OQ Base Industries (SFZ) SAOG

(under transformation)
P.O. Box 316, Postal Code 217
Salalah Free Zone / Salalah / Dhofar Governorate
Sultanate of Oman

Initial Public Offering of 1,695,150,517 Offer Shares

Category I Subscription Price Range: Bzs 106 to Bzs 111 per Offer Share

Category II Subscription Price: Bzs 111 per Offer Share

Category I Offer Period: 24 November 2024 to 1 December 2024

Category II Offer Period: 24 November 2024 to 28 November 2024

Pages K-1 to K-6 (the **"K-Pages"**) *relate to placements in the State of Kuwait ("**Kuwait**") to supplement the enclosed prospectus* (the **"Prospectus"**). *In case of discrepancy between the Prospectus and the K-Pages, the K-Pages shall have precedence. Investors in the State of Kuwait should refer to the enclosed Prospectus for additional information pertaining to the Offer (as defined herein), and the terms and conditions thereof. Unless otherwise stated herein, defined terms shall have the same meanings ascribed to them in the attached Prospectus.*

The **1,695,150,517** existing ordinary shares (the "**Offer Shares**") of OQ Base Industries (SFZ) SAOG (under transformation) (the "**Company**") will be offered in the State of Kuwait in an offering (the "**Offer**") by OQ SAOC ("**OQ**"), Takamul Investment Company LLC and OQ Salalah Industries Company SAOC (together, the "**Selling Shareholders**") with a price range of Bzs 106 to Bzs 111 per Offer Share.

NOTICE TO RESIDENTS OF THE STATE OF KUWAIT

Unless all necessary approvals from the Kuwait Capital Markets Authority (the "**CMA**") pursuant to Law No. 7 of 2010, and its executive bylaws (each as amended) (the "**CML Rules**") together with the various resolutions, regulations, directives and instructions issued pursuant thereto, or in connection therewith (regardless of nomenclature) or any other applicable law or regulation in Kuwait, have been given in respect of the offering, marketing, and sale of the Offer Shares, the Offer Shares may not be offered for sale, nor sold, in Kuwait.

This Prospectus is not for general circulation to the public in Kuwait nor will the Offer Shares be sold by way of a public offering in Kuwait. In the event where the Offer Shares are intended to be purchased onshore in Kuwait, the same may only be so purchased through a licensed person duly authorised to undertake such activity pursuant to the CML Rules.

Investors from Kuwait acknowledge that the CMA and all other regulatory bodies in Kuwait assume no responsibility whatsoever for the contents of this Prospectus and do not approve the contents thereof or verify the validity and accuracy of its contents. The CMA, and all other regulatory bodies in Kuwait, assume no responsibility whatsoever for any damages that may result from relying (in whole or in part) on the contents of this Prospectus. Prior to subscribing to any Offer Shares, it is recommended that a prospective investor seeks professional advice from its advisors in respect to the contents of this Prospectus so as to determine the suitability of subscribing to the Offer Shares.

IT IS RECOMMENDED THAT ANY PROSPECTIVE INVESTOR SEEKS ADVICE OF AN APPROPRIATELY QUALIFIED CMA LICENSED PERSON REGARDING THE CONTENTS OF THIS PROSPECTUS (AND, WHERE APPLICABLE, ITS FORM OF PRICING SUPPLEMENT) BEFORE DECIDING TO TAKE PART IN THE SUBSCRIPTION. THIS IS A NOTICE TO COMPLY WITH ARTICLE 5-11(14) OF MODULE 11 OF THE EXECUTIVE BYLAWS OF LAW NO. 7 OF 2010 (EACH

This Prospectus has been prepared in accordance with the CML Rules, together with the various resolutions, regulations, practices, and instructions issued pursuant thereto, or in accordance therewith. This Prospectus has been approved by the CMA on 24 November 2024.

SELLING RESTRICTIONS

Each Global Coordinator and Issue Manager and Joint Bookrunner has represented and agreed, and each further Global Coordinator and Issue Manager and Joint Bookrunner appointed under the Offer will be required to represent and agree, that no Offer Shares will be offered, marketed, and/or sold in Kuwait, unless all necessary approvals from the CML Rules, together with the various resolutions, regulations, directives and instructions issued pursuant thereto or in connection therewith (regardless of nomenclature), or any other applicable law or regulation in Kuwait, have been given in respect of the offering, marketing and/or sale, of the Offer Shares.

QUALIFIED INVESTORS

The Offer Shares are intended to be promoted and offered in Kuwait on a Private Placement basis to Professional Clients (both, as defined in the CML Rules). It is to be noted that the Offer Shares, while being promoted in Kuwait, are not intended to be placed in Kuwait as the clearing, order processing, allocation and settlement thereof will take place outside of Kuwait.

DECLARATION BY LEGAL ADVISER

The legal adviser to the Joint Bookrunner, as to the laws of the State of Kuwait declares to Kamco Investment Company K.S.C.P. (a designated "**Licensed Person**" (as defined in the CML Rules)) to market, and where applicable offer and/or sell, the Offer Shares in the State of Kuwait) (*and to no other entity or regulatory body*), subject to the customary assumptions and qualifications provided to managers in legal opinions as to Kuwaiti law, and (*having made reasonable inquiries and based on the documents provided by the Company and the Selling Shareholders*), that the Prospectus materially contains all the necessary legal requirements by the CMA and that the Company has obtained all the necessary Kuwait related approvals to render their obligations valid and enforceable. The legal adviser to the Joint Bookrunner as to Kuwaiti law does not accept any responsibility for the contents of this Prospectus or any information incorporated by reference into this document or for any other statement made in connection with the Company or the offering of the Offer Shares.

DECLARATION BY LICENSED PERSON

The Licensed Person confirms that it has made reasonable inquiries as to the content of the Prospectus and

disclosure by the Company therein, and only to the extent of such inquiry and due diligence being performed in the customary course being correct, accept responsibility for the information contained therein being correct and not materially misleading.

CONFIRMATION BY THE BOARD OF DIRECTORS OF THE COMPANY

The Company (as represented by its board of directors under applicable law) accepts responsibility for the information contained in this Prospectus. To the best of the knowledge of the Company (having taken all reasonable care to ensure that such is the case), the information contained in this Prospectus is in accordance with the facts and does not omit anything likely to affect the import of such information which is disclosed to potential investors for this purpose of deciding whether to subscribe in the Offer Shares or not and that all the provisions of the CML Rules (including, in particular, Module 11 of the executive bylaws) and the Companies Law No. 1 of 2016 and its executive bylaws (each as amended) and the laws and instructions issued by the CMA are complied with.

SUBSCRIPTION PERIOD

The subscription period for the Offer Shares shall commence and end on dates to be notified by the Issue Manager and/or the Joint Bookrunners.

PRICING MECHANISM

Pricing takes place after a bookbuilding process in accordance with Chapter XIX (*Subscription Conditions and Procedures*) and Chapter XXI (*Bookbuilding Process*).

SECURITIES PREVIOUSLY ISSUED BY THE COMPANY

Previous securities issuances of the Company are listed below:

1. All share capital issuances of the Company during the last five years are listed below:

Issue Date	Issue Type (Rights Issue/Bonus Shares/Simple Increase)	Total Value Increase (nominal and premium)	Total Number of Shares Issued	Share Capital Post-Issuance	Type of Shares
9 October 2024	Simple increase	61,628,676	1,540,716,000	100,138,676	Ordinary
3 November 2024	Simple increase	38,240,958	956,023,950	138,379,676	Ordinary

2. The Company has not issued any securities during the last five years.

TAXATION IN KUWAIT

Pursuant to Article 150 (bis) of CMA Law No. 7 of 2010, yields of securities, bonds, finance sukuk and all other similar securities regardless of the issuer thereof shall be exempted from taxation. Article 150 (bis) was acknowledged by the Law No. 22 of 2015 amending the CMA Law. However, the application and enforcement of the Kuwaiti income tax regime is uncertain, and holders of the Certificates which are "non-GCC corporate entities" may become subject to the Kuwaiti income tax regime in certain limited circumstances.

DOCUMENTS INCORPORATED BY REFERENCE

The following documents which have previously been published shall be incorporated in, and form part of, this Prospectus:

- Interim Combined Financial Statements (as defined herein);
- 2023 Annual Combined Financial Statements (as defined herein);
- 2022 Annual Combined Financial Statements (as defined herein);

2021 Annual Combined Financial Statements (as defined herein);

ELECTRONIC TRANSMISSION DISCLAIMER

STRICTLY NOT TO BE FORWARDED TO ANY OTHER PERSONS

IMPORTANT: You must read the following disclaimer before continuing. The following disclaimer applies to the attached document (the "**Document**"), and you are therefore advised to read this carefully before reading, accessing or making any other use of the attached document relating to OQ Base Industries (SFZ) SAOG (under transformation) (the "**Company**"). By reading, accessing or making use of the attached document, you agree to be bound by the following terms and conditions, including any modifications to them from time to time, each time you access or use the Document. You acknowledge that this electronic transmission and the delivery of the attached document is confidential and intended for you only and you agree that you will not forward, reproduce, copy, download or publish this electronic transmission or the attached document (electronically or otherwise) to any other person. This electronic transmission and the attached document have been prepared solely in connection with the proposed offer (the "**Offer**") of ordinary shares (the "**Shares**") of the Company. The information in the attached document is subject to updating, completion, revision, verification and amendment.

THIS ELECTRONIC TRANSMISSION AND THE ATTACHED DOCUMENT AND THE SECURITIES REFERENCED THEREIN MAY ONLY BE DISTRIBUTED IN "OFFSHORE TRANSACTIONS" AS DEFINED IN, AND IN RELIANCE ON, REGULATION S UNDER THE U.S. SECURITIES ACT OF 1933, AS AMENDED (THE "**SECURITIES ACT**"). ANY FORWARDING, DISTRIBUTION OR REPRODUCTION OF THE ATTACHED DOCUMENT IN WHOLE OR IN PART IS UNAUTHORISED. FAILURE TO COMPLY WITH THIS NOTICE MAY RESULT IN A VIOLATION OF THE SECURITIES ACT OR THE APPLICABLE LAWS OF OTHER JURISDICTIONS.

NOTHING IN THIS ELECTRONIC TRANSMISSION AND THE ATTACHED DOCUMENT CONSTITUTES AN OFFER OF SECURITIES FOR SALE IN ANY JURISDICTION WHERE IT IS UNLAWFUL TO DO SO. THE SECURITIES HAVE NOT BEEN AND WILL NOT BE REGISTERED UNDER THE SECURITIES ACT OR WITH ANY SECURITIES REGULATORY AUTHORITY OF ANY STATE OR OTHER JURISDICTION OF THE UNITED STATES AND, SUBJECT TO CERTAIN EXCEPTIONS, MAY NOT BE OFFERED, SOLD, PLEDGED OR OTHERWISE TRANSFERRED EXCEPT IN AN OFFSHORE TRANSACTION IN ACCORDANCE WITH RULE 903 OR RULE 904 OF REGULATION S UNDER THE SECURITIES ACT, IN ACCORDANCE WITH ANY APPLICABLE SECURITIES LAWS OF ANY STATE OF THE UNITED STATES.

This electronic transmission and the attached document and the Offer are only addressed to and directed at persons in member states of the European Economic Area ("**EEA**") (each, a "**Relevant State**") who are "qualified investors" within the meaning of Article 2(e) of Regulation (EU) 2017/1129 of the European Parliament and of the Council of 14 June 2017 (including any relevant delegated regulations) (the "**Prospectus Regulation**") ("**Qualified Investors**"). In the United Kingdom ("**UK**"), this electronic transmission, the attached document and the Offer are only addressed to, and directed at, persons who are "qualified investors" within the meaning of Article 2(e) of the Prospectus Regulation as it forms part of retained EU law by virtue of the European Union (Withdrawal) Act 2018 (as amended) (the "**UK Prospectus Regulation**") who are also: (i) persons who have professional experience in matters relating to investments falling within Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005, as amended (the "**Order**"); (ii) high net worth entities falling within Article 49(2)(a) to (2)(d) of the Order; and/or (iii) to whom it may otherwise lawfully be communicated (all such persons together being referred to as "**Relevant Persons**"). Any investment or investment activity to which the attached document relates is available only to, and will only be engaged with: (i) in the UK, Relevant Persons, and (ii) in any member state of the EEA, Qualified Investors.

Confirmation of Your Representation: This electronic transmission and the attached document is delivered to you on the basis that you are deemed to have represented to the Company, the Selling Shareholders (as defined in the Document) and Bank Dhofar SAOG ("**Bank Dhofar**"), Bank Muscat SAOG ("**Bank Muscat**") and Morgan Stanley & Co. International plc ("**Morgan Stanley**" and, together with Bank Dhofar and Bank Muscat, the "**Joint Global Coordinators**"), Kamco Investment Company K.S.C.P and Saudi Fransi Capital (together with the Joint Global Coordinators, the "**Joint Bookrunners**"), and Ahli Bank SAOG, Ahli Islamic Bank, Bank Dhofar SAOG, Bank Muscat SAOG, Bank Nizwa SAOG, Dhofar Islamic, Horizon Capital Markets SAOC, Jabal Asset Management LLC, Meethaq Islamic Banking - Bank Muscat SAOG, National Bank of Oman SAOG, Oman Arab Bank SAOG, Sohar International SAOG, Sohar Islamic, Ubhar Capital SAOC, United Securities LLC and Vision Securities LLC (the "**Collection Agents**") that: (i) you are, or you are acting on behalf of, an institutional investor outside the United States acquiring such securities in "offshore transactions" (as defined in, and in reliance on, Regulation S under the Securities Act); (ii) if you are in the UK: (a) you are a Relevant Person; (b) in the case of any Shares acquired by you as a financial intermediary, as that term is used in Article 5(1) of the UK Prospectus Regulation: (I) the Shares acquired by you in the offer have not been acquired on behalf of, nor have they been acquired with a view to their offer or resale to, persons in the UK other than qualified investors, as that term is defined in the UK Prospectus Regulation, or in circumstances in which the prior consent of the Joint Global Coordinators has been given to the offer or resale; or (II) where Shares have been acquired by you on behalf of persons in the UK other than qualified investors, the offer of those Shares to you is not treated under the UK Prospectus Regulation or FSMA (as defined below) as having been made to such persons; (iii) if you are in any member state of the EEA: (a) you are a qualified investor within the meaning of Article 2(e) of the Prospectus Regulation; (b) in the case of any Shares acquired by you as a financial intermediary, as that term is used in Article 5(1) of the Prospectus Regulation: (I) the Shares acquired by you in the offer have not been acquired on behalf of, nor have they been acquired with a view to their offer or resale to, persons in any Relevant State other than qualified investors, as that term is defined in the Prospectus Regulation, or in circumstances in which the prior consent of the Joint Global Coordinators has been given to the offer or resale; or (II) where Shares have been acquired by you on behalf of persons in any Relevant State other than qualified investors, the offer of those Shares to you is not treated under the Prospectus Regulation as having been made to such persons; and (iv) if you are outside the United States, the UK and the EEA (and the electronic mail address that you provided and to which this document has been delivered is not located in such jurisdictions), you are a person into whose possession this document may lawfully be delivered in accordance with the laws of the jurisdiction in which you are located.

You are reminded that you have received this electronic transmission and the attached document on the basis that you are a person into whose possession the attached document may be lawfully delivered in accordance with the laws of the jurisdiction in which you are located and you may not nor are you authorised to deliver the attached document, electronically or otherwise, to any other person. The attached document has been made available to you in an electronic form. You are reminded that documents transmitted via this medium may be altered or changed during the process of electronic transmission and consequently none of the Company, the Selling Shareholders, the Joint Global Coordinators, the Collection Agents or any of their respective affiliates, directors, officers, employees or agents accepts any liability or responsibility whatsoever in respect of any difference between the document distributed to you in electronic format and any hard copy version. A hard copy of the document will be made available to you only upon request.

THE DOCUMENT CONTAINS INFORMATION THAT MAY BE SUBJECT TO COMPLETION AND CHANGE. NO OFFER OF SECURITIES WILL BE MADE AND NO INVESTMENT DECISION SHOULD BE MADE ON THE BASIS OF THIS DOCUMENT ALONE, BUT ONLY ON THE BASIS OF THIS DOCUMENT AS FINALISED AND COMPLETED BY THE RELEVANT PRICING INFORMATION.

By accessing the attached document, you consent to receiving it in electronic form. None of the Joint Global Coordinators, the Collection Agents or any of their respective affiliates, directors, officers, employees or agents accepts any responsibility whatsoever for accuracy, completeness or verification of the contents of the attached document or for any statement made or purported to be made by it, or on its behalf, in connection with the Company or the Offer. The Joint Bookrunners and the Collection Agents and each of their respective affiliates each accordingly disclaims, to the fullest extent permitted by applicable law, all and any responsibility or liability, whether arising in tort, contract or otherwise, which they might otherwise have in respect of the attached document or any such statement. No representation or warranty, express or implied, is made by any of the Joint Bookrunners or the Collection Agents or any of their respective affiliates as to the accuracy, completeness, reasonableness, verification or sufficiency of the information set out in the attached document.

The Joint Global Coordinators and the Collection Agents are acting exclusively for the Company and the Selling Shareholders and no one else in connection with the Offer. They will not regard any other person (whether or not a recipient of the attached document) as their client in relation to the Offer and will not be responsible to anyone other than the Company and the Selling Shareholders for providing the protections afforded to their respective clients, or for giving advice in relation to the Offer or any transaction or arrangement referred to in the attached document.

