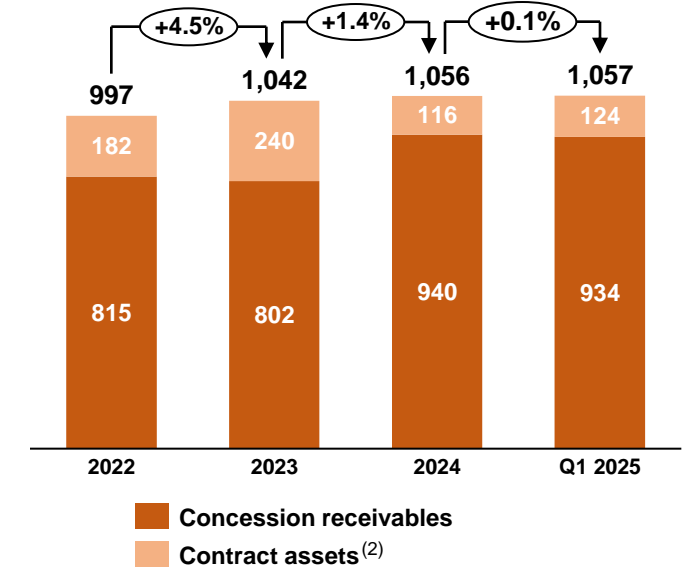
**Net Profit Margin** 28.4% 31.9% 30.9% 36.5% 33.8%



- OQGN achieved a 0.3% increase in income in Q1 2025 due to higher construction activity. Income increased by 4.2% excluding one-off event.
- OQGN achieved a 3.3% increase in profit (excluding one-off events), demonstrating strong operational performance and efficiency improvements, which were primarily driven by higher construction activity during the current period.
- Concession receivable and contract asset have been increasing since 2022.

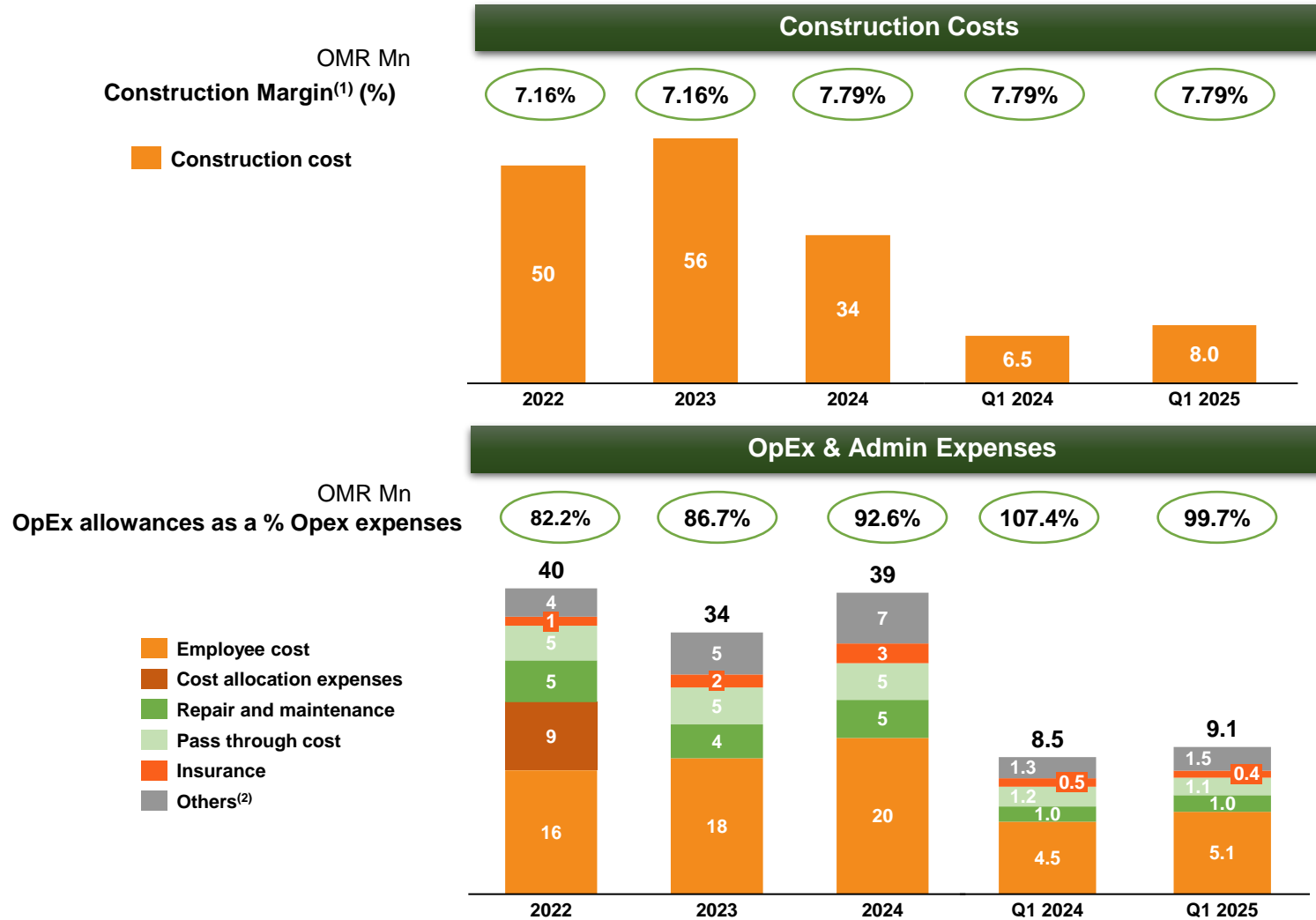
**Finance Income<sup>(1)</sup>** 68.5 72.7 74.7 74.8<sup>(3)</sup>

**Effective Interest Rate** 7.23% 7.43% 7.42% 7.41%



<sup>(1)</sup> Finance income on contract assets and concession receivables.  
<sup>(2)</sup> Only including contract assets due from MEM.  
<sup>(3)</sup> Rolling year ended 31 March 2025 (Q2 2024 to Q1 2025)





- Construction margin is equal to the CWIP WACC.
- OQGN recorded an increase in Construction Costs in 2025 compared to 2024 following the commencement of Fahud Sohar Second Loop Line Project – 42”
- Increase in Employee costs as a result of meeting the headcount capacity to align the optimum business needs.

