



OOQ Investors' Presentation

FY 2023 Results and Highlights

Disclaimer

The material contained in this presentation is intended to be general background information on OQ S.A.O.C and its activities.

The information is supplied in summary form and is therefore not necessarily complete. Also, it is not intended that it be relied upon as advice to investors or potential investors, who should consider seeking independent professional advice depending upon their specific investment objectives, financial situation or particular needs.

The material contained in this presentation may include information derived from publicly available sources that have not been independently verified. No representation or warranty is made as to the accuracy, completeness or reliability of the information.

This presentation contains statements that constitute “forward-looking statements”. The forward-looking statements include statements regarding our intent, belief or current expectations with respect to our business and operations, market conditions and results of operations and financial condition, including, without limitation, indicative revenue, EBITDA, Adjusted EBITDA, leverage, among others.

These statements reflect our current views with respect to future events and are subject to certain risks, uncertainties and assumptions. We use words such as ‘may’, ‘expect’, ‘indicative’, ‘intend’, ‘forecast’, ‘estimate’, ‘anticipate’, ‘believe’, or similar words to identify forward-looking statements. Should one or more of the risks or uncertainties materialize, or should underlying assumptions prove incorrect, actual results may vary materially from the expectations described in this presentation.

When relying on forward-looking statements to make decisions with respect to us, investors and others should carefully consider such factors and other uncertainties and events. We are under no obligation, and do not intend, to update any forward-looking statements contained in this presentation.

Some financial figures in this presentation have been converted to US\$ for the convenience of the reader at an FX rate of 0.3851 OMR per US\$. The US dollar translations should not be construed as a representation that the OMR amounts have been or may be converted into US dollars at the rate indicated.

Adjusted EBITDA

Certain sections of this Report, discuss Adjusted EBITDA, which is not a measure of financial performance under IFRS. In determining Adjusted EBITDA, the Group adds back to (in the case of expense items) or deducts from (in the case of income items) profit for the period the following items: A) Finance expense; B) Impairment losses (charged)/released, net; C) Income tax expense; D) Changes in fair value of investments; E) Finance income; F) Foreign exchange gains/ losses, net; G) Certain non-recurring investment income (for example, investment income on divestments), H) Depreciation and Amortization, and, I) OQ's share of asset impairment charges booked by the OQ8 joint venture.

The Company believes that the presentation of this Alternative Performance Measure is helpful to investors because this and other similar measures are widely used by certain investors, security analysts and other interested parties as supplemental measures of performance and liquidity. However, Adjusted EBITDA is not a measure of financial performance under IFRS and should not be considered in isolation or as a substitute for operating profit, cash flow from operating activities or other financial measures of the Group's results of operations or liquidity computed in accordance with IFRS.

For more information, please visit oq.com



Our Company at a Glance



OQ is a Global Integrated Energy Company With Deep Roots in the Sultanate of Oman

OQ is the only integrated energy company in Oman and is fully owned by the Oman Investment Authority (OIA) since 2020⁶



15 Oil and gas fields¹:
Production (2023) – 129 kbd of oil & 568 mmcfpd of gas (WI)
2P Reserves (2023) – 1,023 mmboe (WI)²



Portfolio of
+70 chemical products



+ 4,030 km³
Owner & operator of materially all of Oman's gas transportation system



+1,000
Customers in 70+ countries



16 Downstream plants⁴
Sole refiner in the Sultanate of Oman
Includes 6 international specialty chemical plants



+8,000
Total direct employees⁴

US\$ 33.2bn
Total Assets
Dec 31, 2023

US\$ 5.1bn
Adj. EBITDA
FY 2023⁵

1.0x
Net Debt to Adj.
EBITDA FY 2023⁵





Arabian Gulf

OQE&P

Operators

1		Block 8	Producing Asset Under Service Contract Working Interest: 100%
2		Block 9	Producing Asset Working Interest: 45%
3		Block 10	Producing Asset Working Interest: 20%
4		Block 11	Exploration Asset Working Interest: 10%
5		Block 42	Exploration Asset Working Interest: 50%
6		Block 47	Exploration Asset Working Interest: 10%
7		Block 48	Exploration Asset Working Interest: 60%
8		Block 52	Exploration Asset Working Interest: 15%
9		Block 53	Producing Asset Working Interest: 20%
10		Block 60	Producing Asset Working Interest: 60%
11		Block 61	Producing Asset Working Interest: 30%
12		Block 65	Producing Asset Working Interest: 49%
13		Rima	Producing Asset Under Service Contract Working Interest: 25%
14		Karim	Producing Asset Under Service Contract Working Interest: 25%
15		Dunga	Producing Asset Working Interest: 20%



This map is not an authority on international boundaries

A photograph of two men in industrial workwear. The man on the left is wearing glasses and has a slight smile. The man on the right is pointing at a device held by the first man. They are in a dimly lit industrial environment with a tall structure in the background. A dark blue diagonal overlay covers the left side of the image.