Restriction: Nothing in this electronic transmission constitutes, and this electronic transmission may not be used in connection with, an offer of securities for sale to persons other than the specified categories of persons described above and to whom it is directed. If you have gained access to this transmission contrary to the foregoing restrictions, you will be unable to purchase any of the securities described therein.

You are responsible for protecting against viruses and other destructive items. Your receipt of this document via electronic transmission is at your own risk and it is your responsibility to take precautions to ensure that it is free from viruses and other items of a destructive nature.

Prospectus dated 18 November 2024

OQ Base Industries (SFZ) SAOG

(under transformation)

P.O. Box 316, Postal Code 217

Salalah Free Zone / Salalah / Dhofar Governorate

Sultanate of Oman

Initial Public Offering of 1,695,150,517 Offer Shares

Category I Subscription Price Range: Bzs 106 to Bzs 111 per Offer Share

Category II Subscription Price: Bzs 111 per Offer Share

Category I Offer Period: 24 November 2024 to 1 December 2024

Category II Offer Period: 24 November 2024 to 28 November 2024

1,695,150,517 existing ordinary shares (the "**Offer Shares**") of the total 3,459,490,850 ordinary shares of OQ Base Industries (SFZ) SAOG (under transformation) (the "**Company**") with a value of Bzs 40 each (the "**Shares**") are being offered in an offering (the "**Offer**") by OQ SAOC ("**OQ**"), Takamul Investment Company LLC and OQ Salalah Industries Company SAOC (together, the "**Selling Shareholders**"). The Company and the Selling Shareholders reserve the right to amend the size of the Offer at any time prior to the end of the Offer Subscription Period (as defined below) in their sole discretion, subject to applicable laws and the approval of the Financial Services Authority of Oman (formerly, the Capital Market Authority) (the "**FSA**"). The Company will not receive any of the proceeds of the sale of the Offer Shares, all of which will be paid to the Selling Shareholders.

The Offer comprises an offering of Offer Shares: (i) in Oman in accordance with Omani laws (including the SAOG Executive Regulations); and (ii) outside the United States to certain institutional investors in reliance on Regulation S ("**Regulation S**") under the U.S. Securities Act of 1933, as amended (the "**Securities Act").**

Prior to the Offer, there has been no public market for the Offer Shares. The Company will apply for the Shares (including the Offer Shares) to be listed on the Muscat Stock Exchange (the "**MSX**") under the symbol "OQBI" (the "**Admission**"). There will be no conditional dealings in the Offer Shares prior to Admission. It is expected that Admission will become effective and that dealings in the Offer Shares will commence on the MSX on or about 12 December 2024, or such other date (the "**Listing Date**") as may be notified by the Joint Global Coordinators (as defined below).

All investors will be allotted Offer Shares at the same Offer Price, which will be determined based on the Category I bookbuilding process.

The Company has received irrevocable commitments from the Anchor Investors (as defined below) subject to the terms contained in the Anchor Investment Agreements (as defined in "*Chapter XX — Subscription and Sale — Anchor Investors*") to subscribe to the Offer at the Maximum Price (as defined below). The following table provides details regarding such subscriptions:

Name of Anchor Investor (Listed in Alphabetical Order)	Number of Shares Subscribed for at the Maximum Price	Subscription Amount at the Maximum Price (OMR)	% of Offer
Falcon Investments LLC[1]	127,136,289	14,112,128	7.5%
Gulf Investment Corporation G.S.C.	127,136,289	14,112,128	7.5%
Saudi Omani Investment Company[2]	127,136,289	14,112,128	7.5%

Social Protection Fund	127,136,289	14,112,128	7.5%
Total	**508,545,156**	**56,448,512**	**30%**

(1) Falcon Investments LLC is a subsidiary of Qatar Investment Authority, the sovereign wealth fund of the State of Qatar.
(2) Saudi Omani Investment Company is a wholly owned entity of the Public Investment Fund of the Kingdom of Saudi Arabia.

Refer to "*Chapter VIII – Shareholding Details*" for more details on the Anchor Investors.

Investing in the Offer Shares involves significant risks. Prospective investors should read this document in its entirety and, in particular, prospective investors are advised to examine all of the risks that are relevant in connection with an investment in the Offer Shares. See "*Chapter IV— Risk Factors*" for a discussion of certain risks and other factors that should be considered before making an investment decision with respect to the Offer.

The Offer Shares have not been, and will not be, registered under the Securities Act or the securities laws of any state or other jurisdiction of the United States and may not be offered or sold within the United States except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act. The Offer Shares are being offered and sold outside the United States in reliance on Regulation S. For a description of these and certain further restrictions on offers, sales and transfers of the Shares and the distribution of this Prospectus (the "**Prospectus**"), see "*Selling Restrictions*" below and "*Chapter XIX—Subscription Conditions and Procedures*".

The Offer Shares are offered by the Joint Global Coordinators and the Collection Agents named herein on behalf of the Selling Shareholders when, as and if delivered to, and accepted by them, subject to their right to reject orders in whole or in part.

Investors will be required to make full payment for the subscribed Offer Shares to the Collection Agents and the Collection Agents shall transfer the subscription proceeds to the Issue Manager, at least one Oman business day prior to the Settlement Date (as defined below), or such earlier date as required by the Joint Global Coordinators, and delivery of the Offer Shares is expected to be made on the Settlement Date through the book-entry facilities operated by the Muscat Clearing & Depository Company SAOC ("**MCDC**").

The Financial Services Authority (the "**FSA**") assumes no responsibility for the accuracy and adequacy of the statements and information contained in this Prospectus nor will it have any liability for any damage or loss resulting from the reliance upon or use of any part of the same by any person. This Prospectus has been prepared in accordance with the requirements as prescribed by the FSA.

This Prospectus does not constitute an offer to sell or an invitation by or on behalf of the Company to subscribe to any of the Offer Shares in any jurisdiction outside Oman where such distribution is, or may be, unlawful.

The Offer Shares may be illiquid and prospective investors in the Offer Shares may be required to bear the financial risks of this investment for an indefinite period of time and should conduct their own due diligence on the securities. If you do not understand the contents of this Prospectus, you should consult an authorised financial adviser.

The Company		
OQ Base Industries (SFZ) SAOG (under transformation) P.O. Box 316, Postal Code 217 Salalah Free Zone / Salalah / Dhofar Governorate Sultanate of Oman		
SELLING SHAREHOLDERS		
OQ SAOC P.O. Box 261, Postal Code 118 Muscat, Sultanate of Oman	**Takamul Investment Company LLC** P.O. Box 1951, Murtafaat Al Matar, Al Seeb, Postal Code 130 Muscat Governorate, Sultanate of Oman	**OQ Salalah Industries Company SAOC** P.O. Box 87, Al Khuwair, Bousher, Postal Code 217 Muscat Governorate, Sultanate of Oman

<table>
<tr><th colspan="6">JOINT GLOBAL COORDINATORS</th></tr>
<tr><td colspan="2">Bank Dhofar SAOG
P.O. Box 1507, Postal Code 112
Muscat, Sultanate of Oman</td><td colspan="2">Bank Muscat SAOG
P.O. Box 134, Postal Code 112
Muscat, Sultanate of Oman</td><td colspan="2">Morgan Stanley & Co. International plc
25 Cabot Square
Canary Wharf
London E14 4QA
United Kingdom</td></tr>
<tr><th colspan="6">ISSUE MANAGERS</th></tr>
<tr><td colspan="3">Bank Dhofar SAOG
P.O. Box 1507, Postal Code 112
Muscat, Sultanate of Oman</td><td colspan="3">Bank Muscat SAOG
P.O. Box 134, Postal Code 112
Muscat, Sultanate of Oman</td></tr>
<tr><th colspan="6">JOINT BOOKRUNNERS</th></tr>
<tr><td colspan="3">Kamco Investment Company K.S.C.P
P.O. Box 28873
Safat, Kuwait</td><td colspan="3">Saudi Fransi Capital
P.O. Box 23454
Riyadh 11426
Kingdom of Saudi Arabia</td></tr>
<tr><th colspan="6">COLLECTION AGENTS</th></tr>
<tr><td colspan="3">Ahli Bank SAOG
PO Box 545, Postal Code 116, Mina Al Fahal, Muscat, Sultanate of Oman</td><td colspan="3">Ahli Islamic Bank
PO Box 545, Postal Code 116, Mina Al Fahal, Muscat, Sultanate of Oman</td></tr>
<tr><td colspan="3">Bank Dhofar SAOG
PO Box 1507, Postal Code 112, Ruwi, Muscat, Sultanate of Oman</td><td colspan="3">Bank Muscat SAOG
PO Box 134, Postal Code 112, Muscat, Sultanate of Oman</td></tr>
<tr><td colspan="3">Bank Nizwa SAOG
PO Box 1423, Postal Code 133, Al Khuwair, Muscat, Sultanate of Oman</td><td colspan="3">Dhofar Islamic
PO Box 1507, Postal Code 112, Ruwi, Muscat, Sultanate of Oman</td></tr>
<tr><td colspan="3">Horizons Capital Markets SAOC
PO Box 856, Postal Code 115, Muscat, Sultanate of Oman</td><td colspan="3">Jabal Asset Management LLC
PO Box 2209, Postal Code 133, North Alkhuwair, Bousher, Muscat, Sultanate of Oman</td></tr>
<tr><td colspan="3">Meethaq Islamic Banking – Bank Muscat SAOG
PO Box 134, Postal Code 112, Muscat, Sultanate of Oman</td><td colspan="3">National Bank of Oman SAOG
PO Box 751, Postal Code 112, Ruwi, Muscat, Sultanate of Oman</td></tr>
<tr><td colspan="3">Oman Arab Bank SAOG
PO Box 2240, Postal Code 130, Al Ghubrah North, Sultanate of Oman</td><td colspan="3">Sohar International SAOG
PO Box 44, Hai Al Mina, Postal Code 114, Muscat, Sultanate of Oman</td></tr>
<tr><td colspan="3">Sohar Islamic
PO Box 44, Postal Code 114, Ruwi, Muscat, Sultanate of Oman</td><td colspan="3">Ubhar Capital SAOC
PO Box 1137, Postal Code 111, Muscat, Sultanate of Oman</td></tr>
<tr><td colspan="3">United Securities LLC
PO Box 2566, Postal Code 112, Sultanate of Oman</td><td colspan="3">Vision Securities LLC
PO Box 712, Postal Code 131, Muscat, Sultanate of Oman</td></tr>
</table>

<table>
<tr><th colspan="2">LEGAL ADVISERS TO THE COMPANY</th></tr>
<tr><td>As to Omani Law</td><td>As to English and United States Law</td></tr>
<tr><td>MAQ Legal (Al Maamary, Al Abri & Co.)
The 1991 Office Building, Suite No.321 / 322, PO Box 1963, Postal Code 130, Bousher,
Muscat, Sultanate of Oman</td><td>Linklaters LLP
One Silk Street, London EC2Y 8HQ
United Kingdom</td></tr>
</table>

<table>
<tr><th colspan="3">LEGAL ADVISERS TO THE JOINT BOOKRUNNERS, THE ISSUE MANAGERS AND THE COLLECTION AGENTS</th></tr>
<tr><td colspan="2">As to English and United States Law</td><td>As to Omani Law</td></tr>
<tr><td>Allen Overy Shearman Sterling LLP
One Bishops Square
London E1 6AD
United Kingdom</td><td>Allen Overy Shearman Sterling LLP
5th Floor, Al Mamoura Building B
Muroor Road P.O. Box 7907, Abu Dhabi United Arab Emirates</td><td>Trowers and Hamlins
Al Jawhara Building, Al Muntazah Street
Shatti Al Qurum, PO Box 2991
PC 112, Muscat,
Sultanate of Oman</td></tr>
</table>

<table>
<tr><th>INDEPENDENT AUDITOR</th></tr>
<tr><td>KPMG LLC
Children’s Public Library Building
4th Floor
Shatti Al Qurum, P.O. Box 641,
Postal Code 112, Muscat
Sultanate of Oman</td></tr>
</table>

The Financial Services Authority (the “**FSA**”) assumes no responsibility for the accuracy and adequacy of the statements and information contained in this Prospectus nor will it have any liability for any damage or loss resulting from the reliance upon or use of any part of the same by any person. This Prospectus has been prepared in accordance with the requirements as prescribed by the FSA. This is an unofficial English language translation of the Prospectus prepared in the Arabic language and approved by the FSA in accordance with Administrative Decision no. KH/68/2024 dated 18 November 2024.

This Prospectus does not constitute an offer to sell or an invitation by or on behalf of the Company to subscribe to any of the Shares in any jurisdiction outside Oman where such distribution is, or may be, unlawful.

IMPORTANT INFORMATION

The aim of this Prospectus is to present material information that may assist investors to make an appropriate decision as to whether or not to invest in the Offer Shares pursuant to the Offer.

To the best of the knowledge and belief of the Company and its Board members, this Prospectus includes all material information and data and does not contain any misleading information or omit any material information that would have a positive or negative impact on an investor's decision of whether or not to invest in the Offer Shares.

The Board members are jointly and severally responsible for the completeness and accuracy of the information contained in this Prospectus. To the best of the knowledge and belief of the Board members, who have taken all reasonable care to ensure that such is the case, the information contained in this Prospectus is accurate and complete in all material respects and no material facts, the omission of which would make misleading any statements of fact or opinion herein, have been omitted.

None of the Joint Bookrunners (as defined herein), the Collection Agents (as defined herein) or any of their respective affiliates, directors, officers, employees or agents accepts any responsibility whatsoever for, or makes any representation or warranty, express or implied as to the accuracy, completeness or verification of the information set forth in this Prospectus, and nothing in this Prospectus is, or shall be relied upon as a promise or representation in this respect, whether as to the past or future. None of the Joint Bookrunners, the Collection Agents nor their respective affiliates, directors, officers, employees or agents assumes any responsibility for the accuracy, completeness or verification of the Prospectus and, accordingly, disclaims, to the fullest extent permitted by applicable law, any and all liability whether arising in tort, contract or otherwise which it may otherwise have in respect of this Prospectus or any such statement.

The information contained in this Prospectus may not be published, duplicated, copied or disclosed in whole or in part or otherwise used for any purpose other than in connection with the Offer, without the prior written approval of the Company, the Selling Shareholders and the Joint Global Coordinators (as defined herein).

This Prospectus does not constitute or form part of any offer or invitation to sell or issue, or any solicitation of any offer to purchase or subscribe for, any securities other than the securities to which it relates or any offer or invitation to sell or issue, or any solicitation of any offer to purchase or subscribe for, such securities by any person in any circumstances in which such offer or solicitation is unlawful.

THIS PROSPECTUS CONTAINS INFORMATION THAT IS SUBJECT TO COMPLETION AND CHANGE. NO OFFER OF SECURITIES WILL BE MADE AND NO INVESTMENT DECISION SHOULD BE MADE ON THE BASIS OF THIS PROSPECTUS ALONE, BUT ONLY ON THE BASIS OF THIS PROSPECTUS AS FINALISED AND COMPLETED BY THE PRICING STATEMENT (AS DEFINED BELOW).

Recipients of this Prospectus are authorised solely to use this Prospectus for the purpose of considering the acquisition of the Offer Shares, and may not reproduce or distribute this Prospectus, in whole or in part, and may not disclose any of the contents of this Prospectus or use any information herein for any purpose other than considering an investment in the Offer Shares. Such recipients of this Prospectus agree to the foregoing by accepting delivery of this Prospectus.

Prior to making any decision as to whether to subscribe for the Offer Shares, prospective investors should carefully read this Prospectus in its entirety and, in particular, the section titled "*Risk Factors*" when considering an investment in the Company. Prospective investors should not consider this Prospectus a recommendation by the Company or the Selling Shareholders to purchase the Offer Shares. Every investor is responsible for obtaining his, her or its own independent professional advice on an investment in the Offer Shares and for conducting an independent valuation of the information and assumptions contained herein using appropriate analysis or projections. All equity investments carry market risks to varying degrees. The value of any security can fall as well as rise depending on the market conditions. Potential investors should read "*Chapter IV— Risk Factors*" of this Prospectus for an outline of important risk factors impacting the Company's business and the industry in which it operates.

In making an investment decision, prospective investors must rely upon their own examination, analysis and enquiry of the Company, the terms of this Prospectus and the Offer, including the merits and risks involved in making an investment. The prospective investors also acknowledge that: (i) they have not relied on the Joint Bookrunners or the Collection Agents or any person affiliated with the Joint Bookrunners or the Collection Agents in connection with any investigation of the accuracy of any information contained in this Prospectus or their investment decision; (ii) they have relied only on the information contained in this Prospectus as finalised and completed by the Pricing Statement (as defined below); and (iii) that no person has been authorised to give any information or to make any representation concerning the Company or its subsidiaries or the Offer Shares (other than as contained in this Prospectus) and, if given or made, any such other information or representation should not be relied upon as having been authorised by the Company, the Selling Shareholders, Joint Bookrunners or the Collection Agents. Neither the delivery of this Prospectus nor any sale made hereunder shall under any circumstances imply that there has been no change in the Company's affairs or that the information set forth in this Prospectus is correct as at any date subsequent to the date hereof.