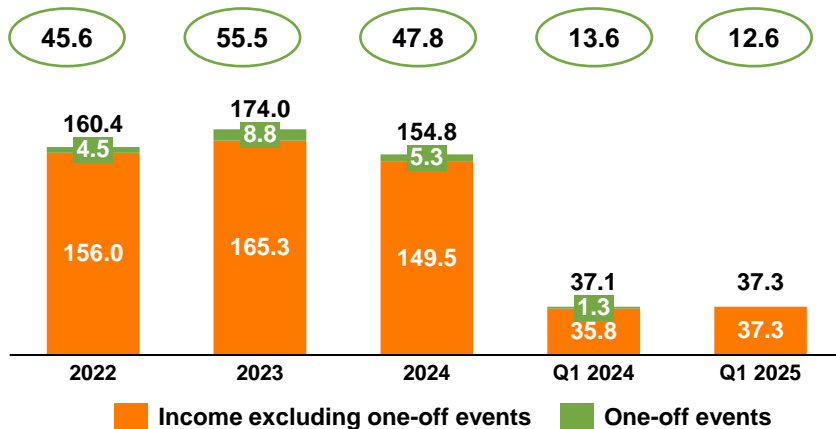
(1)  $(\text{Construction Revenue} - \text{Construction Costs}) / \text{Construction Costs}$ .