OOQ

Recent Business Developments

2023 Growth Projects Status

OQ LPG

OQ LPG plant's production is expected to reach a total of **300,000 MT per annum**. The plant holds immense potential in terms of revenue generation, In-Country Value (ICV) and community development. Besides deriving economic value through propane, butane and condensate sales, the plant will generate potential downstream business such as petrochemicals.

> **Project Progress:** Completed in 2023



OQ Ammonia

New project to expand the ammonia production of OQ Methanol, with **365,000 MTPA capacity**. Aside from fertilizers, the plant will support the manufacture of synthetic resins, fibres and polyurethanes.

> **Project Progress:** Completed in 2023



Oman Tank Terminal (OTTCO)

New crude oil terminal, located strategically outside the Strait of Hormuz, capable of unloading crude at a single-point mooring (SPM) buoy, with a potential storing capacity of 200 million barrels of oil and transporting it by pipeline to the OQ8 crude storage facility. Successfully unloaded 19 Crude vessels during 2023 with a total quantity of 29.10 MMbbl of Crude.

> **Project Progress:** Completed in 2023



The Success Continues in 2024...

OQ8

Located in the Duqm Special Economic Zone, the **OQ8 Refinery** will have a processing capacity of **230 kbd**. The project is a 50/50 joint venture with Kuwait Petroleum (Europe) a wholly owned subsidiary of Kuwait Petroleum Corporation, the national oil company of Kuwait.

- > **Project Progress:** 99% (Operational, achieved facility performance test run in Feb 2024)



OQ Polymers

OQ Plastics has successfully fulfilled all conditions to reach **Actual Completion Date (ACD)** marking the final stage of project completion and consequently the **release of the Government Debt Service Undertaking (DSU)** on the outstanding loan balance of USD 2.9 Bn.

- > **Project Progress:** 100% (Financial Completion in Mar 2024)



2023 Completed Divestments

OQ is diligently delivering on its Balance Sheet Optimization (BSO) Program. The Program aims to ensure the robustness of the Group's different assets' balance sheets, with the aim to preserve standalone asset sustainability across business verticals. The BSO Program includes capital restructuring initiatives. These initiatives are being funded by improved business performance, as well as select divestments in-line with the Group and its' shareholders mandates.

Company					Block 60 & 48
Type of Divestment	IPO	IPO	Sale	Sale	Partial Sale
Date	Mar 2023	Oct 2023	Feb 2023	Dec 2023	Dec 2023
Divested stake (%)	49%	49%	OQ's 30% , making Vale Oman a 100% foreign-owned company	OQ's 30.5% stake	40%

These successful transactions are in line with OIA's objective to develop the local capital markets and Oman's Vision 2040 privatization objectives



FY 2023 Update & Financial Performance



Fitch Ratings Upgrades OQ's Standalone Credit Profile (SCP) To 'bbb-' From 'b+' In 2023 To Reflect...

Key Rating Drivers

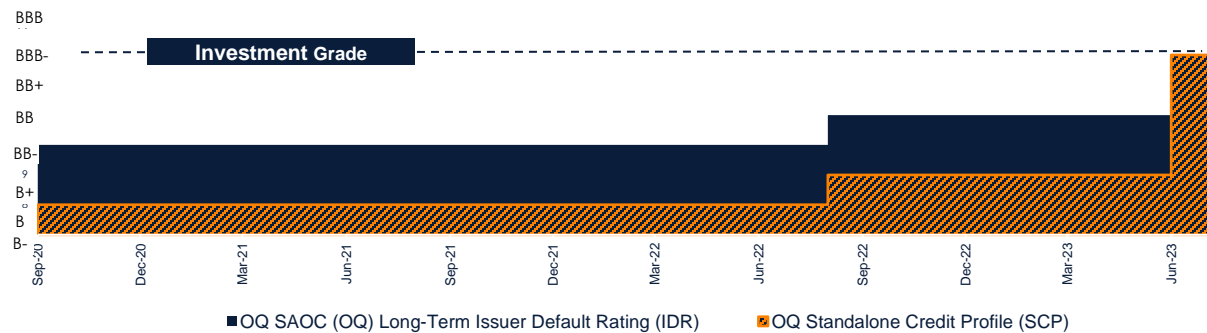
- > Material debt reduction and sharply lower EBITDA net leverage to below 1.5x over 2023-2027 under Fitch's assumptions from over 8x in 2020.
- > Greatly reduced subordination and improved access to cash flow within the group structure.
- > Improved scale and integration.
- > Establishment of a financial and dividend policy.