None of the Company, the Selling Shareholders, the Joint Bookrunners or Collection Agents, or any of their respective representatives, is making any representation to any prospective investor in the Shares regarding the legality of an investment in the Shares by such prospective investor under the laws applicable to such prospective investor. The contents of this Prospectus should not be construed as legal, financial, or tax advice. Each prospective investor should consult his, her or its own legal, business, financial or tax adviser for legal, business, financial or tax advice applicable to an investment in the Shares.

None of the Company, the Selling Shareholders, the Joint Bookrunners or Collection Agents accepts any responsibility for the accuracy, completeness or verification of any information reported by the press or other media, nor the fairness or appropriateness of any forecasts, views or opinions expressed by the press or other media, regarding the Offer or the Company. None of the Company, the Selling Shareholders, the Joint Bookrunners or the Collection Agents makes any representation as to the appropriateness, accuracy, completeness, reasonableness, verification or reliability of any such information or publication.

Bank Dhofar SAOG ("**Bank Dhofar**"), Bank Muscat SAOG ("**Bank Muscat**") and Morgan Stanley & Co. International plc ("**Morgan Stanley**") have been appointed as joint global coordinators (the "**Joint Global Coordinators**") of the Offer and Bank Dhofar SAOG and Bank Muscat SAOG have been appointed as issue managers of the Offer (the "**Issue Managers**"). Bank Dhofar is authorised and regulated by the Central Bank of Oman (the "**CBO**") and the Financial Services Authority (the "**FSA**"). Bank Muscat is authorised and regulated by the CBO and the FSA. Morgan Stanley is authorised in the United Kingdom by the Prudential Regulation Authority ("**PRA**") and regulated in the United Kingdom by the Financial Conduct Authority of the United Kingdom and the PRA. Kamco Investment Company K.S.C.P and Saudi Fransi Capital have been appointed as joint bookrunners (together with the Joint Global Coordinators, the "**Joint Bookrunners**") of the Offer. Kamco Investment Company K.S.C.P is licensed and regulated by the Capital Markets Authority of Kuwait and Central Bank of Kuwait and Saudi Fransi Capital is authorised and regulated by the Capital Market Authority of the Kingdom of Saudi Arabia under license number 11153/37. Ahli Bank SAOG, Ahli Islamic Bank, Bank Dhofar SAOG, Bank Buscat SAOG, Bank Nizwa SAOG, Dhofar Islamic, Horizons Capital Markets SAOC, Jabal Asset Management LLC, Meethaq Islamic Banking – Bank Muscat SAOG, National Bank of Oman SAOG, Oman Arab Bank SAOG, Sohar International SAOG, Sohar Islamic, Ubhar Capital SAOC, United Securities LLC and Vision Securities LLC have been appointed as collection agents (the "**Collection Agents**").

The Joint Bookrunners and the Collection Agents are acting exclusively for the Company and the Selling Shareholders and no one else in connection with the Offer and will not regard any other person (whether or not a recipient of this document) as their respective clients in relation to the Offer and will not be responsible to anyone other than the Company and the Selling Shareholders for providing the protections afforded to their respective clients nor for giving advice in relation to the Offer or any transaction or arrangement referred to herein.

In connection with the offer of the Offer Shares, each of the Joint Bookrunners and the Collection Agents and any of their respective affiliates, may take up a portion of the Offer Shares in the Offer as a principal position and in that capacity may retain, purchase or sell for its own account Offer Shares or related investments and may offer or sell such Offer Shares or related investments otherwise than in connection with the Offer. Accordingly, references in the Prospectus to the Offer Shares being offered or placed should be read as including any offering or placement of Offer Shares to any of the Joint Bookrunners and the Collection Agents or any of their respective affiliates acting in such capacity. In addition, certain of the members of Joint Bookrunners and Collection Agents or their affiliates may enter into financing arrangements (including swaps, warrants or contracts for differences) with prospective investors in connection with which such members of the Joint Bookrunners and Collection Agents or their affiliates may from time to time acquire, hold or dispose of Offer Shares. None of the Joint Bookrunners nor the Collection Agents intends to disclose the extent of any such investments or transactions otherwise than in accordance with any legal or regulatory obligation to do so.

No person has been authorised to make any statements or provide information in relation to the Company or the Offer Shares other than the persons whose names are indicated in this Prospectus. Where any person, other than a person authorised by the Company or the Joint Bookrunners and Collection Agents, makes any statement or provides information, it should not be taken as authorised by the Company or the Joint Bookrunners and the Collection Agents.

The Offer relates to securities to be listed on the MSX and potential Applicants should be aware that this Prospectus and any other documents or announcements relating to the Offer have been or will be prepared solely in accordance with the disclosure requirements applicable to a company listed on the MSX, and such requirements may differ from those applicable in any other jurisdiction.

The Shariah Supervisory Board ("**SSB**") of Dhofar Islamic in the capacity of Shariah Advisor of the issuance has issued a pronouncement confirming that, in its view, based on the circumstances as at the date of this pronouncement, the Offer is Sharia compliant. The pronouncement is not intended to be and does not constitute a legal, financial, or investment advice and shall not bear any liability in this context. Investors are advised to conduct their own due diligence and consult with their own Sharia advisers before making any investment decisions based on the pronouncement.

NOTICE TO INVESTORS

The distribution of this Prospectus and the offer of the Offer Shares may, in certain jurisdictions, be restricted by law or may be subject to prior regulatory approvals. No action has been made or will be taken by the Company, the Selling Shareholders, the Joint Bookrunners or the Collection Agents to permit a public offering of the Offer Shares or to permit the possession or distribution of this Prospectus (or any other offering or publicity materials relating to the Offer Shares) in any jurisdiction where action for that purpose may be required, other than Oman.

This Prospectus does not constitute an offer or an invitation by or on behalf of the Company to any person in any jurisdiction outside Oman to subscribe to any of the Offer Shares where such offer or invitation would be unlawful. This Prospectus may not be distributed in any jurisdiction where such distribution is, or may be, unlawful. The Company, the Joint Bookrunners and the Collection Agents require persons into whose possession this Prospectus comes, to inform themselves of and observe all such restrictions. Any failure to comply with these restrictions may constitute a violation of the securities laws of any such jurisdiction. None of the Company, the Joint Bookrunners or the Collection Agents or any of their respective directors, managers, accountants, advisers and employees accept any legal responsibility for any violation of any such restrictions on the sale, offer to sell or solicitation to subscribe for the Offer Shares by any person, whether or not a prospective Applicant, in any jurisdiction outside Oman where such sale, offer to sell or solicitation to subscribe would be unlawful.

The Offer Shares are subject to restrictions on transferability and resale and may not be transferred or resold except as permitted under applicable securities laws and regulations and CML Executive Regulations. **Applicants should be aware that they may be required to bear the financial risks of this investment for an indefinite period of time, *see "Selling Restrictions" below*.**

SELLING RESTRICTIONS

Other than in Oman, no action has been taken or will be taken in any jurisdiction that would permit a public offering of the Offer Shares or the possession, circulation or distribution of this Prospectus or any other material relating to the Company or the Offer Shares, in any country or jurisdiction where action for that purpose is required. Accordingly, the Offer Shares may not be offered or sold, directly or indirectly, nor may this Prospectus or any other offering material or advertisement or other document or information in connection with the Offer Shares be distributed or published, in or from any country or jurisdiction except under circumstances that will result in compliance with any applicable rules and regulations of any such country or jurisdiction.

United States

The Offer Shares have not been and will not be registered under the Securities Act or under any applicable securities laws or regulations of any state of the United States and, subject to certain exceptions, may not be offered or sold within the United States.

The Offer Shares are being offered and sold outside the United States in reliance on Regulation S.

In addition, until 40 days after the commencement of the Offer, an offer or sale of Offer Shares within the United States by any dealer (whether or not participating in the Offer) may violate the registration requirements of the Securities Act.

United Kingdom

No Offer Shares have been offered or will be offered pursuant to the Offer to the public in the UK prior to the publication of a prospectus in relation to the Offer Shares which has been approved by the Financial Conduct Authority in the UK in accordance with the UK Prospectus Regulation and the Financial Services and Markets Act 2000 (the "**FSMA**"), except that offers of Offer Shares may be made to the public in the UK at any time under the following exemptions under the UK Prospectus Regulation and the FSMA:

(i) to any legal entity which is a qualified investor as defined under Article 2 of the UK Prospectus Regulation;

(ii) to fewer than 150 natural or legal persons (other than qualified investors as defined under the UK Prospectus Regulation), subject to obtaining the prior consent of the Joint Global Coordinators for any such offer; or

(iii) in any other circumstances falling within Section 86 of the FSMA, provided that no such offer of Offer Shares shall require the Company or any Joint Bookrunner or Collection Agent to publish a prospectus pursuant to Section 85 of the FSMA or supplement a prospectus pursuant to Article 23 of the UK Prospectus Regulation. For the purposes of this provision, the expression an "offer to the public" in relation to the Offer Shares in the United Kingdom means the communication in any form and by any means of sufficient information on the terms of the offer and any Offer Shares to be offered so as to enable an investor to decide to purchase, or subscribe for, any Offer Shares.

This Prospectus is only being distributed to, and is only directed at, persons who are qualified investors as defined under the UK Prospectus Regulation and who (i) have professional experience in matters relating to investments falling within Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 (the "**Order**"), (ii) are persons falling within Article 49(2)(a) to (2d) of the Order, (iii) are outside the UK, or (iv) are persons to whom an invitation or inducement to engage in investment activity (within the meaning of Section 21 of the FSMA) in connection with the issue or sale of any securities may otherwise lawfully be communicated or caused to be communicated (all such persons together being referred to as the "**Relevant Persons**"). The Offer Shares are only available to, and any invitation, offer or agreement to subscribe, purchase or otherwise acquire such Offer Shares will be engaged only with the Relevant Persons. Any person who is not a Relevant Person should not act or rely on this Prospectus or any of its contents.

The Offer Shares are not intended to be offered, sold or otherwise made available to, and should not be offered, sold or otherwise made available to, any retail investor in the United Kingdom. For these purposes, a "retail investor" means a person who is one (or more) of: (i) a retail client, as defined in point (8) of Article 2 of Regulation (EU) No 2017/565 as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018 (the "**EUWA**"); (ii) a customer within the meaning of the provisions of the FSMA and any rules or regulations made under the FSMA to implement Directive (EU) 2016/97, where that customer would not qualify as a professional client, as defined in point (8) of Article 2(1) of Regulation (EU) No 600/2014 as it forms part of domestic law by virtue of the EUWA; or (iii) not a qualified investor as defined in Article 2 of the UK Prospectus Regulation.

European Economic Area

In relation to each member state of the European Economic Area (the "**EEA**") which has implemented the Prospectus Regulation (each a "**Relevant Member State**"), no Offer Shares have been offered or will be offered pursuant to the Offer to the public in that Relevant Member State prior to the publication of a prospectus in relation to the Offer Shares which has been approved by the competent authority in that Relevant Member State or, where appropriate, approved in another Relevant Member State and notified to the competent authority in that Relevant Member State, all in accordance with the Prospectus Regulation, except that Offer Shares may be offered to the public in that Relevant Member State at any time under the following exemptions under the Prospectus Regulation, if they are implemented in that Relevant Member State:

(i) to any legal entity which is a qualified investor as defined under Article 2 of the Prospectus Regulation;

(ii) to fewer than 150 natural or legal persons (other than qualified investors as defined under the Prospectus Regulation), subject to obtaining the prior consent of the Joint Global Coordinators for any such offer; or

(iii) in any other circumstances falling within Article 1(4) of the Prospectus Regulation,

provided that no such offer of Offer Shares shall result in a requirement for the publication by the Company or any Joint Bookrunner or Collection Agent to publish a prospectus pursuant to Article 3 of the Prospectus Regulation or supplement a prospectus pursuant to Article 23 of the Prospectus Regulation or any measure implementing the Prospectus Regulation in a Relevant Member State, and each person who initially acquires any Offer Shares or to whom any offer is made under the Offer will be deemed to have represented, acknowledged and agreed that it is a "qualified investor" as defined in the Prospectus Regulation.

For the purposes of this provision, the expression an "offer to the public" in relation to the Offer Shares in any Relevant State means the communication in any form and by any means of sufficient information on the terms of the offer and any Offer Shares to be offered so as to enable an investor to decide to purchase or subscribe for any Offer Shares, as the same may be varied in that Relevant Member State by any measure implementing the Prospectus Regulation in that Relevant Member State; the expression "Prospectus Regulation" means Regulation (EU) 2017/1129 and includes any relevant implementing measure in each Relevant Member State.

In the case of any Offer Shares being offered to a financial intermediary as that term is used in Article 5(1) of the Prospectus Regulation, each such financial intermediary will be deemed to have represented, acknowledged and agreed that the Offer Shares acquired by it in the Offer have not been acquired on a non-discretionary basis on behalf of, nor have they been acquired with a view to their offer or resale to, persons in circumstances which may give rise to an offer to the public other than their offer or resale in a Relevant Member State to qualified investors, in circumstances in which the prior consent of the Joint Global Coordinators has been obtained to each such proposed offer or resale. The Company, the Selling Shareholders, the Joint Bookrunners, the Collection Agents and their respective affiliates will rely (and the Company and the Selling Shareholders each acknowledge that the Joint Bookrunners, the Collection Agents and their respective affiliates and others will rely) upon the truth and accuracy of the foregoing representations, acknowledgements and agreements and will not be responsible for any loss occasioned by such reliance. Notwithstanding the above, a person who is not a qualified investor and who has notified the Joint Bookrunners and the Collection Agents of such fact in writing may, with the consent of the Joint Global Coordinators, be permitted to subscribe for or purchase Offer Shares.

Kingdom of Bahrain

The Offer Shares have not been offered or sold, and will not be offered or sold, to any person in the Kingdom of Bahrain except on a private placement basis to persons who are "accredited investors". For this purpose, an "accredited investor" means:

(i) an individual holding financial assets (either singly or jointly with a spouse) of US$ 1,000,000 or more;

(ii) a company, partnership, trust or other commercial undertaking which has financial assets available for investment of not less than US$ 1,000,000; or

(iii) a government, supranational organisation, central bank or other national monetary authority or a state organisation whose main activity is to invest in financial instruments (such as a state pension fund).

This offer does not constitute an offer of securities in the Kingdom of Bahrain in terms of Article 81 of the Central Bank and Financial Institutions Law 2006 (Decree Law No. 64 of 2006). This Prospectus and related offering documents have not been and will not be registered as a prospectus with the Central Bank of Bahrain. Accordingly, no securities may be offered, sold or made the subject of an invitation for subscription or purchase nor will this Prospectus or any other related document or material be used in connection with any offer, sale or invitation to subscribe or purchase securities, whether directly or indirectly, to persons in the Kingdom of Bahrain, other than to accredited investors for an offer outside Bahrain.

The Central Bank of Bahrain has not reviewed, approved or registered this Prospectus or related offering documents and it has not in any way considered the merits of the securities to be offered for investment, whether in or outside the Kingdom of Bahrain. Therefore, the Central Bank of Bahrain assumes no responsibility for the accuracy and completeness of the statements and information contained in this document and expressly disclaims any liability whatsoever for any loss howsoever arising from reliance upon the whole or any part of the content of this document.

State of Kuwait

This Prospectus is provided on an exclusive basis to the specifically intended recipient thereof, upon that person's request and initiative, and for the recipient's personal use only and is not intended to be available to the public.

This Prospectus has not been licensed for offering, promotion, marketing, advertisement or sale in the State of Kuwait by the Kuwaiti Capital Markets Authority or any other relevant Kuwaiti government agency. The offering, promotion, marketing, advertisement or sale of the Shares in the State of Kuwait on the basis of a private placement or public offering is, therefore, prohibited in accordance with Decree Law No. 31 of 1990 and the implementing regulations thereto, as amended, and Law No. 7 of 2010 and the Executive Bylaws for Law No. 7 of 2010, as amended, which govern the issue, offer, marketing and sale of securities in the State of Kuwait ("**Kuwait Securities Laws**").

Hence, the Offer Shares have not been and will not be offered, sold, promoted or advertised in the State of Kuwait except on the basis that an offer is made in compliance with the Kuwait Securities Laws, no private or public offering of the Shares is or will be made in the State of Kuwait, no agreement relating to the sale of the Offer Shares will be concluded in the State of Kuwait, and no marketing or solicitation or inducement activities are being used to offer or market the Shares in the State of Kuwait.

Any distribution of this Prospectus shall be at the liability of the distributor.

State of Qatar

The Offer Shares have not been and will not be offered, sold or delivered, at any time, directly or indirectly in the State of Qatar in a manner that would constitute a public offering. No application has been or will be made for the Offer Shares to be listed or traded on the Qatar Stock Exchange or in the Qatar Financial Centre. This Prospectus has not been licensed for offering, promotion, marketing, advertisement or sale in the State of Qatar or in the Qatar Financial Centre or the inward marketing of an investment fund or an attempt to do business, as a bank, an investment company or otherwise in the State of Qatar or in the Qatar Financial Centre. This Prospectus has not been, and will not be, reviewed or approved by or registered or filed with the Qatar Financial Markets Authority, the Qatar Financial Centre Regulatory Authority or Qatar Central Bank and may not be publicly distributed. This Prospectus is intended for the original recipient only and must not be provided to any other person. This Prospectus is not for general circulation in the State of Qatar and may not be reproduced or used for any other purpose.

United Arab Emirates (excluding the ADGM and the DIFC)

This Prospectus is strictly private and confidential and is being distributed to a limited number of investors and must not be provided to any person other than the original recipient and may not be reproduced or used for any other purpose. If you are in any doubt about the contents of this Prospectus, you should consult an authorised financial adviser.