(2) Others includes IT related expenses and depreciation

## Income

OMR Mn

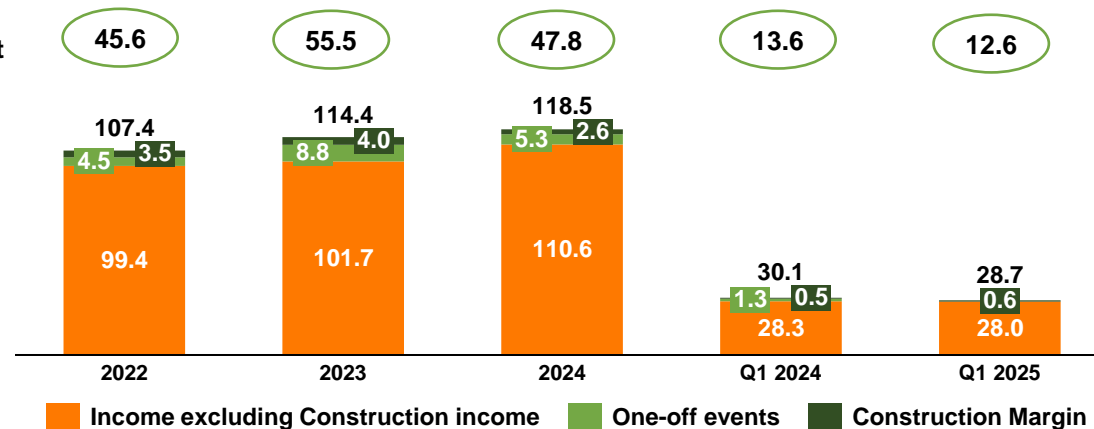
Net Profit



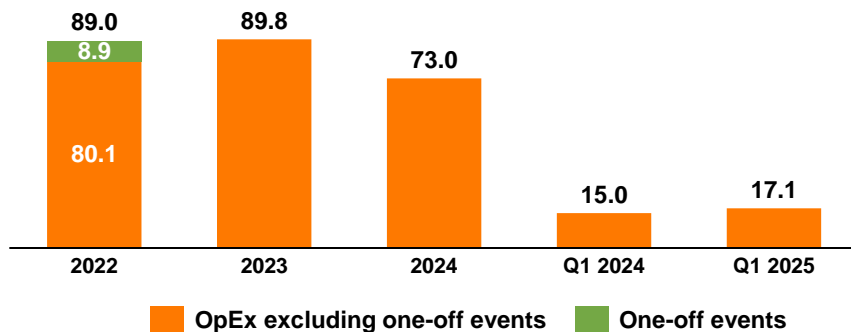
## Income net of Construction Costs

OMR Mn

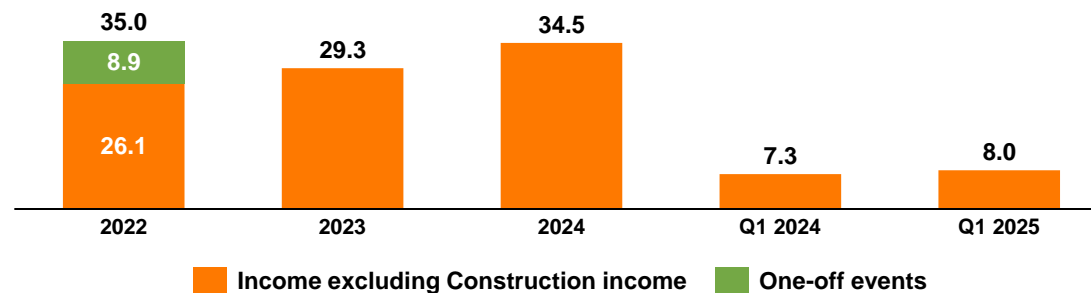
Net Profit



## OpEx including construction costs

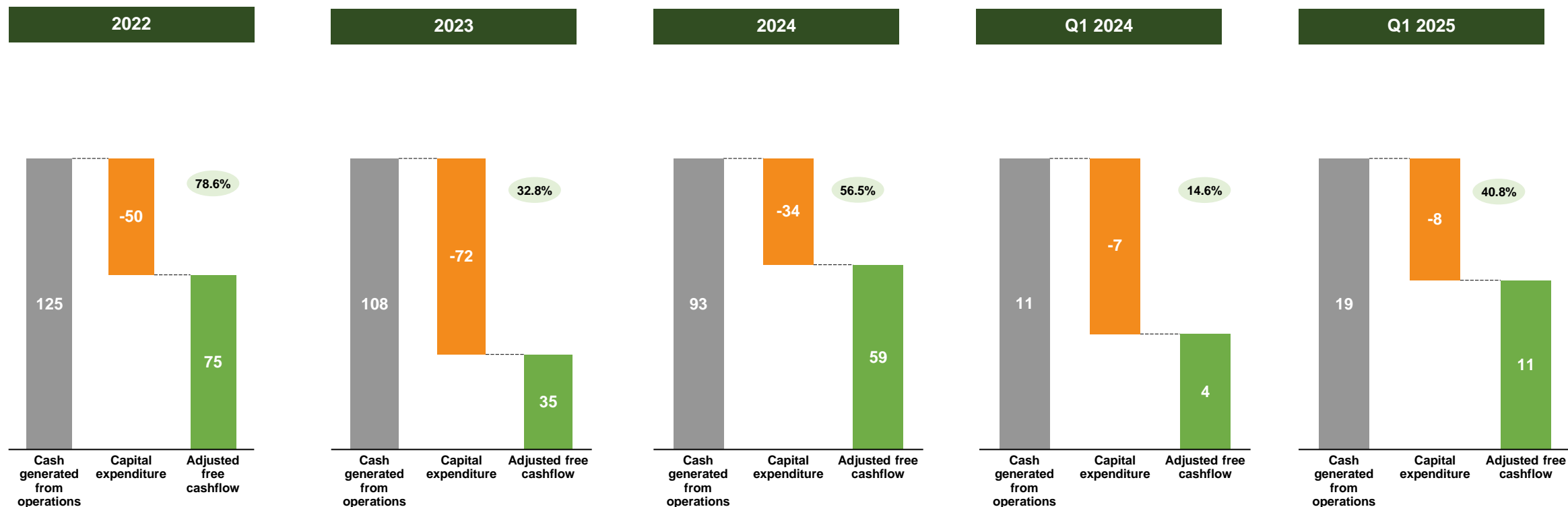


## Opex excluding construction and pass-through cost



# Cash Generation Supported By Attractive RAB Terms

OMR Mn



 Regulated Adjusted Cash Conversion<sup>(1)</sup>

(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.

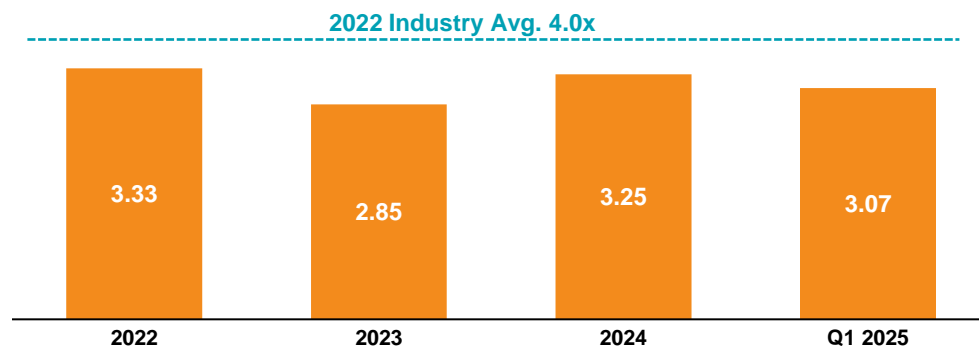


# Commitment To A Robust Capital Structure Allowing For Future CAPEX Funding And Sustainable Dividend Distribution

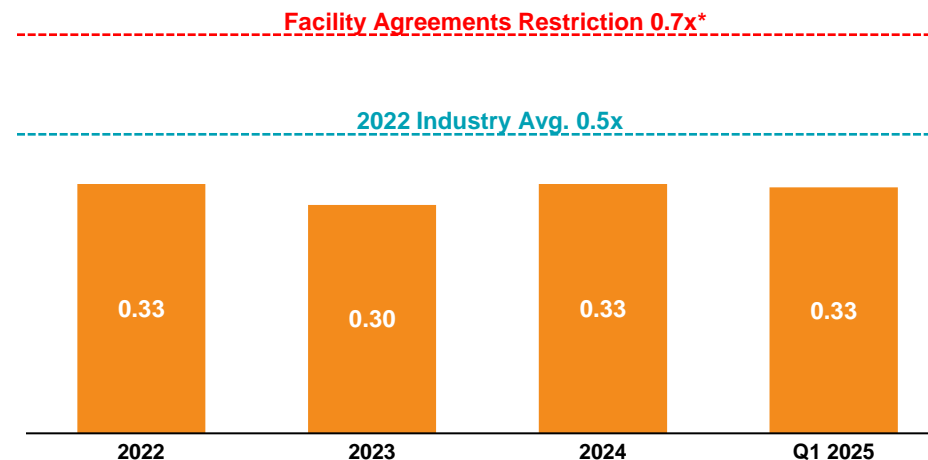
## Efficient Capital Structure...