	Rating	Date	Agency
Oman	BB+/Stable	Sep-23	Fitch
	Ba1/Stable	Dec-23	Moody's
	BB+/Positive	Mar-24	S&P
OQ SAOC	BB+/Stable (IDR)	Sep-23	Fitch
	bbb- (SCP)	Jul-23	Fitch

"The strength of the financial profile is further supported by OQ's newly established financial policy of modest dividend payments".

- Fitch Ratings, July 2023

OQ Credit Rating History



FTSE100 7285.26 ▲ 51.92 (0.72%)

London Stock Exchange welcomes

OQ
Celebrating its inaugural bond listing on the Main Market

INDEX	PRICE	CHANGE
FTSE 100	7285.26	51.92 (0.72%)
FTSE 250	19661.60	180.69 (0.93%)
FTSE 350	4061.12	30.24 (0.75%)
FTSE Small Cap	6519.41	26.14 (0.40%)
FTSE All Share	4029.38	29.59 (0.74%)
FTSE AIM	944.41	5.34 (0.57%)
FTSE AIM 100	4488.87	30.43 (0.68%)
FTSE MIB	23679.90	113.63 (0.48%)
FTSE Japan	126.80	2.38 (1.91%)
FTSE Netherlands	678.43	7.55 (1.13%)
FTSE Portugal	139.90	0.98 (0.71%)
FTSE France	570.14	3.43 (0.61%)
FTSE Malaysia	215.08	0.89 (0.42%)
FTSE Australia	596.98	10.65 (1.82%)
FTSE Canada	745.58	0.00 (0.00%)
FTSE USA	1644.14	0.00 (0.00%)
FTSE Germany	374.98	0.58 (0.15%)
FTSE Hong Kong	9764.23	242.39 (2.55%)
FTSE Spain	375.07	2.22 (0.60%)

08:19:12 LSEG.L ▼ 7178.00 FRIDAY 13 MAY 2022

The recent credit rating action on the SCP attributes to a 4-Notch upgrade, classifying OQ as Investment Grade

Financial Overview



FY 2023

US\$**35.6**bn

Revenues

US\$**5.1**bn

Adj. EBITDA¹

11.3x

Coverage Ratio

US\$**33.2**bn

Assets

2023 Production¹

Crude Oil & Condensate production (WI)



36.8 kbd (Operated)
92.2 kbd (Non-operated)
129 kbd Total

Natural Gas production (WI)



20.2 mmcfpd (Operated)
547.4 mmcfpd (Non-operated)
568 mm cfpd Total

Total hydrocarbon production (WI)
227 kbd

2P Reserves

1023 mm boe (WI)²

Current expected life of reserves³
12.3 years

Downstream



Refining capacity:

304 kbd

Petrochemical capacity:

2,684,810 MT

Methanol capacity:

1,062,150 MT per annum

LPG:

346,000 MT per annum



FY 2023 Financial Results

✓ Revenues: US\$ 35,567 million

- > Decline in Downstream sector driven by slightly lower OQ Trading activities, and OQ RPI gross refining margin levels which was accompanied by negative FIFO impact, which is linked to reduced product prices.
- > Decrease in oil prices in the Upstream sector, with an average of \$82/bbl in 2023, compared to an average of \$95/bbl in 2022.

✓ Adjusted EBITDA¹: US\$ 5,128 million

- > Lower prices and market conditions, as mentioned above.
- > The Downstream sector experienced a decrease in operating profit, primarily attributable to a decline in gross refining margins.
- > The decline was primarily propelled by reduced performance across various segments: OQ Trading suffered from lower commodity prices, and OQ RPI faced diminished feedstock.

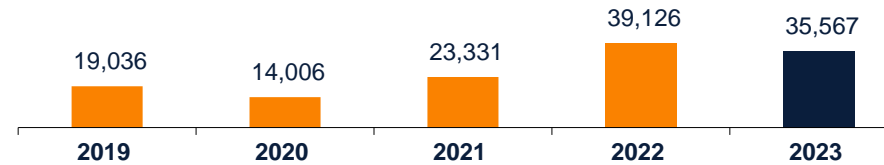
✓ Net Profit: US\$ 2,518 million

- > US\$ 62 Mn increase in Finance Expense in 2023 compared to 2022, resulted by high interest rate environment, which was partially offset by lower outstanding amounts as result of scheduled amortization and prepayments, and interest rate swap (hedge).
- > US\$ 160 Mn increase in Finance Income in 2023 compared to 2022, due to the increased quantum of deposits and higher interest received.