By receiving this Prospectus, the person or entity to whom it has been issued understands, acknowledges and agrees that neither the Offer Shares nor this Prospectus have been approved by the United Arab Emirates ("**UAE**") Central Bank, the UAE Ministry of Economy, the UAE Securities and Commodities Authority or any other authorities in the United Arab Emirates. The Joint Bookrunners and the Collection Agents have not received authorisation or licensing from the UAE Central Bank, the UAE Ministry of Economy, the UAE Securities and Commodities Authority or any other authorities in the United Arab Emirates to market or sell the Offer Shares within the United Arab Emirates. No marketing or offer of the Offer Shares has been or will be made from within the United Arab Emirates and no subscription to the Offer Shares may or will be consummated within the United Arab Emirates, in each case other than in compliance with the laws of the United Arab Emirates. It should not be assumed that any Joint Bookrunner or Collection Agent is a licensed broker, dealer or investment adviser under the laws applicable in the United Arab Emirates, or that either advises individuals resident in the United Arab Emirates as to the appropriateness of investing in or purchasing or selling securities or other financial products. The Offer Shares may not be offered or sold directly or indirectly to the public in the United Arab Emirates. This Prospectus does not constitute a public offer of securities in the United Arab Emirates in accordance with the UAE Commercial Companies Law, Federal Law No. 32 of 2021 (as amended) or otherwise.

Nothing contained in this Prospectus is intended to constitute investment, legal, tax, accounting or other professional advice. This Prospectus is for your information only and nothing in this Prospectus is intended to endorse or recommend a particular course of action. You should consult with an appropriate professional for specific advice rendered on the basis of your situation.

Abu Dhabi Global Market (ADGM)

This Prospectus relates to an Offer which is not subject to any form of regulation or approval by the Financial Services Regulatory Authority ("**FSRA**") of the Abu Dhabi Global Market ("**ADGM**"). The FSRA has not approved this document nor does it have any responsibility for reviewing or verifying any document or other documents in connection with this Offer. Accordingly, the FSRA has not approved this document or any other associated documents nor taken any steps to verify the information set out in this document, and has no responsibility for it.

The Offer Shares have not been offered and will not be offered to any persons in the ADGM except on the basis that an offer is:

(i) an "Exempt Offer" in accordance with the FSRA Financial Services and Markets Regulations and Markets Rules; and

(ii) made only to persons who are "Authorised Persons" or "Recognised Bodies" (as such terms are defined in the Financial Services and Markets Regulations 2015 ("**FSMR**")) or persons to whom an invitation or inducement to engage in investment activity (within the meaning of section 18 of the FSMR) in connection with the issue or sale of any securities may otherwise lawfully be communicated or caused to be communicated.

The FSRA has not taken steps to verify the information set out in this Prospectus, and has no responsibility for it. If you do not understand the contents of this Offer or are unsure whether the securities to which the Offer relates are suitable for your individual investment objectives and circumstances, you should consult an authorised financial adviser.

Dubai International Financial Centre (DIFC)

This Prospectus relates to an Offer which is not subject to any form of regulation or approval by the Dubai Financial Services Authority ("**DFSA**"). The DFSA has not approved this Prospectus nor does it have any responsibility for reviewing or verifying any document in connection with the Offer. Accordingly, the DFSA has not approved this Prospectus or any other associated documents nor taken any steps to verify the information set out in this Prospectus, and has no responsibility for it.

The Offer Shares have not been offered and will not be offered to any persons in the Dubai International Financial Centre ("**DIFC**") except on the basis that an offer is:

(i) an "Exempt Offer" in accordance with the Markets Rules module of the DFSA; and

(ii) made only to persons who meet the "Deemed Professional Client" criteria set out in the DFSA Rulebook, Conduct of Business Module, who are not natural persons.

This Prospectus must not, therefore, be delivered to, or relied on by, any other type of person. The Offer to which this document relates may be illiquid and/or subject to restrictions on its resale. Prospective purchasers should conduct their own due diligence on the Offer.

The DFSA has not taken steps to verify the information set out in this Prospectus, and has no responsibility for its accuracy. If you do not understand the contents of this Offer or are unsure whether the securities to which this the Offer relates are suitable for your individual investment objectives and circumstances, you should consult an authorised financial adviser.

Kingdom of Saudi Arabia (the "KSA")

This document may not be distributed in the Kingdom of Saudi Arabia, except to such persons as are permitted under the Rules on the Offer of Securities and Continuing Obligations issued by the Capital Market Authority.

The Capital Market Authority does not make any representation as to the accuracy or completeness of this document, and expressly disclaims any liability whatsoever for any loss arising from, or incurred in reliance upon, any part of this document. Prospective purchasers of the securities offered hereby should conduct their own due diligence on the accuracy of the information relating to the securities. If a prospective purchaser does not understand the contents of this document, they should consult an authorised financial adviser.

The Offer Shares must not be advertised, offered or sold and no memorandum, information circular, brochure or any similar document has or will be distributed, directly or indirectly, to any person in the KSA other than as permitted by the Saudi Regulations.

The offer of the Offer Shares in the KSA shall not constitute a "public offer" pursuant to the Saudi Regulations. Prospective investors are informed that Article 14 of the Saudi Regulations places restrictions on secondary market activity with respect to the Offer Shares. Any resale or other transfer, or attempted resale or other transfer, made other than in compliance with the Saudi Regulations shall not be recognised by the Company.

Switzerland

The offering of the Shares in Switzerland is exempt from the requirement to prepare and publish a prospectus under the Swiss Financial Services Act ("**FinSA**") because the shares are offered to fewer than 500 investors and the shares will not be admitted to trading on any trading venue (exchange or multilateral trading facility) in Switzerland. This document does not constitute a prospectus or a similar document pursuant to FinSA, and no such prospectus has been or will be prepared for or in connection with the offering of the shares.

Japan

The Offer Shares have not been and will not be registered under the Financial Instruments and Exchange Law, as amended (the "**FIEL**"). This Prospectus is not an offer of securities for sale, directly or indirectly, in Japan or to, or for the benefit of, any resident of Japan (which term as used herein means any person resident in Japan, including any corporation or entity organised under the laws of Japan) or to others for reoffer or resale, directly or indirectly, in Japan or to, or for the benefit of, any resident of Japan, except pursuant to an exemption from the registration requirements under the FIEL and otherwise in compliance with such law and any other applicable laws, regulations and ministerial guidelines of Japan.

Canada

The Offer Shares may be sold only to purchasers purchasing, or deemed to be purchasing, as principal that are accredited investors, as defined in National Instrument 45-106 Prospectus Exemptions or subsection 73.3(1) of the Securities Act (Ontario), and are permitted clients, as defined in National Instrument 31-103 Registration Requirements, Exemptions and Ongoing Registrant Obligations. Any resale of the Shares must be made in accordance with an exemption from, or in a transaction not subject to, the prospectus requirements of applicable securities laws.

Securities legislation in certain provinces or territories of Canada may provide a purchaser with remedies for rescission or damages if this prospectus (including any amendment thereto) contains a misrepresentation, provided that the remedies for rescission or damages are exercised by the purchaser within the time limit prescribed by the securities legislation of the purchaser's province or territory. The purchaser should refer to any applicable provisions of the securities legislation of the purchaser's province or territory for particulars of these rights or consult with a legal adviser.

Pursuant to section 3A.3 (or, in the case of securities issued or guaranteed by the government of a non-Canadian jurisdiction, section 3A.4) of National Instrument 33-105 Underwriting Conflicts (NI 33-105), the underwriters are not required to comply with the disclosure requirements of NI 33-105 regarding underwriter conflicts of interest in connection with this Offer.

Other Jurisdictions

Should this Prospectus be received by any person in any jurisdiction not mentioned in the foregoing, the receiving party should disregard this Prospectus in cases where the receipt of this Prospectus or its distribution is, or may be, unlawful. The Company, the Selling Shareholders, the Joint Bookrunners and the Collection Agents require persons into whose possession this Prospectus comes, to inform themselves of and observe, all relevant investing restrictions in their jurisdiction. None of the Company, the Selling Shareholders, the Joint Bookrunners or the Collection Agents accept any legal responsibility for any violation of any such restrictions on the sale, offer to sell or solicitation to subscribe for the Offer Shares by any person, whether or not a prospective investor, in any jurisdiction outside Oman where such sale, offer to sell or solicitation to subscribe would be unlawful.

FORWARD-LOOKING STATEMENTS

This Prospectus contains certain "forward-looking statements", which relate to, among other things, the Company's plans, objectives, goals, targets, strategies, future operational performance and anticipated developments in markets in which the Company operates and in which it may operate in the future. These forward-looking statements involve known and unknown risks and uncertainties, many of which are beyond the Company's control and all of which are based on the Company's current beliefs and expectations about future events. These forward-looking statements generally can be identified by the use of forward-looking terminology, including terms such as "aim", "anticipate", "assume", "believe", "could", "expect", "estimate", "goal", "intend", "may", "objective", "plan", "potential", "predict", "project", "shall", "should", "will", "will continue", "will pursue", "would", or the negative thereof, other variations thereon or comparable terminology. Similarly, statements that describe the Company's strategies, objectives, plans or goals are also forward-looking statements. They appear in a number of places throughout this Prospectus and include statements regarding intentions, beliefs and current expectations concerning, among other things, the Company's results of operations, financial condition, liquidity, prospects, growth, strategies, backlog, dividend policy and the industry in which the Company operates. In particular, the statements under the headings regarding the Company's strategy and other future events or prospects in the following sections are forward-looking statements: "*Chapter II—Summary Information Relating to the Company", "Chapter IV—Risk Factors", "Chapter X— Industry Overview","Chapter XII—Description of the Company and Business Overview"*, "*Chapter XIV—Management's Discussion and Analysis of Financial Condition and Results of Operations*" and "*Chapter XV—Dividend Policy*".

All forward-looking statements are subject to risks, uncertainties and assumptions that could cause actual outcomes, including among other things, the Company's result of operations, financial condition, cash flows, liquidity, financial projections and growth to differ materially from those contemplated by the relevant forward-looking statement. Although the Company believes that the expectations reflected in such forward-looking statements are reasonable at this time, it cannot assure you that such expectations will prove to be correct. Given these uncertainties, you are cautioned not to place undue reliance on such forward-looking statements.

Important factors that could cause actual results to differ materially from the Company's expectations are contained in cautionary statements in this Prospectus, including, without limitation, in conjunction with the forward-looking statements included in this Prospectus and specifically under the section entitled "*Chapter IV—Risk Factors"* or the underlying assumptions. These factors include, but are not limited to:

- an inability to estimate future performance;
- an inability to successfully manage existing and new regulatory requirements that are imposed in relation to the Company's business;
- an inability to expand the Company's business;
- an inability to obtain necessary financing to fund capital expenditure projects;
- an inability to meet payment obligations;
- climate change and the decarbonisation impact on the Company's operations;
- a change in the monetary and/or interest policies of Oman, local and/or international inflation or local and/or international interest rates;
- fluctuations in the prices of methanol, ammonia and LPG Products;
- fluctuations in foreign exchange rates, equity prices or other rates or prices;
- supplier and customer concentration;
- the reliance on third-party infrastructure;
- the performance of the financial markets in Oman;
- general political, economic and business conditions in Oman which may have an impact on the Company's business activities; and
- other risks set out in "*Chapter IV—Risk Factors*".

The above list is not exhaustive and for a further discussion of factors that could cause actual results to differ, see "*Chapter IV—Risk Factors*" of this Prospectus.

By their nature, certain market risk disclosures are only estimates and could be materially different from what actually occurs in the future. As a result, actual future gains or losses could be materially different from those that have been estimated. The forward-looking statements contained in this Prospectus speak only as at the date of this Prospectus. None of the Company, Selling Shareholders, Joint Bookrunners or Collection Agents or any of their respective affiliates or representatives has any obligation to update or otherwise revise any statements in this Prospectus to reflect circumstances arising after the date hereof or to reflect the occurrence of underlying events, even if the underlying assumptions prove incorrect or future gains or losses differ materially from the estimates made in this Prospectus. The Company, the Selling Shareholders, the Joint Bookrunners, the Collection Agents and their respective representatives expressly disclaim any obligation or undertaking to update these forward-looking statements contained in this Prospectus to reflect any change in their expectations or any change in events, conditions or circumstances on which such statements are based, unless required to do so by applicable law.

Under no circumstances should the inclusion of such forward-looking statements in this Prospectus be regarded as a representation or warranty by the Company, the Selling Shareholders, the Joint Bookrunners, the Collection Agents, their respective representatives or any other person with respect to the achievement of the results set out in such statements.

After listing on the MSX, the Company will adhere to the disclosure rules and regulations issued by the FSA, which includes making timely disclosure regarding the Company's results of operation. The Company advises Applicants to track any information or announcements made by it after listing through the MSX website at *www.msx.om* in the event they subscribe for Offer Shares and become Shareholders.

PRESENTATION OF FINANCIAL, INDUSTRY AND MARKET DATA

Financial Data

The Company's audited combined financial statements as at and for the years ended (i) 31 December 2023 (which include the comparative combined financial information as at and for the year ended 31 December 2022) (the "**2023 Annual Combined Financial Statements**") and (ii) 31 December 2022 (which include the comparative combined financial information as at and for the year ended 31 December 2021) (the "**2022 Annual Combined Financial Statements**" and, together with the 2023 Annual Combined Financial Statements, the "**Annual Combined Financial Statements**"), and the Company's audited combined interim financial statements as at and for the six months ended 30 June 2024, together with the comparative combined financial information for the six months ended 30 June 2023 (the "**Interim Combined Financial Statements"** and, together with the Annual Combined Financial Statements, the "**Combined Financial Statements**") are set out in "*Chapter XXVI— Historical Financial Statements*" of this Prospectus.

In anticipation of the Offer, the Company completed a corporate reorganisation whereby OQ LPG (SFZ) SPC ("**OQ LPG**") became a subsidiary of the Company. As both entities were controlled by OQ before and after the corporate reorganisation took place in July 2024, the Combined Financial Statements have been prepared on a combined basis. As a result, the combined financial statements combine the results of the Company and OQ LPG as if the two entities always had a parent/subsidiary relationship. All intercompany balances and transactions between the two entities have been eliminated and adjustments have been made to ensure consistency and comparability across the reporting periods.

The Annual Combined Financial Statements have been prepared in accordance with International Financial Reporting Standards ("**IFRS**") as issued by the International Accounting Standards Board.

The Interim Combined Financial Statements have been prepared in accordance with IFRS and the requirements of International Accounting Standard 34, "Interim Financial Reporting" ("**IAS 34**").

The Company's financial year commences on 1 January and ends on 31 December.

Non-IFRS Information and Certain Other Financial and Operational Data

Non-IFRS Information

The Company presents in this Prospectus certain measures to assess the financial performance of its business that are not measures of financial performance under IFRS or other generally accepted accounting principles. These selected non-IFRS financial measures comprise Adjusted EBITDA, Adjusted EBITDA Margin, Adjusted EBIT, Operating Unlevered Free Cash Flow, Adjusted Operating Levered Free Cash Flow, Cash Conversion, Capital Expenditure, Feedstock Costs, Gearing, Net Financial Debt, Leverage, Adjusted Operating Expenses (excluding Depreciation and Amortisation), Working Capital, Change in Working Capital, Total Net Debt, Derivative Assets and Non-cash Items and Other Adjustments (the "**Non-IFRS measures**").

The Company has presented these Non-IFRS Measures because it believes these are helpful to prospective investors and financial analysts in highlighting trends in the overall business of the Company and are used as supplemental measures of performance and liquidity.

None of the Non-IFRS Measures are a measurement of performance or liquidity under IFRS or any other generally accepted accounting principles and you should not consider these Non-IFRS Measures as an alternative to financial measures determined in accordance with IFRS or other generally accepted accounting principles. Non-IFRS Measures have limitations as analytical tools, and prospective investors should not consider them in isolation or as substitutes for analysis of the Company's financial performance reported in accordance with IFRS. Further, other companies, including those in the same industry, may calculate similarly titled financial measures differently from the Company.

The Non-IFRS Measures are Management's responsibility and are based on the Company's review of its financial results and estimates. Accordingly, the above information has not been audited or reviewed by any independent third party, such as independent auditors, consultants or experts, and is to be read in conjunction with the historical information presented, but is not intended to form part of the Combined Financial Statements. Prospective investors should not place undue reliance on the Non-IFRS Measures contained in this Prospectus.