OMR Mn (1 OMR = 2.6 USD)	As of Dec-24	As of Mar-25
Term Loan	355	355
<b>Total Debt</b>	<b>355</b>	<b>355</b>
Cash and Cash Equivalents	(16)	(22)
<b>Adjusted Net Debt</b>	<b>339</b>	<b>333</b>
Adjusted Net Debt / Regulated Adjusted EBITDA	3.25x	3.27x
Adjusted Net Debt / RAB	0.33x	0.33x

### Historical Net Debt / Adjusted EBITDA



### Historical Net Debt / RAB

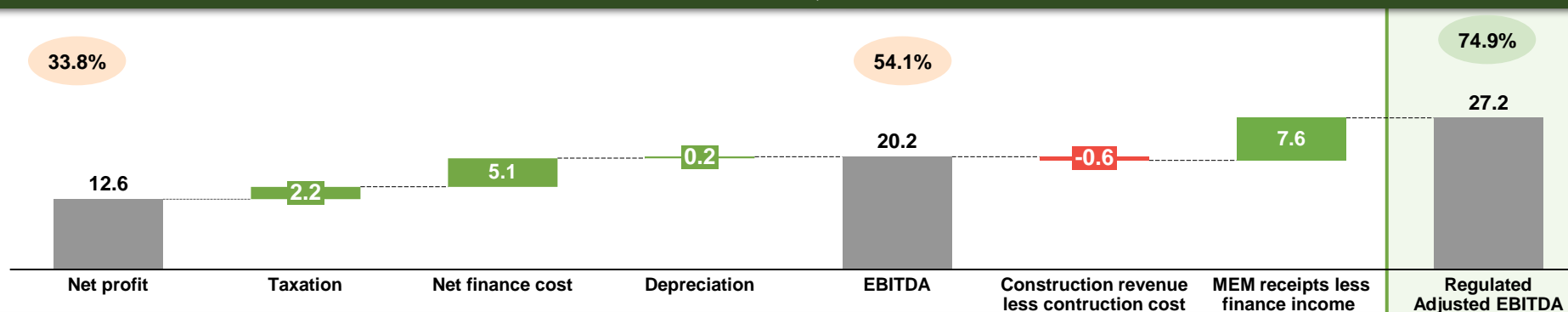


\*Not to exceed 70% of the RAB value

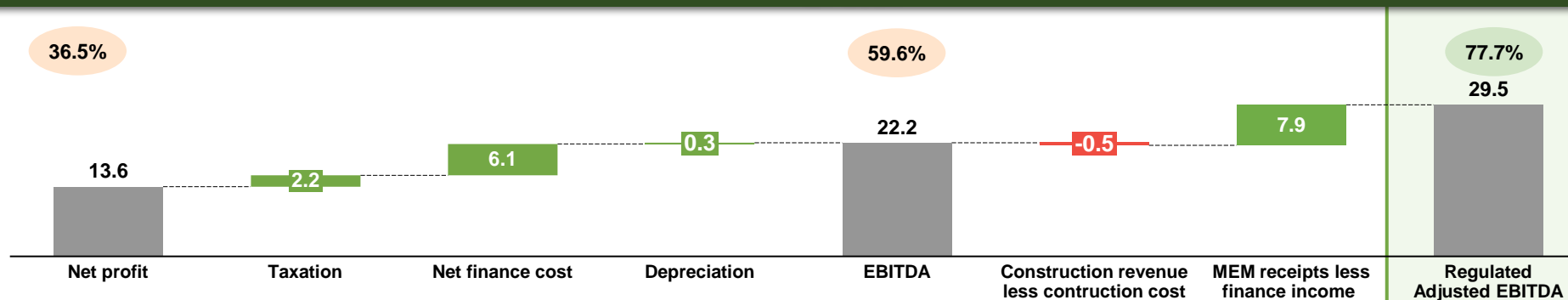
# Net Profit to Regulated Adjusted EBITDA Bridge