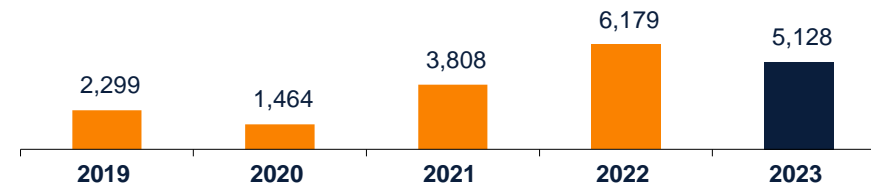
✓ CAPEX: US\$ 1,583 million

- > US\$ 160 Mn increase in 2023 in the upstream activities as compared to 2022, mainly in Block 60 and Block 10.

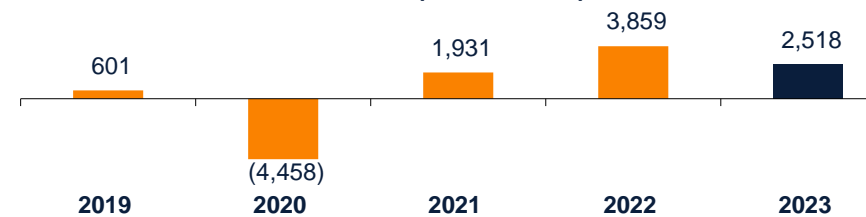
Revenues (million US\$)



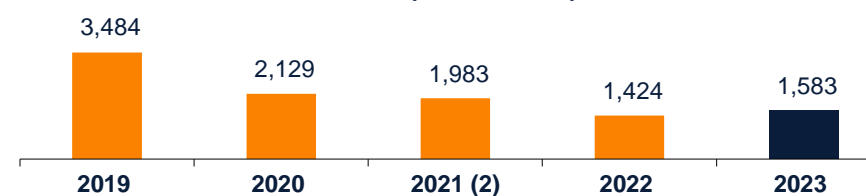
Adjusted EBITDA (million US\$)



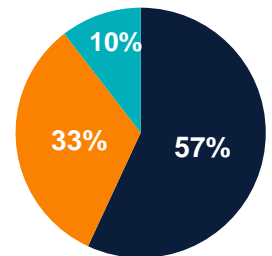
Net Profit (million US\$)



CAPEX (million US\$)