The Company defines:

- "Adjusted EBITDA" as (i) earnings before net interest (aggregate of interest income and expenses), taxes, depreciation and amortisation for the years ended 31 December 2022 and 2023 and for the six months ended 30 June 2023, (ii) earnings before net interest (aggregate of interest income and expenses), taxes, depreciation and amortisation and impairment loss on trade and other receivables for the year ended 31 December 2021, and (iii) earnings before interest (aggregate of interest income and expenses), taxes, depreciation and amortisation and related party receivable written off for the six months ended 30 June 2024;
- "Adjusted EBITDA Margin" as Adjusted EBITDA divided by revenue, expressed as a percentage;
- "Adjusted EBIT" as Adjusted EBITDA after deduction of depreciation and amortisation;
- "Operating Unlevered Free Cash Flow" as Adjusted EBITDA after deduction of Non-cash Items and Other Adjustments, Change in Working Capital, Capital Expenditure, lease payments and pension payments;
- "Adjusted Operating Levered Free Cash Flow" as Adjusted EBITDA after deduction of Non-cash Items and Other Adjustments, Change in Working Capital, Capital Expenditure, lease payments, pension payments and interest payments;
- "Cash Conversion" as Operating Unlevered Free Cash Flow divided by Adjusted EBITDA, expressed as a percentage;
- "Capital Expenditure" as the sum of acquisitions of property, plant and equipment and acquisitions of intangible assets;
- "Feedstock Costs" as the sum of the natural gas consumption cost and the notional cost of rich gas, where the notional cost of rich gas includes changes in LPG inventory;
- "Gearing" as Net Financial Debt divided by total equity;
- "Net Financial Debt" as the sum of term loan (including current and non-current portion), subordinated loan from related parties (including current and non-current portion), minus cash and cash equivalents and term deposits;
- "Leverage" as Net Financial Debt divided by Adjusted EBITDA;
- "Adjusted Operating Expenses (excluding Depreciation and Amortisation)" as the sum of administrative and general expenses, selling and promotion expenses, other income, impairment charge on trade and other receivables, cost of sales excluding natural gas consumption and notional cost of rich gas, minus depreciation and amortisation;
- "Working Capital" as the sum of inventories, trade and other receivables, amounts due from related parties, minus trade and other payables and amounts due to related parties;

- "Change in Working Capital" as the difference between the balance sheet values of the respective items in the Working Capital for the years ended 31 December 2022 and 2023 and for the six months ended 30 June 2024. The difference between these values and the values reflected in the combined statement of cash flows is allocated to Non-cash Items and Other Adjustments for reconciliation purposes;

- "Total Net Debt" as the sum of term loan (including current and non-current portion), subordinated loan from related parties (including current and non-current portion) and lease liabilities (including current and non-current portion), minus cash and cash equivalents and term deposits;

- "Derivative Assets" as the sum of the current portion of derivative assets and non-current portion of derivative assets; and

- "Non-cash Items and Other Adjustments" as the sum of the impairment charge on trade receivables, reversal for provision for inventory obsolescence, provision charge for rich gas, change in employees' end of service benefits and the observed difference in Change in Working Capital items between combined statement of cash flows and combined statement of financial position.

Certain Operational Data

This Prospectus also contains a discussion of certain key performance indicators ("**KPIs**") of the Company, including utilisation, Lost Time Injury, Lost Time Injury Frequency, Lost Time Injury Frequency Rate, Total Recordable Injury, Total Recordable Incident Frequency, Man hours worked and Average Realised Net Price (each as defined below). These KPIs are derived from Management estimates and are based on operational, and not financial, data. These KPIs do not form part of the Company's financial reporting records and have not been audited or reviewed by any independent third party such as independent auditors, consultants or experts. The computation methodology of these KPIs may not be comparable to the similar measures reported by other companies or by market reports or experts. Management believes that each of these measures is a useful indicator of the Company's business and performance.

The Company defines:

- "utilisation" as actual production achieved by the relevant plant in a given period expressed as a percentage of its nameplate capacity;

- "Lost Time Injury ("**LTI**")" as a work-related injury or illness for which the injured or ill employee or contractor is affected to such an extent that days must be taken off from the job for medical treatment or recuperation;

- "Lost Time Injury Frequency ("**LTIF**")" as LTI per million working hours, both employees and contractors;

- "Lost Time Injury Frequency Rate ("**LTIFR**")" as LTIF per year;

- "Total Recordable Injury ("**TRI**")" as all recordable injuries (fatalities, LTI, MTC, RWC), both employees and contractors, where:

    - A restricted work case ("**RWC**") is defined as a work-related injury or illness which does not amount to an LTI but for which the injured or ill employee or contractor is affected to such an extent that the employee or contractor cannot perform all routine job functions; and

    - A medical treatment case ("**MTC**") is defined as a work-related injury or illness which does not amount to an LTI or RWC but for which the injured or ill employee or contractor is affected to such an extent that the employee or contractor receives medical treatment beyond first aid;

- "Total Recordable Injury Frequency ("**TRIF**")" as TRI per million working hours, both employees and contractors;
- "Man hours worked" as hours worked by employees and contractors, in millions; and
- "Average Realised Net Price" as revenue divided by sales volumes.

Currency of Presentation

In this Prospectus, all references to "OMR" and/or "Omani Rial" are to the legal currency of Oman, and all references to "US$" and/or "U.S. Dollars" are to the legal currency of the United States of America. Conversions of amounts from Omani Rials to U.S. Dollars in this Prospectus are solely for the convenience of the reader. The Omani Rial has been pegged to the U.S. Dollar since 1973 and the exchange rate has remained unchanged since June 1986. Unless otherwise specified, conversions of amounts between Omani Rials and U.S. Dollars have been made at an exchange rate of US$1.00 = OMR 0.3851 as at and for the years ended 31 December 2021, 2022 and 2023 and the six months ended 30 June 2023 and at an exchange rate of US$1.00 = OMR 0.3845 as at and for the six months ended 30 June 2024.

Industry and Market Data

The Company has included in this Prospectus market data and other market information derived from industry publications, surveys or studies conducted by Management, third-party market consultants and market research firms, or publicly available information, in each case from sources that are generally believed to be reliable. The Company cannot assure you that any of the assumptions underlying any statements regarding the market are accurate or correctly reflect the Company's position in such market. Market data and statistics are inherently predictive and speculative and are not necessarily reflective of actual market conditions. Such data and statistics are based on market research, which itself is based on sampling and subjective judgments by both the researchers and the respondents, as well as information publicly available related to the size of the market, including judgments about what types of products and transactions should be included in the relevant market.

In addition, certain statistics, information relating to the Company's business and markets and other industry data in this Prospectus are based on a report, data and information prepared by Argus Media Ltd ("**Market Consultant**") for the Company in connection with the Offer (collectively, the "**Market Report**"). The Market Report is dated 22 August 2024 and as such, addresses matters stated therein at that time or at the times otherwise specified therein and does not take into account any changes or developments which may have occurred since then. The Market Report contains the Market Consultant's forward-looking views, which were derived from its assumptions regarding the anticipated development of the market relevant to the Company. As at the date of this Prospectus, the Market Consultant has given, and not withdrawn, its consent for the use of its name and the statements in the manner and format set out in this Prospectus.

Industry and market data is subject to change and cannot always be verified with complete certainty due to limits in the availability and reliability of raw data, the voluntary nature of the data gathering process and other limitations and uncertainties inherent in any survey of market size. External sources have been used for some of the information about the Company's peers in comparative jurisdictions, which have not been contacted to verify the accuracy or the completeness of the information included herein. While the Company believes that the information and data from third-party sources contained in this Prospectus, including information and data derived from public sources or provided by the Market Consultant, is reliable, such information and data has not been independently verified by the Company, the Board, the Joint Bookrunners, the Collection Agents or the Selling Shareholders, and none of them bears any liability for the accuracy or completeness of such information or data. Accordingly, the market, economic, and industry data and statistics and any other information from such third-party sources included in this Prospectus should be viewed with caution.

In addition, in certain instances in this Prospectus, the Company has included its own estimates, assessments, adjustments and judgments in preparing market information, which have not been verified by an independent third party. Such information is, to a certain degree, subjective. While the Company believes that its own estimates, assessments, adjustments and judgments are reasonable and that the market information prepared by the Company approximately reflects the industry and the market in which the Company operates, there is no assurance that the Company's own estimates, assessments, adjustments and judgments are the most appropriate for making determinations relating to market information or that market information prepared by other sources will not differ materially from the market information included herein.

Rounding

Certain data in this Prospectus, including financial, statistical and operating information, has been rounded. As a result of the rounding, the totals of data presented in this Prospectus may vary slightly from the actual arithmetic totals of such data. Percentages in tables have been rounded and accordingly may not add up to 100 per cent.

Sharia Compliance

Certain of the Company's financing arrangements are Sharia-compliant and references in relation thereto in this Prospectus to "interest", "lender", "borrower", "repayment", "loans", "borrowings" or similar non-Sharia-compliant terms in relation thereto should be interpreted as references to "profit", "rental", "finance costs", "financier", "obligor", "payment", "financings", etc. as applicable.

No Incorporation of Website Information

The contents of the Company's website, any available public information or statements or any website directly or indirectly linked to these websites have not been verified and do not form part of, and are not incorporated by reference into, this Prospectus, and prospective investors should not rely on the foregoing.

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Chapter I
Abbreviations and Definitions

2022 Annual Combined Financial Statements	The audited combined financial statements of the Company together with its combined subsidiary as at and for the year ended 31 December 2022 (which includes the comparative combined financial information as at and for the year ended 31 December 2021).
2023 Annual Combined Financial Statements	The audited combined financial statements of the Company together with its combined subsidiary as at and for the year ended 31 December 2023 (which includes the comparative combined financial information as at and for the year ended 31 December 2022).
Admission	The listing of the Shares on MSX under the symbol "**OQBI**".
AGM	An annual general meeting of the Shareholders.
ammonia plant	A 365 ktpa nameplate production capacity ammonia plant operated by the Company.
Anchor Investor(s)	Investors identified as anchor investors in "*Chapter VIII—Shareholding Details*", being Falcon Investments LLC, Gulf Investment Corporation G.S.C., Saudi Omani Investment Company and Social Protection Fund.
Annual Combined Financial Statements	The 2022 Annual Combined Financial Statements and the 2023 Annual Combined Financial Statements.
Applicant	A Category I Applicant or Category II Applicant.
Application	The application form used to apply for Offer Shares pursuant to the terms of this Prospectus.
Application Revision Form	The application form used by a Category I Applicant to revise the bids submitted in the Category I Offer, pursuant to the terms of this Prospectus.
Application Money	The amount to be paid by each Applicant at the time of submission of an Application as specified in "*Chapter XIX—Subscription Conditions and Procedures*" of this Prospectus.
Articles	The articles of association of the Company, prepared in accordance with the FSA format.
Auditor	KPMG LLC.
Basis of Allotment	The basis on which the Offer Shares will be allotted to Applicants under the Offer and which is described in section "*Basis of Allotment*" under "*Chapter XIX—Subscription Conditions and Procedures*" of this Prospectus.
Bid Amount	Bid price multiplied by the total Offer Shares demanded at the bid price.
Board/Board of Directors	The board of directors of the Company.
Bzs	Omani Baisas, a subunit of the Omani Rial (OMR), which is the national currency of the Sultanate of Oman, with 1,000 Baisas being equivalent to 1 OMR.

CAGR	Compound annual growth rate.
Category I Application Money	The highest Bid Amount from all the bids in the Application in Category I. Refer to "*Chapter XIX—Subscription Conditions and Procedures*" for an illustration of the calculation of Category I Application Money.
Category II Application Money	The amount to be paid by each Category II Applicant at the time of submission of his/her Application at a fixed price as specified in "*Chapter XIX—Subscription Conditions and Procedures*" of this Prospectus.
Category I Applicants	Category I Local Applicants and Category I Non-Local Applicants who apply for Offer Shares in the Category I Offer for a minimum of 200,000 Shares and in multiples of 100 Offer Shares thereafter.
Category I Local Applicants	Juristic persons (non-individuals) who are registered in Oman and who apply for Offer Shares in the Category I Offer.
Category I Non-Local Applicants	Regional / international juristic persons (non-individuals) who apply for Offer Shares in the Category I Offer and are not registered in Oman.
Category II Applicants	Category II Applicants (small retail) together with Category II Applicants (large retail).
Category II Applicants (large retail)	Omani Individuals and Non-Omani Individuals who apply for Offer Shares in the Category II Offer for a minimum of 90,100 Offer Shares and in multiples of 100 Offer Shares thereafter.
Category II Applicants (small retail)	Omani Individuals and Non-Omani Individuals who apply for Offer Shares in the Category II Offer for a minimum of 1,000 Offer Shares, and in multiples of 100 Offer Shares thereafter, up to a maximum of 90,000 Offer Shares.
Category I Offer	Category I Offer as set out in "*Chapter XIX—Subscription Conditions and Procedures*".
Category I Offer Opening Date	The opening date of the Category I Offer, which is described in "*Chapter XIX—Subscription Conditions and Procedures*" of this Prospectus.
Category I Offer Closing Date	The closing date with respect to the Category I Offer, which is described in "*Chapter XIX—Subscription Conditions and Procedures*" of this Prospectus.
Category II Offer	Category II Offer as set out in "*Chapter XIX—Subscription Conditions and Procedures*".
Category II Offer Opening Date	The opening date of the Category II Offer, which is described in "*Chapter XIX—Subscription Conditions and Procedures*" of this Prospectus.
Category II Offer Closing Date	The closing date with respect to the Category II Offer, which is described in "*Chapter XIX—Subscription Conditions and Procedures*" of this Prospectus.
CBO	The Central Bank of Oman.

CCL	The Commercial Companies Law of Oman issued by Royal Decree 18/2019, as amended.
CCL Executive Regulations	The Commercial Companies Regulations issued by MOCIIP Decision No.146/2021.
CFR	Cost and freight.
Chairman	The chairman of the Board.
Chemical Regulation	Royal Decree 46/1995 Promulgating the System for the Handling and Use of Chemicals, Environment Authority's Decision 107/2023 Issuing the Regulation Governing Environmental Permits and Environment Authority's Administrative Decision 50/2023 issuing the Regulation Governing Hazardous Chemicals, each as amended.
CML Executive Regulations	Regulations issued by the FSA under the Decision 1/2009 – issuing "*Executive Regulation of the Capital Market Law*", as amended.
Code	The FSA Code of Corporate Governance for Public Joint Stock Companies issued by the FSA pursuant to Decision No. E/10/2016, as amended.
Collection Agents	Banks and brokers appointed to collect bids and subscriptions for the Offer.
Combined Financial Statements	The Annual Combined Financial Statements together with the Interim Combined Financial Statements.
Commercial Register	The commercial register maintained by the MOCIIP pursuant to the Commercial Register Law issued by Royal Decree 3/1974, as amended.
Company	Where the context so requires, OQ Base Industries (SFZ) SAOG (under transformation) (previously known as OQ Methanol (SFZ) SAOC) and otherwise, OQ Base Industries (SFZ) SAOG (under transformation) together with OQ LPG (SFZ) SPC.
Council of Ministers	An executive branch of the Government, responsible for implementing policies, overseeing government administrations, and advising the Sultan. It is chaired by the Sultan and comprises ministers in charge of various Government ministries and agencies.
COVID-19	A novel strain of coronavirus (SARS-CoV-2).
CSR	Corporate social responsibility.
E-IPO Application	The Application pursuant to the E-IPO Mechanism.
E-IPO Mechanism	The mechanism to apply for the Offer Shares through one of the 'E-IPO channels' offered by Collection Agents.
E-IPO Platform	The platform available to the Category II Applicants to create the E-IPO Application.
EA	The Environment Authority of Oman, previously the Ministry of Environment and Climate Affairs, renamed and reconstituted pursuant to Royal Decree 106/2020, as amended.
EEA	European Economic Area.

EGM	An extraordinary general meeting of the Shareholders.
EP	Environmental permit.
ESG	Environmental, social and governance.
FAERC	Financial Affairs and Energy Resources Council.
Financial Year/FY	The period of 12 months starting on 1 January and ending on 31 December of a calendar year.
FOB	Free on board.
FSA	The Financial Services Authority of Oman, previously the Capital Market Authority, renamed and reconstituted pursuant to Royal Decree 20/2024.
GCC	The Cooperation Council for the Arab States of the Gulf, comprising Bahrain, Kuwait, Oman, Qatar, Saudi Arabia and United Arab Emirates.
GDP	Gross Domestic Product.
GHG	Greenhouse gas.
Government	The Government of Oman.
GSAs	LPG Plant BOOT/NGSA and Methanol Plant GSA.
HSE	Health, safety and environment.
IAS	International Accounting Standards.
ICV	In-country value, i.e., the total spend retained in-country that benefits business development, contributes to human capability development and stimulates productivity in Oman's economy.
IFRS	International Financial Reporting Standards.
IGC	Integrated Gas Company SAOC.
Independent Director	Shall have the meaning attributed to it under the Code.
Information Centre	Information centre of the MSX.
Institutional Settlement Agreement	The institutional settlement agreement between the Company, the Selling Shareholders, the Joint Bookrunners and the Collection Agents dated 18 November 2024 with respect to the Offer Shares.
Interim Combined Financial Statements	The audited interim combined financial statements of the Company together with its combined subsidiary as at and for the six months ended 30 June 2024 (which includes comparative combined financial information as at and for the six months ended 30 June 2023).
Investor Number	The investor number issued by the MCDC to investors holding investor accounts with the MCDC.
IPO	The initial public offering of the Offer Shares pursuant to the Offer.
ISMS	An Information Security Management System.
Issue Managers	Bank Dhofar and Bank Muscat.