OMR Mn

Q1 2025



Q1 2024

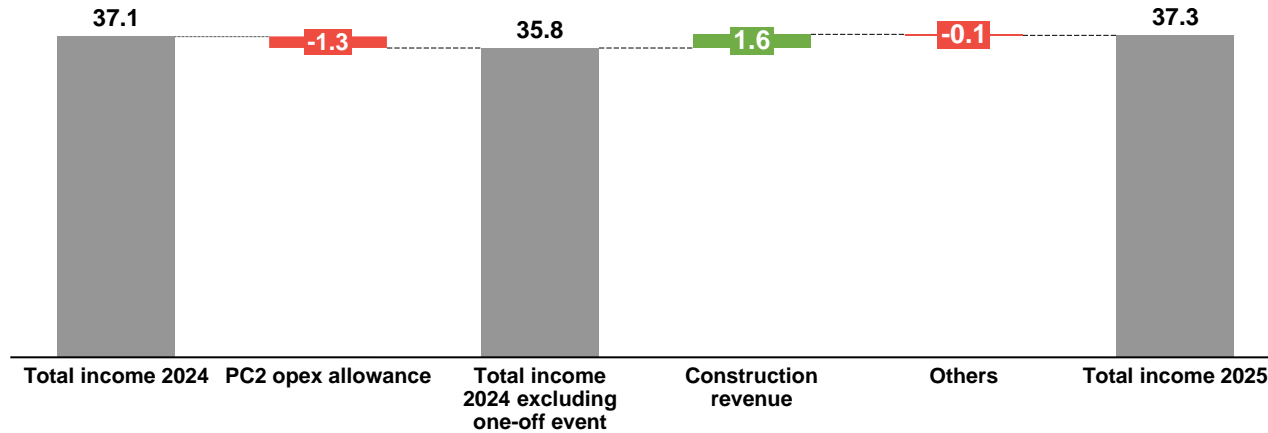


Margin on total Income    Margin on Regulated Adjusted Income

Regulatory Measures

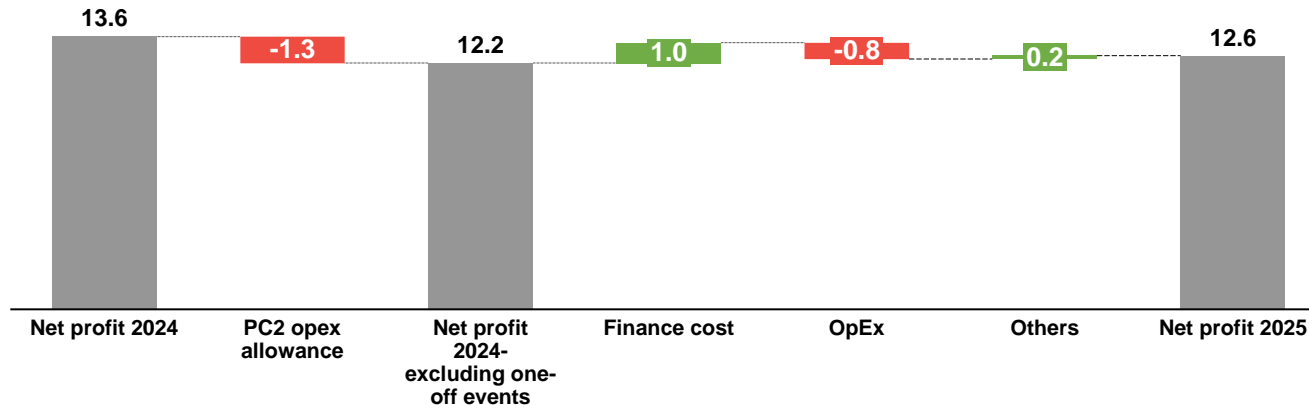
## Total Income Q1 2024 vs Total Income Q1 2025

OMR Mn



## Net profit Q1 2024 vs Net profit Q1 2025

OMR Mn



- OQGN's performance reflected a **RO 1.5 Mn increase in total income** excluding one-off events mainly due to higher construction activity in 2025.
- OQGN achieved a **3.3% increase in profit** excluding one-off events, demonstrating strong operational performance, mainly driven by higher asset base and savings in interest costs.



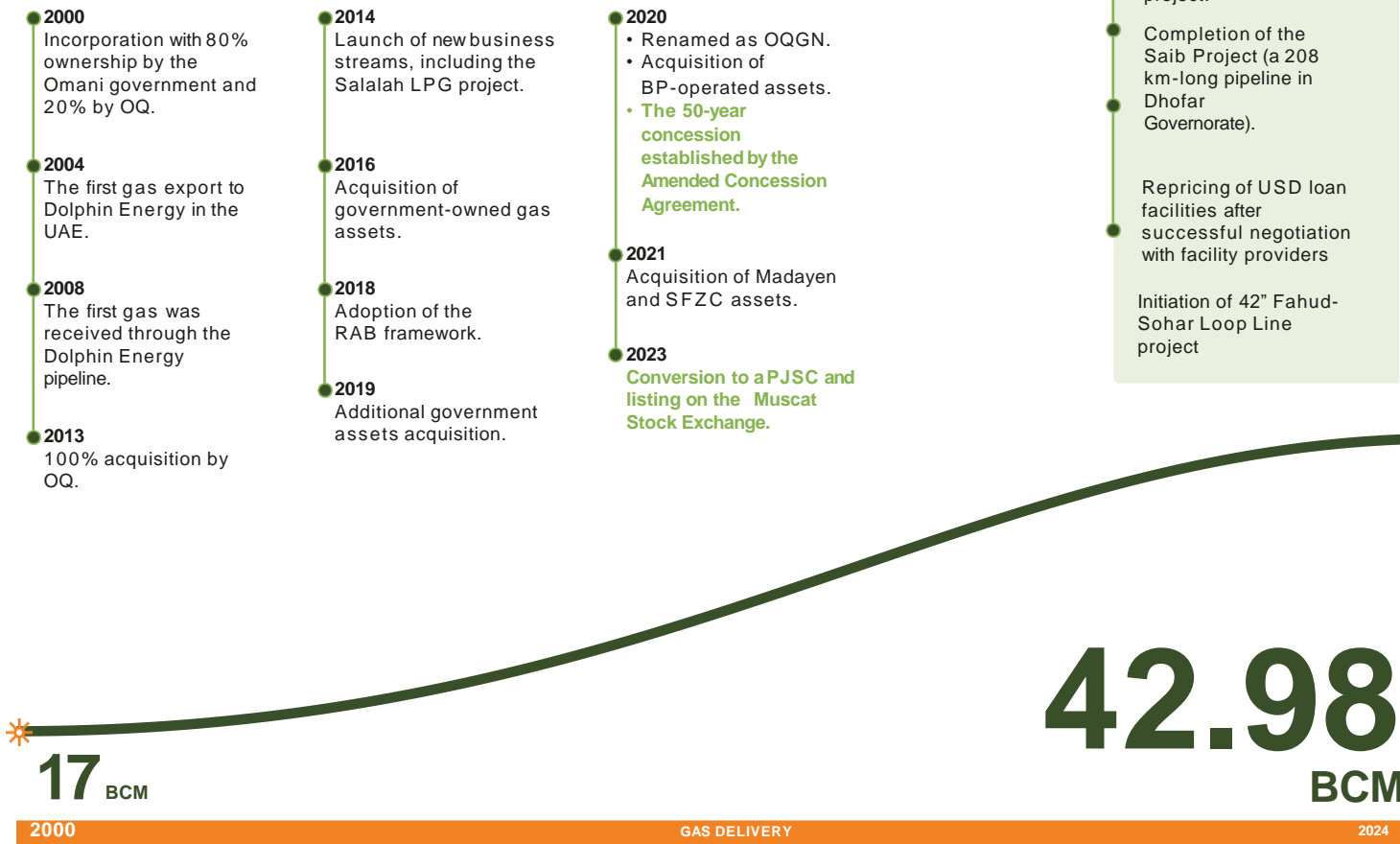
# OQGN

Thank You



# Evolving with purpose

In 24 years, OQGN increased gas delivery by 2.5 times, achieving an average gas availability of 99.99%.