FY 2023 Adjusted EBITDA Breakdown



- Upstream
- Downstream
- Other Assets

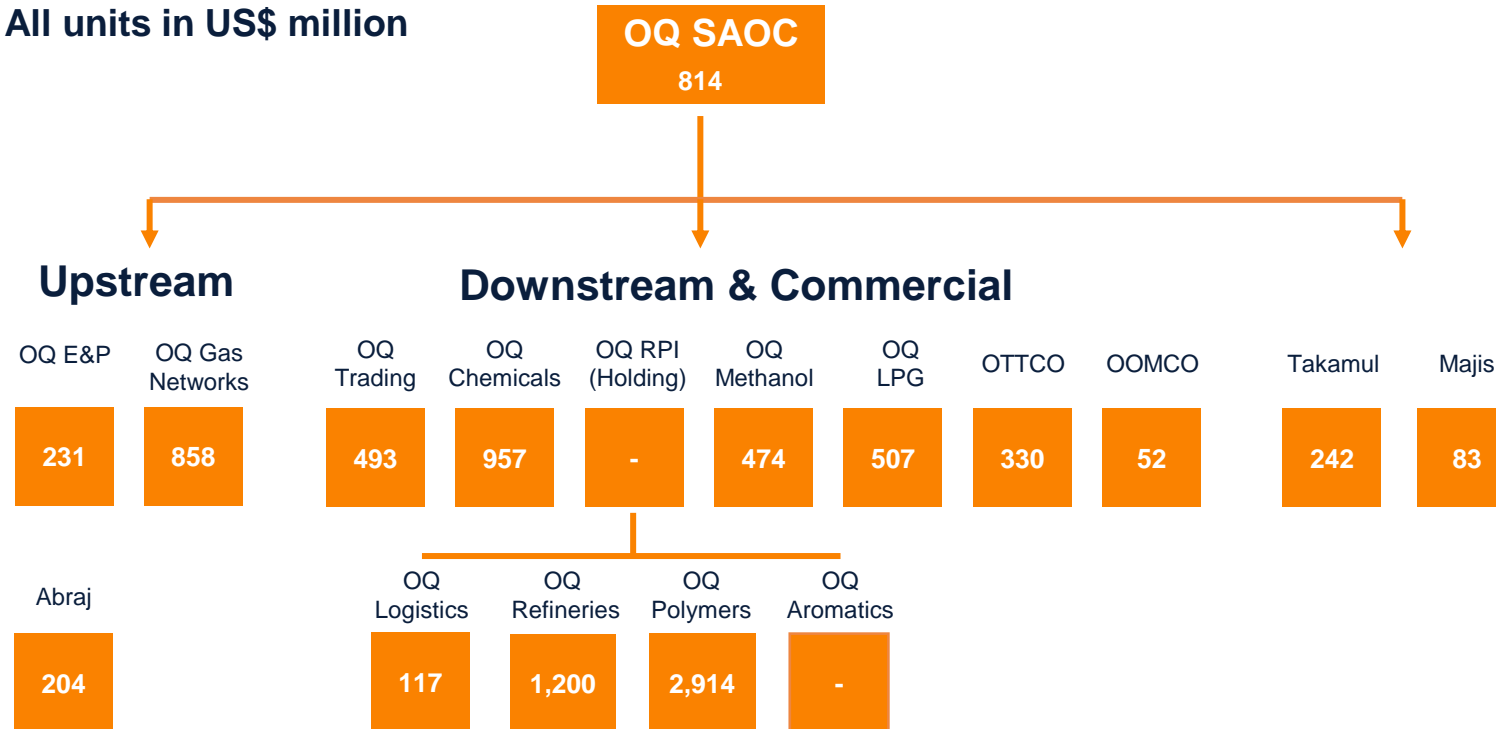
OQ's Consolidated Debt

- > OQ has a **well-diversified debt portfolio** by borrower, structure, maturity and lender group
- > **Strong liquidity** position with **US\$ 1.0 billion undrawn RCF at parent level**
- > Strong discipline towards the achievement of the **deleveraging strategy**

As of December 31, 2023

**Consolidated Outstanding Gross Debt
US\$ 9.3 billion**

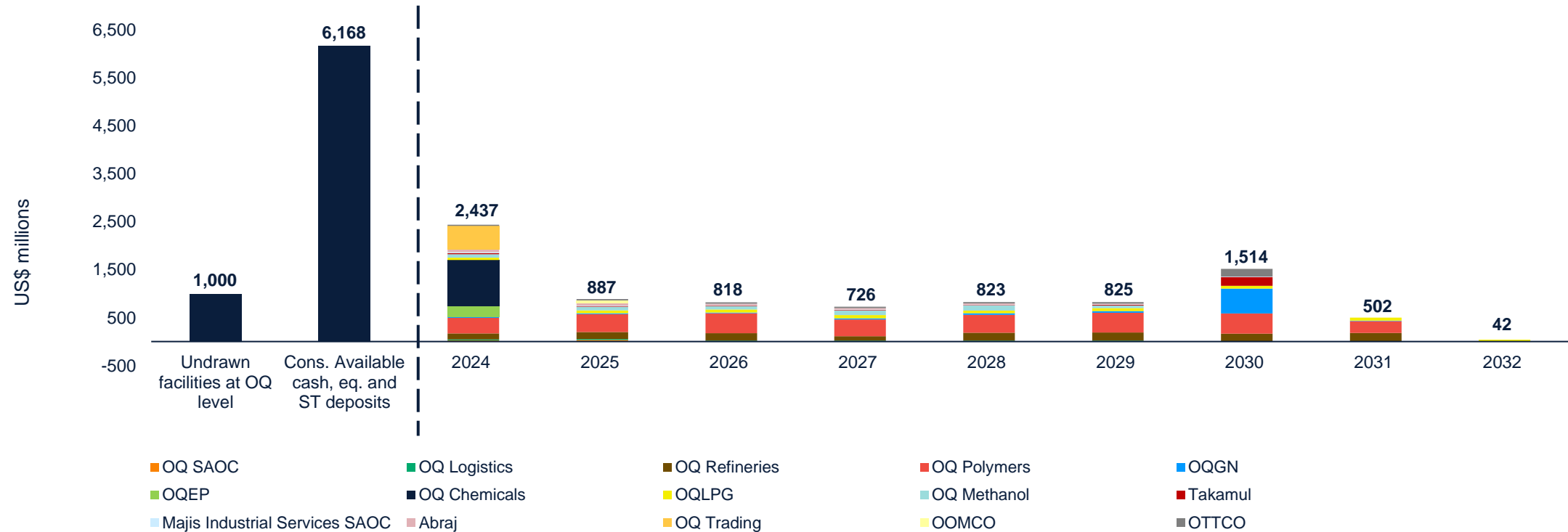
All units in US\$ million



- > **June 2023.** OQGN successfully completed its refinancing **US\$ 1.2 Bn** (of which US\$ 867 drawn and US\$ 333 undrawn).
- > **June 2023.** OQ SAOC Term Loan and Islamic tranche were repriced with a lower margin reflecting the improved OQ credit profile
- > **June 2023.** OQ Group successfully completed the LIBOR Transition for **US\$ 2 Bn** of its floating linked USD facilities.
- > **October 2023.** OQ Refineries successfully completed its refinancing of **US\$ 1.2 Bn** (of which US\$ 200 of debt prepayment)
- > **December 2023.** OQ SAOC successfully completed debt prepayment of the remaining outstanding of Corporate TL of **US\$ 268 Mn.**