Issued Share Capital	The issued share capital of the Company, which amounts to OMR 138,379,634 divided into 3,459,490,850 Shares with a value of Bzs 40 per Share.
Joint Bookrunners	Joint Global Coordinators, Kamco Investment Company K.S.C.P and Saudi Fransi Capital.
Joint Global Coordinators	Bank Dhofar SAOG, Bank Muscat SAOG and Morgan Stanley & Co. International plc.
kms	Kilometres.
km^2	Square kilometres.
KPIs	Key performance indicators.
kt	Thousand metric tonnes.
ktpa	Kilotonne per annum.
Labour Law	The Labour Law of Oman, promulgated by Royal Decree 53/2023, as amended.
Law on Environment	Royal Decree No. 114/2001 issuing the Law on Conservation of the Environment and Prevention of Pollution, as amended.
Listing Date	The date on which Admission will become effective and that dealings in the Shares will commence on the MSX, expected to be up to two Oman business days after the Settlement Date, or such other date as may be notified by the Joint Global Coordinators.
LLC	A limited liability company.
LNG	Liquefied natural gas.
LPG	Liquefied petroleum gas.
LPG (cooking gas)	LPG products that are sold domestically in the form of cooking gas.
LPG plant	A 356 ktpa nameplate production capacity LPG plant operated by the Company.
LPG Plant BOOT/NGSA	The build, own, operate and transfer and natural gas supply agreement dated 11 June 2017 (as amended).
LPG Products	Propane, butane, condensate and LPG (cooking gas).
m	Metres.
m^2	Square metres.
Management	The senior management team of the Company.
Market Consultant	Argus Media Ltd.
Market Report	Report, data and information prepared by the Market Consultant for the Company in connection with the Offer.
Maximum Price	The maximum price of the Price Range, being Bzs 111.
MCDC	Muscat Clearing and Depository Company SAOC.
MEM	Ministry of Energy and Minerals of Oman, previously the Ministry of Oil and Gas, renamed and reconstituted pursuant to Royal Decree 96/2020, as amended.

Memorandum	The memorandum of association of the Company, as registered with the MOCIIP.
MENA	Middle East and North Africa.
methanol plant	A 1,095 ktpa nameplate production capacity methanol plant operated by the Company.
Methanol Plant GSA	The gas supply agreement dated 14 January 2008, as amended.
Ministry of Commerce, Industry and Investment Promotion/MOCIIP	The Ministry of Commerce, Industry and Investment Promotion of Oman, previously the Ministry of Commerce and Industry/MOCI, renamed and reconstituted pursuant to Royal Decree 97/2020, as amended.
Ministry of Finance	The Ministry of Finance of Oman.
Ministry of Housing and Urban Planning/MOHUP	The Ministry of Housing and Urban Planning of Oman, previously the Ministry of Housing, renamed and reconstituted pursuant to Royal Decree 93/2020, as amended.
Ministry of Labour	The Ministry of Labour of Oman, previously the Ministry of Manpower, renamed and reconstituted pursuant to Royal Decree 89/2020, as amended.
MMSCM	Million metric standard cubic meters.
MSX	The Muscat Stock Exchange, formerly known as the Muscat Securities Market, operated by the Muscat Stock Exchange Company SAOC, renamed and reconstituted pursuant to Royal Decree 5/2021, as amended.
mmt	Million metric tonnes.
mt	Metric tonnes.
NCSI	National Centre for Statistics and Information of Oman.
Non-Local Applicants	Regional / international juristic persons (non-individuals) who apply for Offer Shares in the Category I Offer and are not registered in Oman.
Offer	The offer for sale of 1,695,150,517 Shares owned by the Selling Shareholders, with a Price Range of Bzs 106 to Bzs 111; the IPO is split into Category I Offer, Anchor Investors and Category II Offer as described in this Prospectus.
Offer Period	The period between the Offer Opening Date and the Offer Closing Date (inclusive of both days) including any extension as permitted by the FSA.
Offer Price	The price from within the Price Range discovered under the Offer in accordance with "*Chapter XIX—Subscription Conditions and Procedures*" which shall also be the price for the Category II Offer.
Offer Shares	The Shares that are offered for subscription in the Offer.
OGM	An ordinary general meeting of the Shareholders.
OIA	Oman Investment Authority, established pursuant to Royal Decree 61/2020, as amended.

Oman	The Sultanate of Oman.
Omani Rial/OMR	Omani Rials, the lawful currency of Oman with OMR 1 divided into 1,000 Bzs.
Omani Individual	An individual who currently holds citizenship of the Sultanate of Oman, whether such citizenship has been granted by way of a specific Royal Decree or under the Omani Nationality Law promulgated by Royal Decree 38/2014, as amended.
OPEC	Organisation of the Petroleum Exporting Countries, which includes Algeria, Congo, Equatorial Guinea, Gabon, Iran, Iraq, Kuwait, Libya, Nigeria, Saudi Arabia, the United Arab Emirates and Venezuela.
OQ	OQ SAOC.
OQ Alternative Energy	OQ Alternative Energy LLC.
OQ Refineries	OQ Refineries LLC.
OQ RPI	OQ Refineries and Petroleum Industries LLC.
OQ LPG	OQ LPG (SFZ) SPC.
OQGN	OQ Gas Networks SAOG.
OQ Trading	OQ Trading Limited.
Non-Omani Individual	Any individual who is not an Omani Individual.
Paris Agreement	The Paris Agreement is an international treaty adopted in 2015 aimed at combating climate change by limiting global warming to well below 2 degrees Celsius above pre-industrial levels, with efforts to limit the increase to 1.5 degrees Celsius.
Price Range	Bzs 106 to Bzs 111 per Offer Share applicable to the Category I Offer.
Pricing Date	The pricing date of the Offer, which is expected to be on or around 3 December 2024.
Pricing Memorandum	The pricing memorandum to the Institutional Settlement Agreement.
Pricing Statement	A statement containing the Offer Price and certain other information.
SAOC	*Société-Anonyme-Omanaise-Closed*, an Omani closed joint stock company.
SAOG	*Société-Anonyme-Omanaise-Générale*, an Omani public stock company.
SAOG Executive Regulations	The regulation for Public Joint Stock Companies issued by FSA Decision No.27/2021, as amended.
SAP	Systems Applications and Products in Data Processing.
Securities Law	The Securities Law of Oman promulgated by Royal Decree 46/2022.
Selling Shareholders	OQ SAOC, Takamul Investment Company LLC and OQ Salalah Industries Company SAOC.
Settlement Date	The date of: (i) delivery of the Shares through the book-entry facilities operated by the MCDC to the account numbers of investors; and (ii) transfer of the net proceeds by the Issue Managers to the

	escrow account of the MCDC - such date is expected to be up to seven business days after the Pricing Date, or such earlier date as may be notified by the Joint Global Coordinators.
SFZ	Salalah Free Zone.
SFZC	Salalah Free Zone Company.
Share	An ordinary share of the Company with a value of Bzs 40.
Shareholder	A shareholder of the Company.
Takeover Code	The code providing rules to govern the takeover of SAOG's issued by FSA Decision 2/2019.
turnaround	Planned stoppage of a plant for refurbishment, preventative maintenance, debottlenecking and repairs.
U.S.	United States of America.
US$/USD	U.S. Dollars, the lawful currency of the United States of America.

Chapter II
Summary Information Relating to the Company

This summary highlights information contained elsewhere in this Prospectus. It does not contain all the information that prospective investors should consider before investing in the Offer Shares. All prospective investors should read the entire Prospectus carefully, including the Combined Financial Statements set out in "Chapter XXVI—Historical Financial Statements" of this Prospectus. All prospective investors should specifically read "Chapter IV—Risk Factors" of this Prospectus for more information about important risk factors that should be considered before applying for Offer Shares.

Overview

The Company is the only integrated producer in Oman of methanol, ammonia and LPG Products, which comprise propane, butane, condensate and LPG sold domestically in the form of cooking gas ("**LPG (cooking gas)**"). In 2024, the Company (established in 2006), which is as at the date of this Prospectus a wholly-owned subsidiary of OQ, Oman's flagship energy company, acquired OQ LPG, which was previously an independent and wholly owned subsidiary of OQ.

The Company is active throughout the natural gas value chain, operating three advanced plants with a combined nameplate production capacity of 1,816 ktpa. Its plants are located in the SFZ in the south of Oman, near the Port of Salalah, Oman's largest port and a gateway to the MENA, European and Asian markets. The Company's plants process rich and lean natural gas feedstock that is supplied under long-term agreements with IGC through a natural gas transmission network operated by OQGN, a subsidiary of OQ. With the exception of a small portion of LPG sold domestically in the form of LPG (cooking gas), all of the Company's products are sold pursuant to long-term, arm's-length exclusive take-or-pay offtake agreements with OQ Trading for export to end markets, principally in Asia and the MENA region and, to a lesser extent, Europe and Africa.

The Company operates through three strategic divisions, Methanol, Ammonia and LPG Products, and, for financial reporting purposes, through two segments, Methanol Plant (which includes the financial results of the ammonia plant) and LPG Plant.

- **Methanol**: Through the Methanol division, the Company operates a 1,095 ktpa nameplate production capacity methanol plant (the "**methanol plant**"). Methanol is an essential chemical building block for many industrial products and is also used as a cleaner-burning fuel. For the year ended 31 December 2023 and the six months ended 30 June 2024, the Company produced 904 kt and 614 kt of methanol, respectively, and methanol sales accounted for 39.4 per cent. and 50.0 per cent., respectively, of the Company's total revenues. All of the Company's methanol is exported.

- **Ammonia**: Through the Ammonia division, the Company operates a 365 ktpa nameplate production capacity ammonia plant (the "**ammonia plant**"). Ammonia is a chemical that is primarily used for downstream nitrogen products, with diverse fertiliser, industrial and energy applications. For the year ended 31 December 2023 and the six months ended 30 June 2024, the Company produced 264 kt and 147 kt of ammonia, respectively, and ammonia sales accounted for 20.0 per cent. and 15.5 per cent., respectively, of the Company's total revenues. All of the Company's ammonia is exported.

- **LPG Products**: Through the LPG Products division, the Company operates a 356 ktpa nameplate production capacity LPG plant (the "**LPG plant**"), where it produces LPG Products, comprising propane, butane, condensate and LPG (cooking gas). These LPG Products are used for various energy applications. In the year ended 31 December 2023 and the six months ended 30 June 2024, the Company produced 336 kt and 178 kt of LPG Products, respectively, and LPG Product sales accounted for 40.7 per cent. and 34.5 per cent., respectively, of the Company's total revenue. Approximately 90 per cent. of the Company's LPG Products are exported, with a small portion sold domestically in the form of LPG (cooking gas).

For the year ended 31 December 2023 and the six months ended 30 June 2024, the Company had revenue of OMR 196.2 million and OMR 104.3 million, respectively, Adjusted EBITDA[1] of OMR 84.6 million and OMR 39.0 million, respectively, and profit for the period of OMR 47.5 million and OMR 4.1 million, respectively.

Competitive Strengths and Strategies

The Company's competitive strengths include:

- benefitting from Oman's attributes as an attractive investment jurisdiction and being strategically located within the Salalah Free Zone;
- enjoying a robust industry environment for methanol, ammonia and LPG Products, with strong demand growth across a broad range of end markets;
- maintaining a strong operational track record enabled by fully-integrated, state-of-the-art assets with high reliability;
- having long-term gas supply agreements with an attractive pricing mechanism;
- benefitting from attractive geographic location and access to global logistics network, scale and expertise of OQ Trading platform;
- possessing tangible future growth pathways including a brownfield expansion project to increase methanol plant capacity by 50 per cent.;
- being optimally positioned to capitalise on the transition to clean methanol and ammonia to serve emerging clean fuels demand; and
- supporting attractive dividend capacity with high margins and strong cashflow generation across commodity cycles.

The Company's strategies include:

- maximising value by maintaining high operating standards, with a focus on energy intensity reduction;
- implementing a robust ESG strategy that prioritises health and safety, decarbonisation and sustainability initiatives; and
- growing through the potential brownfield expansion of its methanol plant and longer-term opportunities to expand into downstream products and to develop blue and green ammonia capabilities.

For further details in relation to the Company's competitive strengths and strategies, see "*Chapter XII—Description of the Company and Business Overview*".

[1] For a discussion of how Adjusted EBITDA is calculated, see "*Presentation of Financial, Industry and Market Data—Non-IFRS Information and Certain Other Financial and Operational Data—Non-IFRS Information*" and "*Chapter XIII—Selected Historical Financial, Operating and Other Information—Other Financial and Operational Data*".

Chapter III
General Information on the Offer and the Company

Name	OQ Base Industries (SFZ) SAOG (under transformation).
Commercial registration number	1830503.
Date of registration	27 February 2006.
Registered office	P.O. Box 316, Postal Code 217.
Principal place of business/headquarters	Salalah Free Zone / Salalah / Dhofar Governorate.
Duration	Unlimited.
Financial Year	Commences on 1 January and ends on 31 December each year.
Issued share capital	OMR 138,379,634 divided into 3,459,490,850 Shares with a value of Bzs 40 per Share.
Number of Shares offered for subscription (Offer Shares)	1,695,150,517 Shares, representing 49 per cent. of the Company's total Issued Share Capital.
Type of Shares offered for subscription	All the Shares issued by the Company and the entire equity capital of the Company consist only of ordinary shares. Each single Share carries the right to one vote at any general meeting, including any AGM, OGM or EGM.
Category I Subscription Price Range	Bzs 106 to Bzs 111 per Offer Share.
Category II Subscription Price	Bzs 111 per Offer Share.
Offer Price	The final offer price for the Offer Shares, which will be discovered through a bookbuilding in the Category l Offer. The Offer Price shall be determined within the limits of the Price Range as determined in "*Chapter XIX—Subscription Conditions and Procedures*".
Percentage of the total Issued Share Capital on Offer	49 per cent. of the Issued Share Capital of the Company.
Name of the Selling Shareholders and number of Shares being sold	• OQ SAOC: 1,598,875,517 Shares, representing 94.32 per cent. of the Offer Shares. • Takamul Investment Company LLC: 96,274,975 Shares, representing 5.68 per cent. of the Offer Shares. • OQ Salalah Industries Company SAOC: 25 Shares, representing 0.000001 per cent. of the Offer Shares.
Purpose of the IPO	The Company and the Selling Shareholders are undertaking the IPO as part of the divestiture of a minority stake in the Company by the Selling Shareholders in accordance with the Government's divestment programme.
Persons eligible for the Category I Offer Shares	Category I Applicants, as described in "*Chapter XIX—Subscription Conditions and Procedures*" of this Prospectus.
Persons eligible for the Category II Offer Shares	Category II Applicants, as described in "*Chapter XIX—Subscription Conditions and Procedures*" of this Prospectus.

Persons prohibited from subscribing to the Offer	The following Applicants shall not be permitted to subscribe to the Offer: • Sole proprietorship establishments: The owners of sole proprietorship establishments may only submit Applications in their personal names. • Trust accounts: Customers registered under trust accounts may only submit Applications in their personal names (except in specific circumstances detailed in "*Chapter XIX—Subscription Conditions and Procedures*" of this Prospectus). • Selling Shareholders: The selling shareholders of the Company may not subscribe to the Offer Shares in the IPO. • Multiple Applications: An investor may not submit more than one Application. • Joint Applications: Investors may not submit applications in the name of more than one individual (including on behalf of legal heirs). • Related Parties: The related parties of the Company may not participate in the Category I Offer of the IPO, except where such relationship is due to common shareholding or control exercised by the administrative apparatuses of the Government or their primary activity is investment related.

Proposed allocation procedure	The allocation of the Offer Shares will be made as follows:
	<u>Category I Applicants (local/regional/international institutions):</u>
	• 508,545,155 Offer Shares have been allocated for Category I Applicants, being 30 per cent. of the Offer, as follows:
	  o 15 per cent. of the Offer Shares (equivalent to 50 per cent. of the Category I Offer Shares, i.e., 254,272,578 Offer Shares) shall be reserved for subscription by Category I Local Applicants. The allocation of Offer Shares to Category I Local Applicants shall be made on a proportionate basis.
	  o 15 per cent. of the Offer Shares (equivalent to 50 per cent. of the Category I Offer Shares, i.e., 254,272,577 Offer Shares) shall be available for subscription by Category I Non-Local Applicants. Allocation of Offer Shares to Category I Non-Local Applicants shall be determined by the Selling Shareholders in consultation with the Joint Global Coordinators.
	<u>Anchor Investors:</u>
	• 508,545,156 Offer Shares have been allocated for Anchor Investors, being 30 per cent. of the Offer. The allotment to Anchor Investors has been confirmed by the Selling Shareholders as presented in "*Chapter VIII—Shareholding*

	Details" and "*Chapter XX—Subscription and Sale*" of this Prospectus.
	Category II Applicants (individual investors): • 678,060,206 Offer Shares have been allocated for Category II, being 40 per cent. of the Offer (allocation to Category II Applicants to be made on a proportionate basis). The Category II Offer is further subdivided, with 50 per cent. of the Category II Offer being allocated to Category II Applicants (large retail) and 50 per cent. of the Category II Offer being allocated to Category II Applicants (small retail). o If the aggregate demand in Category II (small and large retail) is less than 40 per cent. of the Offer, then after full allocation to the Category II Applicants, the balance of the Offer Shares will be made available to the Category I Applicants in the respective proportion outlined above for allocation at the Offer Price, if there is oversubscription in Category I. o If the aggregate demand in Category II is greater than 40 per cent. of the Offer Shares, the FSA may decide that a minimum number of Category II Offer Shares be distributed equally among Category II Applicants (small retail), and the remainder of Category II Offer Shares shall be allocated on a pro-rata basis.
Minimum limit for subscription by each Applicant	Category I Applicants: 200,000 Offer Shares and in multiples of 100 Offer Shares thereafter. Category II Applicants (large retail): 90,100 Offer Shares and in multiples of 100 Offer Shares thereafter. Category II Applicants (small retail): 1,000 Offer Shares and in multiples of 100 Offer Shares thereafter.
Maximum limit for subscription by each Applicant	• Category I Applicants: No maximum limit. • Category II Applicants (large retail): No maximum limit. • Category II Applicants (small retail): 90,000 Offer Shares. In any case, no Applicant may be allotted more than 10 per cent. of the Offer (169,515,052 Offer Shares) except with the approval of the FSA.
Maximum limit for subscription by each Anchor Investor	508,545,156 Offer Shares (equivalent to 30 per cent. of the Offer Shares).
Category I Offer Opening Date	24 November 2024.
Category I Offer Closing Date	1 December 2024.
Category II Offer Opening Date	24 November 2024.
Category II Offer Closing Date	28 November 2024.
Pricing Date	3 December 2024.