## A Vision

To be the national champion of energy infrastructure through innovative and sustainable solutions.

## A Mission

We transport energy in a reliable, efficient, safe, and sustainable way.



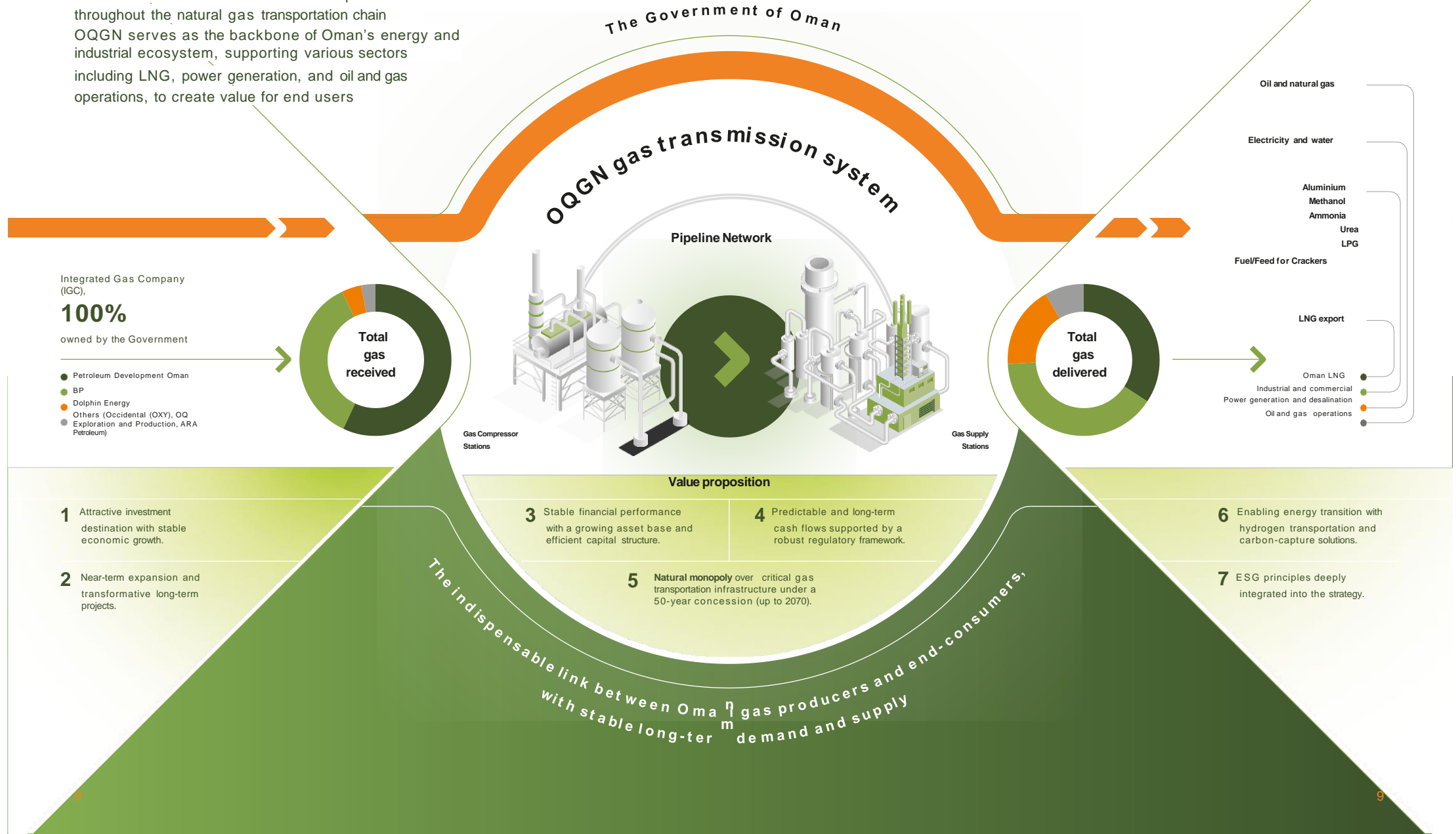
# Tomorrow

**Our vision is a low-carbon, prosperous future:**

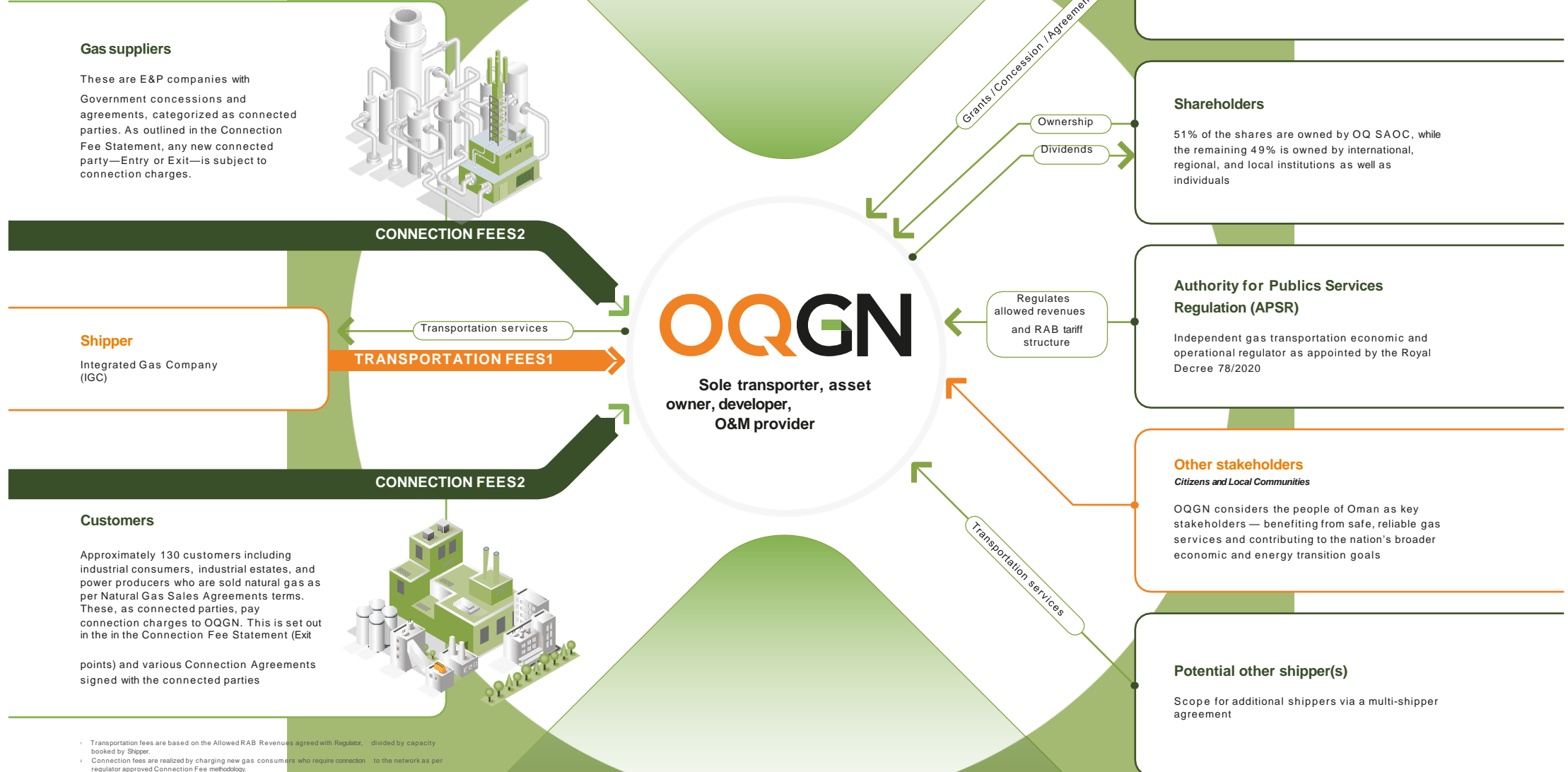
- Organic growth of the NGTN
- Acquisition of the remaining third-party gas infrastructure
- Financial feasibility studies and commercial framework development for hydrogen and CO<sub>2</sub> transportation
- Development of an open access network for hydrogen transportation and storage
- Development and deployment of CCUS projects in Oman

# Transmission chain

As a critical element and infrastructure provider throughout the natural gas transportation chain OQGN serves as the backbone of Oman's energy and industrial ecosystem, supporting various sectors including LNG, power generation, and oil and gas operations, to create value for end users



# Business model



<sup>1</sup> Transportation fees are based on the Allowed RAB Revenues agreed with Regulator, divided by capacity booked by Shipper.

<sup>2</sup> Connection fees are realized by charging new gas consumers who require connection to the network as per regulator approved Connection Fee methodology.



## IFRS Accounts

Building Blocks	Description
Construction Revenue	▪ Percentage of projects completion recognised as revenue
+	
Allowance for Expenditures and Pass-through Costs	▪ Allowance for expenditures and pass-through costs received from the Shipper as part of price control allowances
+	
Project Management Services	▪ Supervision services on construction on construction of various gas related projected to related and third parties
=	
Revenue	
+	
On Concession Receivables	▪ Return on concession receivables recognised in the form of finance income using the effective interest method
+	
On Contract Assets	▪ Return on contract assets recognised in the form of finance income using the effective interest method
+	
On Short-term Deposits	▪ Interest income on short-term deposits
+	
Other Income	▪ Includes tender fee, shared costs income and reversal of provisions
=	
Total Income	