Debt Profile

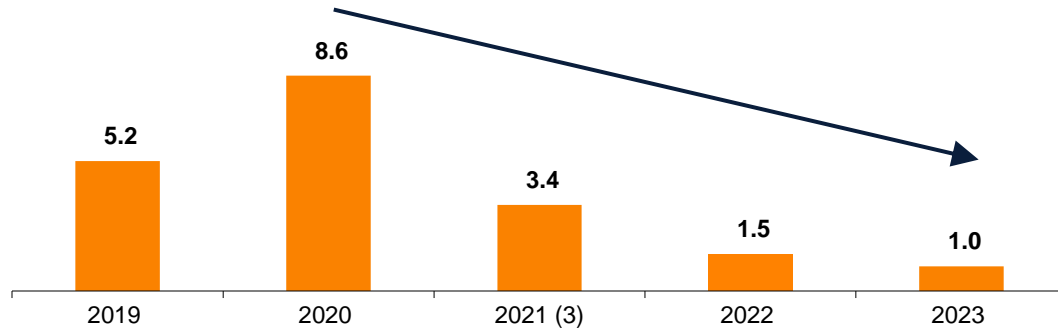
Debt amortization profile As of December 31, 2023



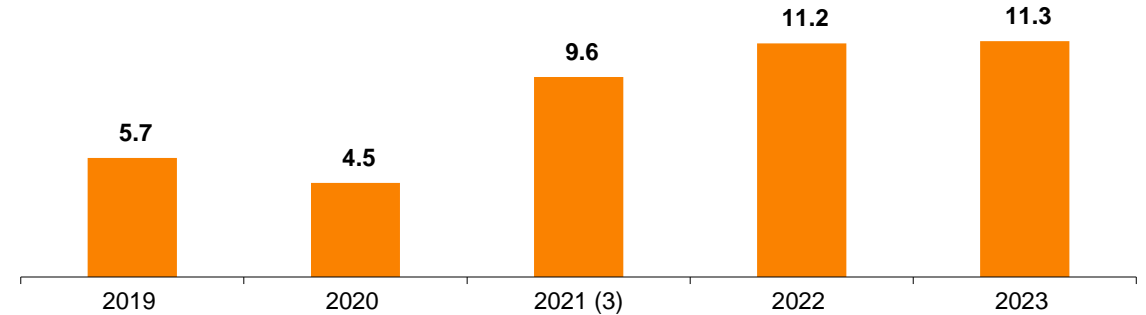
- > Group **cash and equivalents and short-term deposits** available as of December 31, 2023, at **US\$ 6.2 billion**, of which US\$ 3.8 billion were at parent level (OQ SAOC)
- > Fully undrawn US\$ 1.0 billion RCF
- > Total liquidity position, including undrawn facilities, was US\$ 4.8 billion at parent level