Settlement Date	On or about 11 December 2024, or such earlier date as may be notified by the Joint Global Coordinators.
Listing Date	On or about 12 December 2024, or such earlier date as may be notified by the Joint Global Coordinators.
Date of EGM for approval of the IPO	24 September 2024.
Issue Managers	**Bank Dhofar SAOG** P.O. Box 1507, Postal Code 112 Muscat, Sultanate of Oman **Bank Muscat SAOG** P.O. Box 134, Postal Code 112 Muscat, Sultanate of Oman
Joint Global Coordinators	**Bank Dhofar SAOG** P.O. Box 1507, Postal Code 112 Muscat, Sultanate of Oman **Bank Muscat SAOG** P.O. Box 134, Postal Code 112 Muscat, Sultanate of Oman **Morgan Stanley & Co. International plc** 25 Cabot Square Canary Wharf London E14 4QA United Kingdom
Joint Bookrunners	**Kamco Investment Company K.S.C.P** P.O. Box 28873 Safat, Kuwait **Saudi Fransi Capital** P.O. Box 23454 Riyadh 11426 Kingdom of Saudi Arabia
Collection Agents	Ahli Bank SAOG, Ahli Islamic Bank, Bank Dhofar SAOG, Bank Muscat SAOG, Bank Nizwa SAOG, Dhofar Islamic, Horizons Capital Markets SAOC, Jabal Asset Management LLC, Meethaq Islamic Banking – Bank Muscat SAOG, National Bank of Oman SAOG, Oman Arab Bank SAOG, Sohar International SAOG, Sohar Islamic, Ubhar Capital SAOC, United Securities LLC and Vision Securities LLC.
Auditor	**KPMG LLC** Children's Public Library Building 4th Floor, Shatti Al Qurum

	PO Box 641, PC 112 Sultanate of Oman
Legal Adviser to the Company as to Omani Law	**MAQ Legal** Al Maamary, Al Abri & Co. Suite No. 321/322 The 1991 Office Building PO Box 1963, Postal Code 130 Bousher, Muscat, Sultanate of Oman
Legal Adviser to the Company as to U.S. and English law	**Linklaters LLP** One Silk Street London EC2Y 8HQ United Kingdom
International Legal Adviser to the Joint Bookrunners, Issue Managers and Collection Agents as to U.S. and English Law	**Allen Overy Shearman Sterling LLP** One Bishops Square London E1 6AD United Kingdom 5th Floor, Al Mamoura Building B Muroor Road P.O. Box 7907, Abu Dhabi United Arab Emirates
Legal Adviser to the Joint Bookrunners, Issue Managers and Collection Agents as to Omani Law	**Trowers and Hamlins** Al Jawhara Building Al Muntazah Street Shatti Al Qurum, PO Box 2991 Postal Code 112, Muscat Sultanate of Oman

Chapter IV
Risk Factors

Investing in and holding the Shares involves financial risk. Prospective investors in the Shares should carefully review all of the information contained in this Prospectus and should pay particular attention to the following risks associated with an investment in the Company and the Shares, that should be considered together with all other information contained in this Prospectus. If one or more of the following risks were to arise, the Company's business, financial condition, results of operations and prospects or the price of the Shares could be materially and adversely affected, and investors could lose all or part of their investment. The risks set out below may not be exhaustive and do not necessarily include all of the risks associated with an investment in the Company and the Shares. Additional risks and uncertainties not currently known to the Company or which the Company currently deems immaterial may arise or become material in the future and may have a material adverse effect on the Company's business, financial condition, results of operations and prospects or the price of the Shares.

Risks Relating to the Company and its Business

1. The Company's cashflows and results of operations, which are impacted by the price at which the Company is able to sell its products, could be adversely affected by market conditions.

The Company sells all of its methanol and ammonia and all of its LPG Products (except LPG (cooking gas)) directly to OQ Trading, a subsidiary of OQ, pursuant to agreed terms, and OQ Trading exports and resells the Company's products to end-customers, principally located in Asia, East Africa and the Middle East and North Africa ("**MENA**") region, operating in numerous industries, including the chemical manufacturing and energy industries in the case of methanol, the agricultural and energy industries in the case of ammonia, and the energy and petrochemical manufacturing industries in the case of LPG Products. A substantial proportion of the Company's methanol is exported to Asian markets, while its ammonia is primarily exported to India and the MENA region and the majority of its LPG Products (except LPG (cooking gas) is exported to India. Historically, the price at which these products are sold has fluctuated in response to changing supply and demand conditions and are subject to volatile, cyclical and seasonal changes. For example, prices for methanol, ammonia and LPG Products saw an increase in 2021 compared to 2020 reflecting supply constraints due to geopolitical conflicts, availability of natural gas and logistics constraints. In 2022, uncertainty regarding global supply of commodities disrupted global trade flows and placed significant upwards pressure on input costs, particularly for ammonia and LPG Products. In 2023, as the international energy and commodity trade flows rebalanced and normalised, methanol, ammonia and LPG product prices materially declined. In the first half of 2024, benchmark prices for methanol and LPG Products recovered from those recorded in 2023, with methanol benchmark prices averaging US$295/tonne during the period, representing an increase of 4.6 per cent. over average benchmark prices during 2023, and with LPG Products trading at US$610/tonne during the period, representing an increase of 5.4 per cent. over average benchmark prices during 2023. Ammonia prices witnessed a correction during the period due to lower demand and oversupply in the market, with ammonia benchmark prices registering an approximately 24 per cent. decline in the first half of 2024, trading at an average price of US$330/tonne during the period.

More generally, the methanol, ammonia and LPG Products industries have historically experienced alternating and unpredictable periods of tight supply, causing prices and margins to increase, followed by periods of substantial additions to capacity, resulting in excess supply and declining prices and margins. Global available production capacity, operating rates, raw material costs and availability, government policies, and global trade all impact the supply of methanol, ammonia, and LPG Products.

The construction of new manufacturing capacity, as well as improvements that result in increased output from existing production assets, increase supply. According to the Market Consultant, new capacity projects for methanol, ammonia and LPG Products are expected to result in significant additional supply over the coming years.

If demand does not increase in parallel, this increased supply could adversely affect prices and margins for the Company's products in the medium term. Demand for methanol, ammonia and LPG Products is affected by various factors, including factors beyond the Company's control, such as population growth, GDP growth, consumer behaviour, the use and acceptance of substitute products, government policies (including in particular regarding the production, use and recycling of chemical products) and other socio-economic factors, particularly in Asia and the MENA region where OQ Trading's end customers are primarily based. Demand for methanol products also depends on levels of global industrial production, changes in general economic conditions and energy prices, while the demand for ammonia products is largely driven by the seasonal fluctuations in the demand for fertiliser in the agricultural industry. Additionally, the acceleration in green ammonia production, driven by growing environmental and regulatory pressures, could reduce the demand for traditional, non-green ammonia. The demand for LPG Products varies by their application and may be affected by weather conditions influencing heating fuel needs, changes in the composition of refined products resulting from governmental regulations, changes in feedstocks, demand for synthetic rubber and plastics, as well as fluctuations in demand for motor fuel and gasoline. Adverse developments in any of these respects could result in decreased demand for the Company's products.

The trading price for methanol, ammonia and LPG Products is based on the market price index for each product. Therefore, with respect to the products the Company sells directly to OQ Trading, it indirectly depends on demand from OQ Trading's end-customers. See "*—The substantial majority of the Company's products are sold to OQ Trading via offtake agreements and, as a result, the Company is exposed to risks associated with OQ Trading and the terms of the offtake agreements*" below. As a result, much like for any commodity, a decrease in demand for the Company's products due to, among other factors, decreased demand for end-customers' products or increased use by end-customers of substitutes for the Company's products, in each case for any reason, including the Company's products not meeting the specification requirements of these end-customers, could result in a decrease in the prices at which the Company is able to sell its products to OQ Trading, which could adversely affect the Company's profit margins, require it to write-down the value of inventory or temporarily or permanently curtail production. In particular, prices for LPG Products and methanol can be impacted by fluctuations in crude oil prices due to a significant portion of global LPG Products being derived from oil refineries and methanol being used as an alternative energy source to other derivatives of crude oil. Furthermore, a major industrial use of methanol is the Methanol-to-Olefin ("**MTO**") process, which involves converting methanol into olefins, essential building blocks for various chemicals and plastics, making methanol subject to competition with traditional oil-based feedstocks used in olefin production. For further details on the impact of changes in pricing for the Company's products, see "*Chapter XIV—Management's Discussion and Analysis of Financial Condition and Results of Operations—Factors Affecting Results—Market Prices*".

Any adverse developments in the supply and demand for methanol, ammonia and/or LPG Products could have a material adverse effect on the Company's business, financial condition, results of operations and prospects.

2. The Company is entirely dependent on its relationship with IGC for the supply of natural gas.

The Company uses rich natural gas as feedstock in the production of its LPG Products and lean natural gas as the primary feedstock in the production of methanol (although rich natural gas may also be used if lean natural gas is not available). Pursuant to a long-term build, own, operate and transfer and natural gas supply agreement (the "**LPG Plant BOOT/NGSA**"), IGC supplies rich natural gas to the LPG plant at no immediate cost in return for (i) the Company sending the lean natural gas that remains after it extracts its LPG Products back into OQGN's natural gas transmission network and (ii) a share of the revenue from the sale of its LPG Products, after the deduction of certain costs pursuant to a payment waterfall. Pursuant to a separate gas supply agreement between the Company and the Government in respect of the methanol plant (the "**Methanol Plant GSA**" and, together with the LPG Plant BOOT/NGSA, the "**GSAs**"), IGC supplies lean natural gas (including lean natural gas produced at the LPG plant) to the methanol plant pursuant to agreed pricing terms. For further details on the GSAs, see "*Chapter XII—Description of the Company and Business Overview—Material Contracts—LPG Plant Build, Own, Operate and Transfer and Natural Gas Supply Agreement*" and "*—Methanol Plant Gas Supply Agreement*".

As IGC is the sole supplier of natural gas in Oman, the Company relies on IGC supplying sufficient natural gas of acceptable quality for the Company to operate its plants in accordance with the GSAs. While the GSAs have provided predictability of supply and allowed the Company to operate with a relatively low cost of feedstock (in the case of the methanol plant) or no immediate cost (in the case of the LPG plant) as compared to its international competitors, and the Company has not experienced any significant issues with the quality or supply of natural gas by IGC, there can be no assurance that this will continue to be the case. In addition, if the rich natural gas supplied to the LPG plant does not meet the specifications under the LPG Plant BOOT/NGSA, it could lead to decreased production of LPG Products. If IGC is not able to continue supplying sufficient natural gas of acceptable quality to the Company's plants, due to upstream gas supply issues, contractual disputes or otherwise, or if the terms of the contractual arrangements between the Company and IGC change adversely to the Company, it could have a material adverse effect on the Company's business, financial conditions, results of operations and prospects.

3. **The Company could be materially adversely affected by any interruption in the delivery of natural gas to the Company's plants through OQGN's gas transmission network.**

OQGN's natural gas transmission network supplies rich natural gas to the LPG plant and lean natural gas to the methanol plant. As OQGN operates the only natural gas transmission network in Oman, the Company depends on OQGN providing a continuous supply of natural gas to the Company's production plants. Interruptions in the delivery of natural gas to the Company's plants may be caused by, among other things, leaks or ruptures in the pipeline transmission network, severe weather or natural disasters, unscheduled downtime, labour difficulties, sabotage or terrorist incidents or mechanical failures. As the Company does not have any natural gas storage facilities, if there is a significant interruption in the supply of natural gas through OQGN's natural gas transmission network, the Company would be immediately affected. As a result, a significant interruption in the supply of rich natural gas to the LPG plant could lead to an interruption in the supply of LPG Products or a shut-down of the LPG plant. In addition, a significant interruption in the supply of natural gas to the methanol plant could lead to an interruption in the supply of methanol or shutdown of the methanol plant, which would in turn result in a shutdown of the ammonia plant. Because of the interdependency between the plants, a shutdown at one plant could also adversely affect the ability of the other plants to operate, as described in further detail in "*—Unplanned production curtailments or shutdowns may materially adversely impact the Company's operations and financial performance*."

As a result of the foregoing, any interruption in the delivery of natural gas to the Company's plants through OQGN's gas transmission network, even for a limited period, could have a material adverse effect on the Company's business, financial condition, results of operations and prospects.

4. **Unplanned production curtailments or shutdowns may materially adversely impact the Company's operations and financial performance.**

The Company operates an integrated and partially interdependent production complex in the Salalah Free Zone ("**SFZ**") which consists of the LPG plant and the nearby co-located methanol and ammonia plants. The LPG plant will only operate to the extent that there is downstream demand (primarily from the methanol plant and independent power plants) for the lean natural gas that results from its operations. Therefore, if the methanol plant shuts down, the LPG plant would likely have to operate at a reduced production rate until such time as the methanol plant comes back online. In addition, the ammonia plant requires the hydrogen-rich purge gas that is produced at the methanol plant and, therefore, if the methanol plant shuts down, the ammonia plant would shut down as well.

While the Company occasionally experiences unplanned shutdowns, none have been material. The Company's plants may experience unplanned shutdowns for various reasons, including chemical spills or discharges, explosions, fires or blowouts, power shortages or failures, interruptions to the supply of key services or raw materials (particularly rich natural gas to the LPG plant and natural gas to the methanol plant), adverse weather conditions or natural disasters or other force majeure events. For further details, see "*—The Company is subject to operational risks and hazards relating to chemicals manufacturing.*" and "*—The Company could be materially adversely affected by any interruption in the delivery of natural gas to the Company's plants through OQGN's gas transmission network*."

The Company's plants may also shut down due to the failure of critical equipment. Equipment that fails is often specialised and may be challenging to replace promptly, particularly if the Company does not have back-up equipment readily available. Delays in securing replacement parts or repairs could result in significant operational disruptions for a plant and, due to the interdependency of the Company's operations, potentially the entire complex.

Furthermore, the Company's plants undergo periodic major refurbishment work ("**turnaround**") every four to five years. During turnaround, the production plant is taken offline, typically for four to six weeks for the methanol plant and ammonia plant, and for four to five weeks for the LPG plant. While the Company plans for these turnaround periods and seeks to keep them as short as possible, there can be no assurance that turnaround or other planned maintenance work will not take longer than expected, which could result in lower utilisation of the Company's plants.

Any future curtailment, suspension or shutdown of the Company's operations could have a material adverse effect on the Company's business, financial condition, results of operations and prospects.

5. **The Company's production capabilities are subject to operational risks and hazards that may have a significant impact on its operations or result in significant liabilities and costs.**

The Company is subject to operational risks that are common to manufacturing companies, particularly hazardous chemicals manufacturing companies. These risks include, but are not limited to:

- liquid or gas chemical spills, discharges or releases of toxic or hazardous substances or gases;
- ruptures or leaks of pipelines or storage tanks;
- mechanical or equipment failures;
- explosions, fires, blowouts or surface cratering;
- power shortages or failures;
- unavailability of, or delay in the receipt of, necessary supplies and services;

- transportation interruptions and accidents, including shipping and road traffic accidents;
- cyclones, storms, floods, earthquakes, lighting strikes, sand storms, other forms of extreme weather and other natural disasters; and
- global or local health epidemics.

Furthermore, the production of methanol, ammonia and LPG Products involves the use of highly complex and costly equipment operating at high temperatures, pressures and speeds, as well as the handling of materials that are highly flammable (in the case of methanol and LPG Products), toxic (in the case of methanol and ammonia) and explosive, resulting in a potential for accidents with severe consequences. In particular, ammonia is extremely hazardous due to its high toxicity upon inhalation and corrosive effect on the respiratory tract, skin and eyes, requiring stringent safety measures during its production to mitigate severe health risks. All of these risks could result in the death or injury of the Company's employees or other third parties, the disruption, damage or destruction of the Company's facilities, the delay of new projects or harm to the environment, any of which could have a significant impact on the Company's operations and / or result in decreased revenues, increased costs, or regulatory or legal action, including penalties, fines, remediation commitments or the loss of essential licences. The Company could also be subject to workplace exposure, workers' compensation or other claims.

Any of these occurrences could have a material adverse effect on the Company's business, financial condition, results of operations and prospects.