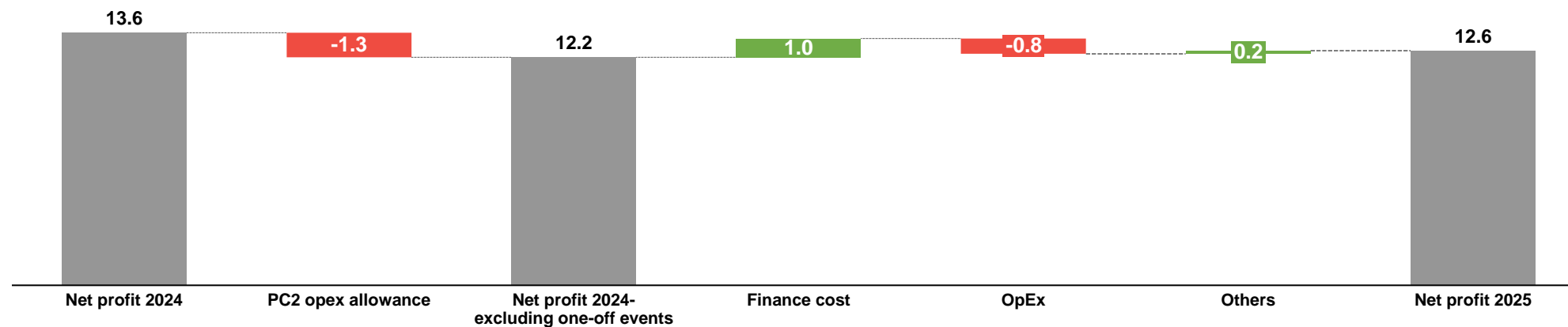
## Regulatory Accounts

Building Blocks	Description
Asset Return	<div>Avg. Asset Base</div> <div>X</div> <div>▪ Average of Regulated Asset Base during the period</div>
+	
WACC Return	▪ Regulated WACC approved by APSR
+	
CWIP Return	<div>Avg. CWIP Asset Base</div> <div>X</div> <div>▪ Average of CWIP Asset Base during the period</div>
+	
CWIP Return	▪ Regulated WACC approved by APSR
+	
Other Adjustments	▪ Working capital return, previous year adjustment and deferred finance cost adjustment
=	
Allowed Return on Capital	
+	
Depreciation Allowance	<div>▪ Compensation for depreciation of assets</div> <div>▪ c.40 year useful life on average</div>
+	
Allowed Operating Expenditures	▪ APSR allowance for operation & maintenance of assets as well as G&A expenses
+	
Allowed Pass-through	▪ APSR allowance covering fuel gas cost and Regulator fee
+	
Taxation Allowance	▪ Compensation for cash tax payable
+	
Other	▪ Includes adjustment of other revenues earned from RAB resources as part of RSP reconciliation
+	
Other Regulated Adjusted Income	▪ Includes shared cost income, reversal of provisions, connection fees and interest income on fixed deposits
=	
Regulated Adjusted Income	

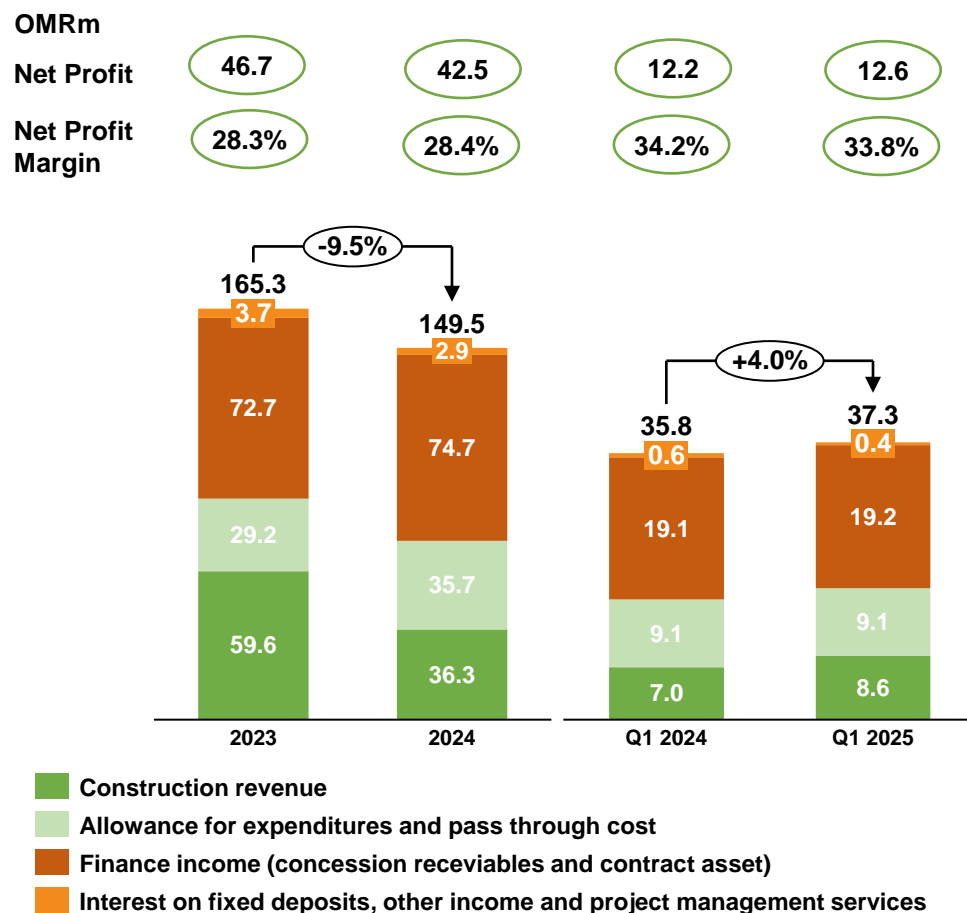
## Net profit 2024 vs Net profit 2025

QGN achieved a 4% increase in profit excluding one-off events, demonstrating strong operational performance, mainly driven by higher asset base and savings in interest costs.

OMRm



# Income build-up (excluding one-off events)



## Observations

- OQGN achieved a 4% increase in profit excluding one-off events, demonstrating strong operational performance and efficiency improvements, which were primarily driven by higher construction activity during the current period.
- Despite the absence of the one-time gain related to reimbursement of PC2 opex allowance that benefited 2024, the company generated strong recurring profits.
- Revenue and profit excluding these one-off events remain robust, reflecting the company's core operational strength.

(1) Includes finance income on contract assets and concession receivables.

(2) Only including contract assets due from MEM.