OQ Delivered on its Commitment to Deleveraging

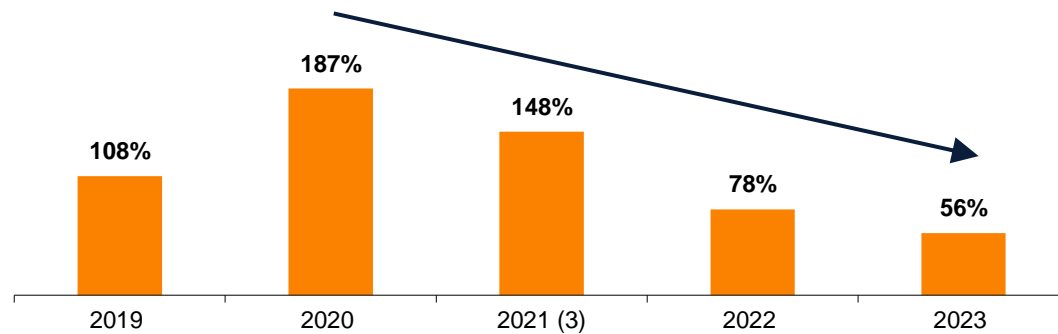
Net Debt to Adjusted EBITDA¹



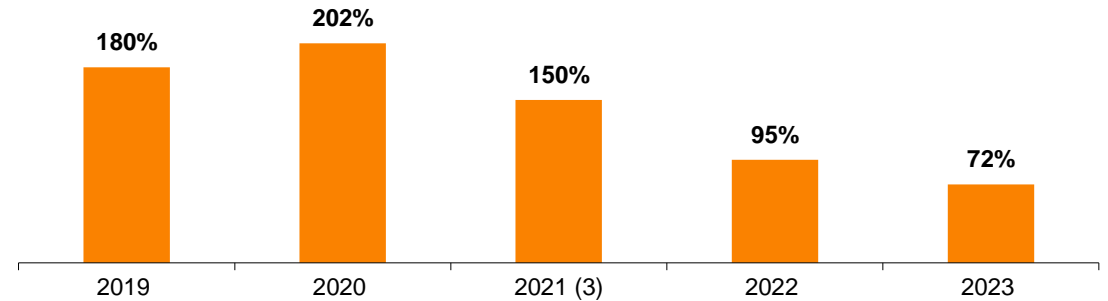
Adjusted EBITDA¹ to Net Finance Cost²
(Coverage Ratio)



Debt to Equity



Debt to Assets



Improved ratios ensure debt capacity is available for growth projects.
OQ's balance sheet positioned appropriately to allow it to become the **National Champion for AE Projects**.

Notes:

1. For the definition of Adjusted EBITDA, please refer to the Disclaimer section. Debt considers Loans and borrowings; Net debt equals to Debt minus Cash and Cash Equivalents.
2. Calculated as Adjusted EBITDA divided by net finance expense (finance expense minus finance income). The higher values represent a better coverage ratio.
3. Considers restated figures as informed in 2023 FS.



Batch



Environment, Social and Governance

OQ ESG Strategy: Energy Transition Enabler

Maximize value from national hydrocarbon base to drive investments linked to energy transition with partners.



Environmental

Decarbonization

- > Net-zero emissions by 2050.
- > Reduce absolute or intensity emission from the 2021 baseline by 25% by 2030.
- > Eliminate routine flaring in OQ Upstream assets by 2027.

Water Management

- > Ensure baseline data accuracy for OQ-controlled assets.
- > Assess operational impact on downstream communities.

Waste Management:

- > Collaborate with Beah for waste circularity framework.
- > Develop internal circularity framework emphasizing waste reduction and material circulation.

Biodiversity

- > Conduct a species impact assessments in the land and aquatic environments surrounding our operations.
- > Create a thorough plan for converting the natural habitat near our operations. .



Social

Occupational Health and Safety, Human Rights Protection & Labor Management

- > Advocate for optimal standards.
- > Commitment to health and safety.
- > Address wellness challenges with contractors.

Diversity, Equity & Inclusion

- > Implement diverse recruitment policies.
- > Enhance women's career advancement.

Local Community & Social Investments

- > Plant native trees.
- > Support SMEs with solar energy transition.
- > Address water challenges.
- > Enforce HSE policies for SMEs.
- > Promote disability inclusion.
- > Provide impactful NGO curriculum.



Governance & Economic

Responsible Procurement Policies

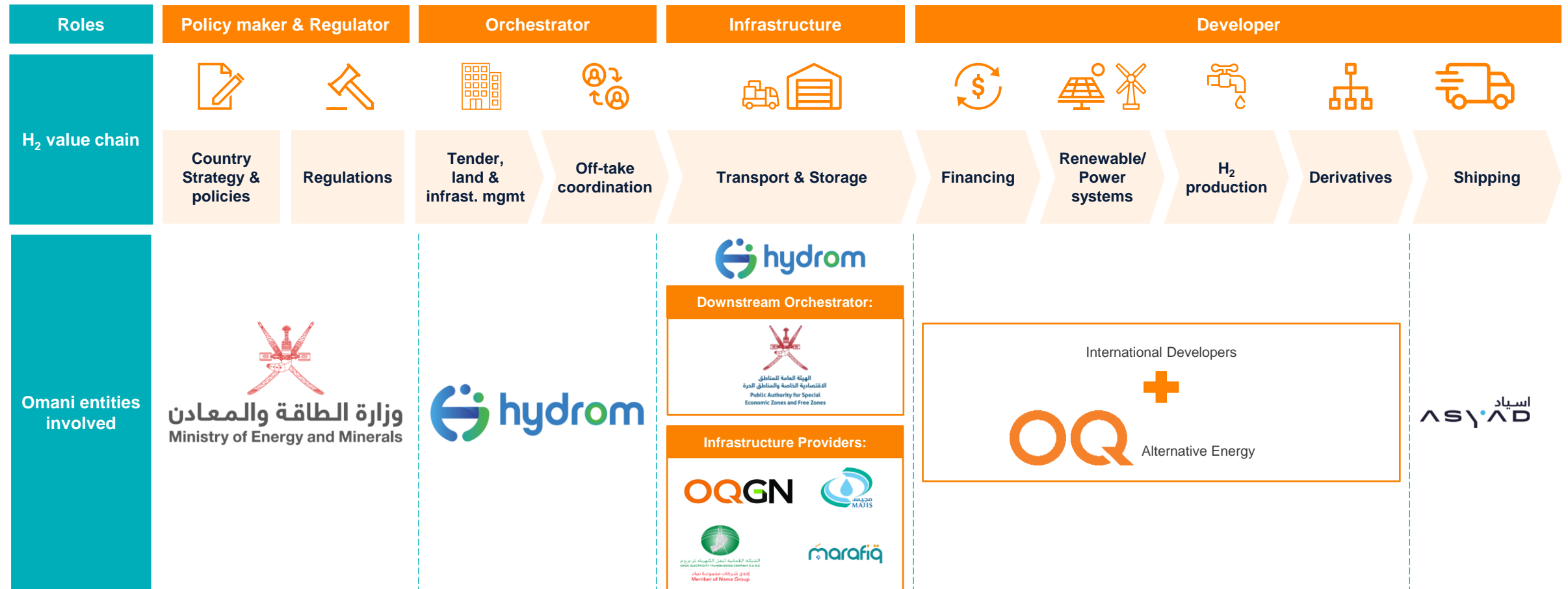
- > Introduce framework and code of conduct.
- > Implement screening for contractors.

Sustainable Finance

- > Align investments with ESG goals.
- > Introduce green financing.
- > Provide transparent sustainability reports.

Additional information regarding OQ's ESG Strategy will be unveiled in the 2023 Sustainability Report (To be published Q2 2024).

OQ Will Play the State-owned Developer Role for Investments in Green Hydrogen



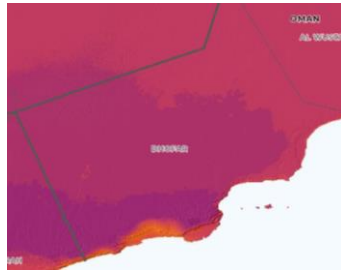
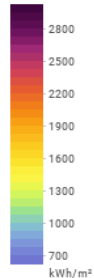
The Decarbonization of OQ and the Role it Plays to Decarbonize Oman and Achieve Oman Vision 2040 Ambitions

To achieve the strategy and objective of decarbonization, OQ AE to leverage on:

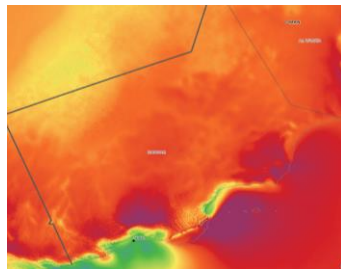
1 Oman's location and the Group's relationship with government



Solar PV potential (kWh/m²)



Wind speed (m/s)



- I. Oman's **favorable renewable energy** conditions translate to competitive green molecule production costs
- II. Play a **leading role** in investing in Oman's energy transition

Source: Global solar atlas, Global wind atlas

2 Group's broad asset base

Which provides a platform for growth and dovetails with AE's three pillars as follows:

1

Energy Excellence



Optimize existing assets energy uses to reduce energy consumption and carbon footprint. OQ plans to certify its operations under ISO 50.001 norms.

2

Clean Energy



Supply existing assets with clean energy to reduce emissions and support renewable energy requirements for Green molecules

3

Low Carbon Molecules



Produce low carbon molecules that OQ will place in the clean energy market

4

Negative Emissions



Carbon Capture projects



Thank you for your attention!

Investor Relations site

<https://oq.com/en/about-oq/investor-relations>

Phone

+968 2214 8648



Appendix

Adjusted EBITDA Reconciliation

	2022	2023
	(Audited)	(Audited)
	USD'000 ¹	USD'000 ¹
(Loss)/profit for the period	3,859,221	2,517,917
Add/(subtract):		
Finance expense	668,982	730,610
Impairment losses –charged/(released) - net	1,844	15,983
Changes in fair value of investments	-	-
Income tax expense	(39,444)	385,450
Finance income	(118,473)	(277,936)
Foreign exchange losses/(gains), net	12,464	(14,749)
Finance Cost included in COGS	9,851	9,854
Impairments included in Share of results of equity accounted investments	-	-
Adjusted EBIT	4,394,445	3,340,129
Add:		
Depreciation and amortization	1,784,965	1,787,910
Adjusted EBITDA	6,179,410	5,128,039



Thank you