6. **The substantial majority of the Company's products are sold to OQ Trading via offtake agreements and, as a result, the Company is exposed to risks associated with OQ Trading and the terms of the offtake agreements.**

All of the Company's methanol and ammonia products and approximately 90 per cent. of its LPG Products (except LPG (cooking gas)) are exported pursuant to long-term, arm's-length exclusive offtake agreements with OQ Trading. These offtake agreements, which expire in 2031 (methanol), 2032 (ammonia) and 2037 (LPG Products excluding LPG (cooking gas)), require OQ Trading to purchase all products that the Company elects to export for sale. As a result, the Company is exposed to risks relating to OQ Trading being the sole offtaker for the Company's products for export. These risks include OQ Trading facing liquidity issues (such as lack of cash on hand or short-term borrowing facilities), insolvency or otherwise being unable to pay for the products it exports, as well as OQ Trading suffering operational disruptions that adversely affect its ability to offtake the Company's product, although none of these risks have occurred since OQ Trading began exporting the Company's products in 2010. If OQ Trading does not offtake the Company's products, the Company would need to seek alternative buyers, which could take significant time, and any terms it negotiates may not be as commercially attractive as those it has agreed with OQ Trading. If the Company is unable to promptly source alternative purchasers of its products on commercially reasonable terms or arrange storage for unsold products, it might be required to curtail production until a new offtake agreement can be put in place.

In addition, the offtake agreements' standard terms require that the Company's products meet certain quality standards, although the Company and OQ Trading may agree new, lower pricing terms in respect of OQ Trading's offtake of any products which fail to meet these quality standards. If the parties were to fail to reach an agreement on the terms for the offtake of such products, the Company would have to find an alternative purchaser for the non-compliant product, and there can be no assurance that it will be able to do so, on acceptable terms or at all. The offtake agreements also provide that the Company must compensate OQ Trading for its marketing services if the Company is unable to deliver the prescribed quantities of products that meet the contractually agreed quality specifications.

If any of these circumstances were to occur, it could have a material adverse effect on the Company's business, financial condition, results of operations and prospects.

7. The Company relies on third-party suppliers, manufacturers and subcontractors to provide capital equipment, components, supplies and services, which exposes it to risks relating to product and service quality and price, interruptions in supply and disruptions to its operations.

The Company relies on third-party suppliers, manufacturers and subcontractors, including OQ affiliated companies, to provide gas compressors and other capital equipment, components, supplies and services. This reliance exposes it to risks relating to the quality, price and availability of these items and services. Certain equipment and components that the Company uses in its operations may only be available from a small number of third-party suppliers, manufacturers or subcontractors. The failure of one or more of these suppliers, manufacturers or subcontractors to provide capital equipment, components, supplies or services at the required quantity and expected quality, whether due to insolvency, capacity constraints, production or delivery disruptions, price increases, quality control issues, recalls, lack of qualified personnel or otherwise decreased availability of parts and equipment, is beyond the Company's control, could disrupt its operations and expose it to liability to its customers or the Government. Although the Company may be able to seek compensation for any such losses, there can be no assurance that such amounts will be recovered or that the amounts recovered will fully compensate it for any liabilities the Company may incur.

In addition, if the Company's suppliers or other contractual partners are unable or unwilling to meet their contractual obligations, the Company may be forced to obtain the necessary products or services from alternative third parties, and the pricing, timing or other terms on which it does so may be less favourable to the Company. In certain cases, it may not be possible or commercially feasible for the Company to arrange alternative sources of supply and, accordingly, any such interruption may be prolonged. If any such material goods or services become unavailable, then the Company may not be able to obtain suitable or cost-effective substitutes.

The occurrence of any of the foregoing events could have a material adverse effect on the Company's business, financial condition, results of operations and prospects.

8. The Company's ability to transport and distribute its products to third parties is subject to environmental, safety and regulatory oversight and risks affecting the shipping industry.

The Company exports all its methanol and ammonia and approximately 90 per cent. of its LPG Products via seagoing vessels. All products sold for export by OQ Trading are transported from the Company's storage tanks, through its product-specific pipelines, to its dedicated loading arms at the Port of Salalah, where they are inspected by an independent quantity surveyor and loaded onto vessels by the Company's employees. The risks transfer from the Company to OQ Trading at the flange point. LPG (cooking gas) sold domestically is transported via trucks operated by third-party distributors, and the risk transfers once the LPG (cooking gas) has been loaded onto the trucks. The Company's ability to load its products onto vessels and trucks is subject to various hazards, system failures, work stoppages, delays or accidents such as spills, and adverse weather conditions, all of which may increase the Company's costs. In addition, these activities are also subject to regulatory oversight.

If shipping of the Company's products is delayed for any of the foregoing reasons, including the application of existing or new and more stringent regulatory requirements, its revenue and cost of operations could be adversely affected. In addition, the costs of ocean freight, vessel hire, taxes, inspection costs, port charges, product insurance, and import and customs duties are deducted from the price received by the Company for the products sold to OQ Trading. Material increases in these costs would reduce the profit margins earned by the Company in respect of affected products, which could have a material adverse effect on its business, financial condition, results of operations and prospects.

9. **The Company could face significant liabilities for damages, clean-up costs or penalties under environmental and safety laws, and changes in such laws could materially increase the Company's costs.**

The Company's operations are subject to laws and regulations relating to environmental protection, health and safety. These laws and regulations govern, among other things, the generation, storage, handling, use, disposal and transportation of hazardous materials, the emission and discharge of hazardous materials, groundwater use and contamination and the health and safety of the Company's employees and the communities in which it operates. Compliance with these obligations can result in significant expenditures. In particular, the Company is subject to laws regulating air emissions, discharges to water, and the transport, storage, use, treatment, disposal and remediation of, and exposure to, solid and hazardous wastes and materials, as overseen in part by the Environment Authority of Oman (the "**EA**"), which has wide powers that include the implementation and enforcement of environmental regulations, including Royal Decree 114/2001 which promulgated the Law on Conservation of the Environment and Prevention of Pollution. Pursuant to the Chemical Regulation (as defined below), the Company is required to obtain and maintain a valid environmental permit ("**EP**") for all activities involving hazardous chemicals and to follow established procedures for the safe handling, storage and disposal of such chemicals. Any failure to obtain, maintain or renew the required EPs, or the revocation of such permits due to non-compliance, could have a material adverse effect on the Company's business, financial condition, results of operations and prospects.

Increased concerns regarding chemicals, including their safe use and potential impact on the environment, reflect a growing trend in societal demands for increasing levels of product safety, environmental protection and recycling. These concerns have led to more restrictive regulations and could lead to new regulations which restrict the Company's business further. They could also manifest themselves in shareholder proposals, delays or failures in obtaining or retaining regulatory approvals, increased costs related to complying with more restrictive regulations, lack of market acceptance for the Company's products, lower sales volumes or discontinuance of chemicals it requires to operate its business, continued pressure for more stringent regulatory intervention and increased litigation, any of which may adversely affect the Company's business, financial condition, results of operations and prospects.

The Company is not able to predict the impact of new or changed laws or regulations or changes in the ways that such laws or regulations are administered, interpreted or enforced. The requirements to be met, as well as the technology and length of time available to meet those requirements, continue to develop and change. To the extent that the costs associated with meeting any of these requirements are substantial and not adequately provided for, the Company's business, financial condition, results of operations and prospects could be adversely affected.

Any potential violation of environmental, health and safety laws could result in substantial penalties, court orders to install pollution-control equipment, civil and criminal sanctions (including regarding management), permit revocations and facility shutdowns. Environmental remediation obligations can result in significant costs associated with the investigation and clean-up of contaminated land, ecosystems or water bodies, as well as claims for damage to property. In addition, the Company could face claims of death or injury to persons resulting from exposure to hazardous materials or of adverse impacts on natural resources resulting from its operations. There can be no assurance that any such obligation will not have a material adverse effect on the Company's business, financial condition, results of operations and prospects.

10. **The LPG plant and facilities may be transferred back to the Government.**

The LPG plant was constructed pursuant to the LPG Plant BOOT/NGSA. See "*Chapter XII—Description of the Company and Business Overview—Material Contracts—LPG Plant Build, Own, Operate and Transfer and Natural Gas Supply Agreement*". Pursuant to the terms of the agreement, Subject to the terms of any security or charge any lenders may have in connection with the financing of the LPG plant, the LPG plant and its related facilities will be transferred back to the Government upon (i) the conclusion of the current agreement term, which, unless extended by the Government, is anticipated to end in August 2046, or (ii) the occurrence of an Event of Default by OQ LPG, as defined within the agreement, provided such default remains unremedied for a period exceeding 120 days. Events of Default include OQ LPG (i) committing a material breach of the agreement, (ii) intentionally and materially overstating the amount of operating expenditures, or (iii) becoming bankrupt, commencing winding-up or going into administration. If an Event of Default were to occur and remain unremedied and/or the Government were to execute its right to take ownership of the LPG plant, the Company would be unable to operate the methanol and ammonia plants in their current configurations, and its business, financial condition, results of operations and prospects, as well as the trading price of the Shares, would be materially and adversely affected.

11. **Climate change concerns and impacts could cause the Company to incur significant costs or make significant investments.**

As the international community has reached consensus on the importance of addressing climate change, the methanol, ammonia and LPG industries, and the petrochemicals industry more broadly, are drawing increasing concerns with respect to their contribution to global climate change. Climate change risks include physical risks resulting from changing climate and weather patterns and extreme weather-related events, as well as transition risks resulting from the process of adjustment towards a lower carbon, climate-resilient or environmentally sustainable economy (including policy changes, legislative changes, technological progress and behavioural changes). Both physical risks and transition risks can have financial consequences, for example through higher insurance premiums or settlements or disruptions to operations.

Globally, measures to curb the use and/or transition to more sustainable production of methanol, ammonia and LPG products are primarily driven by environmental and safety concerns. For methanol, there is a focus on reducing emissions. For ammonia, stricter safety regulations are being implemented, alongside a reduction in its use in agriculture to mitigate environmental impacts such as nitrate pollution. For LPG products, efforts are concentrated on raising emission standards and encouraging the shift towards natural gas or alternative energy, especially in domestic settings, to lower carbon emissions. These initiatives vary by region and are influenced by local policies and international environmental agreements.

More generally, increasing pressure on governments to reduce greenhouse gas ("**GHG**") emissions has led to a variety of actions that aim to reduce the use of fossil fuels, including, among others, carbon emission cap and trade regimes, carbon taxes, increased energy efficiency standards and incentives and mandates for renewable energy and other alternative energy sources. International conventions and agreements that aim to limit or reduce GHG emissions are currently in various stages of implementation, and it is difficult to predict with certainty the ultimate impact that GHG-related laws, regulations and international agreements will have on the Company. For example, Oman's entry into the Paris Agreement, which was ratified by the Royal Decree No. 28/2019 and became effective in April 2019, signifies a commitment to its goals. Many of the countries that have ratified the Paris Agreement are adopting domestic measures to meet these goals, which include reducing their use of fossil fuels and increasing their use of alternative energy sources. The Company has also established GHG reduction targets across its business activities in line with the goals of the Paris Agreement and has identified more than 30 potential GHG reduction opportunities over the next 10 years. There can be no assurance that it will achieve these targets on time or at all, as achieving its decarbonisation targets will be challenging given the increasing complexity of the Company's operations and that decarbonisation projects are challenged by economic viability based on existing business premises and the removal of carbon pricing from project economics.

In addition, at the 2023 United Nations Climate Change Conference, nearly 200 countries, including Oman, agreed to a new climate deal which aims to reduce carbon pollution and transition away from fossil fuels in energy systems with the target of achieving net zero by 2050. In general, it is too early to know or measure the impact that these pledges and investments will have on hydrocarbon production in Oman in the medium or long term, but the impact could be substantial.

Oman's compliance with the Paris Agreement and these other initiatives, as well as the goals set out in its Vision 2040 strategy, will require the reduction of carbon dioxide emissions in Oman, and the responsibilities of Omani companies may change following the implementation of any carbon dioxide mitigation regulations. In furtherance of these global initiatives, in March 2022, Oman established the National Committee for Climate Change and Protection of the Ozone Layer, which convenes representatives from 32 stakeholders to address climate change-related issues in Oman. The work of this committee is intended to complement Oman's National Strategy for Adaptation and Mitigation of Climate Change for the 2020-2040 period. Oman has also supported different renewable energy initiatives within the country, such as labelling appliances based on energy efficiency, mandates on use of LED bulbs and others. Oman has also pledged to reduce total GHG emissions by 21 per cent. by 2030. In March 2023, a representative of Oman's Environment Authority confirmed that Oman has adopted a national plan for zero carbon neutrality, pursuant to which five main sectors have been targeted as part of the strategy to reduce GHG emissions, including oil and gas, electricity production, transportation industry and construction.

It is unclear to what extent regulations and emission-reducing measures targeting the chemicals sector will impact the Company, but more stringent GHG legislation is likely to have a significant impact on the Company, because the Company's plants emit GHGs such as carbon dioxide and nitrous oxide and because natural gas, a fossil fuel, is a primary raw material used in its production processes. Any such measures could result in increased operating costs, reduced production efficiency or output, increased capital expenditure, increased costs to administer and manage any potential GHG emissions or cap and trade or other control programmes, increased costs for or reduced availability of energy, raw materials or transportation services, increased taxes due to additional levies on products with a high GHG emissions impact, or reduced ability by OQ Trading to export into Europe due to the European Green Deal initiatives (approximately 13 per cent. of the Company's ammonia production and approximately 10 per cent. of its methanol production were exported to Europe between 1 January 2021 and 30 June 2024). The Company also intends to apply heightened screening for compliance with changing climate change regulations, which may materially impact production if future projects do not meet new screening criteria.

Any of these actions could have a material adverse effect on the Company's business, financial condition, results of operations and prospects.

12. Natural disasters or health epidemics or pandemics may disrupt the Company's operations, decrease the demand for its products or otherwise have an adverse impact on its business.

Extraordinary events such as natural disasters or health epidemics or pandemics could result in significant damage to the Company's plants, disrupt its operations or adversely affect its customers or suppliers. The damage from a natural disaster, particularly given the close proximity of the Company's operations to local communities in Salalah, could result in loss of life, property damage or site closures, which could expose the Company to reputational and monetary damages or disrupt the Company's ability to manufacture and deliver products. Any damage resulting in a curtailment or shutdown of the Company's plants could reduce its revenue or require unanticipated capital expenditures to repair the resulting damage (to the extent not covered by its insurance policies). Any of these factors could materially adversely affect the Company's business, financial condition, results of operations and prospects.

In addition, health epidemics or pandemics may adversely affect the Company. For example, during the COVID-19 pandemic the Company experienced reduced plant utilisation rates due to government-imposed shutdowns, reduced workforce presence due to social distancing requirements, quarantines and travel restrictions, as well as supply chain disruptions affecting the availability of critical materials. Furthermore, restrictions on or disruptions to transportation and logistics, such as port closures or increased border controls or closures, or other adverse impacts on supply chains or distribution channels, could increase the Company's costs and limit its ability to operate its business. Any of the foregoing could materially adversely affect the Company's business, financial condition, results of operations and prospects.

13. There can be no assurance that the Company will be able to implement its strategy or that its strategy, when implemented, will deliver all the benefits envisaged.

In line with the Government's Oman Vision 2040 plan, the Company has set an ambitious vision to be a world-class partner for growth that drives a sustainable energy future. The Company's medium- and long-term goals are to maintain high operating standards, develop and execute a comprehensive ESG strategy, expand its methanol production via a methanol plant brownfield expansion project, expand to other downstream industries and ultimately become a key player in the more sustainable blue and green ammonia and blue methanol markets of the future.

The Company's strategy may not be successful or may not proceed as swiftly as planned. Implementing the Company's strategy could involve higher costs or less savings from anticipated efficiencies and cost reductions than expected or require more financial, labour or management resources to execute than planned. If the Company undertakes any expansion projects, the Company's assumptions and projections may prove to be inaccurate or the Company may not successfully execute these projects in a timely manner, on budget, or at all. In particular, the brownfield expansion project that the Company is currently considering for the methanol plant will require substantial capital expenditure of approximately US$470 million, and there can be no assurance that the project will realise the expected capacity gains, or that it will be completed on time or on budget. Furthermore, as the project will require years to complete, methanol prices could significantly fall in the interim, and there can be no assurance that the Company will be able to realise sufficient revenue from the brownfield expansion project to offset its cost.

14. The Company's future projects expose it to a range of financial, regulatory, construction and other risks.

The Company is actively considering a brownfield expansion project for its methanol plant and other future projects. When undertaking a significant project, the Company faces various risks, including:

- making significant capital expenditure without receiving cash flow from the project until a future period, or being unable to recover costs invested;

- a shortage of available cash to fund construction and capital improvements, and the related possibility that financing for such construction and capital improvements may not be available to the Company on suitable terms or at all;
- delays in obtaining, or a failure to obtain, all necessary permits, approvals and authorisations;
- failure of the project to achieve agreed technical parameters at completion;
- an inability to complete projects on schedule, within budget or at all; and
- the fact that actual results might differ from modelled results due to a number of factors, including, inter alia, fluctuations in the price of products, errors or erroneous assumptions in the models, such as unanticipated market and economic conditions or heightened competition from third parties, that may result in the Company's investment not being profitable or not generating the originally anticipated level of cash flows.

The Company's estimated costs and benefits are subject to assumptions that may not materialise. The non-materialisation of assumptions regarding such costs or benefits may have a material adverse effect on the Company's business, financial condition, results of operations and prospects.

The implementation phase of developing a project expose the Company to a number of execution risks and potential cost overruns, including, but not limited to:

- major design and/or project execution changes, whether caused by changes in technological demand, market conditions or other factors;
- an inability to find suitable contractors either at the commencement of a project or following a default by an appointed contractor;
- default or failure by the Company's contractors to finish projects on time and within budget;
- disruption in service and access to third parties;
- delays and increased costs arising from shortages of material, equipment and labour;
- long lead times for the delivery of complex plant and equipment
- defective materials;
- not receiving necessary approvals, either on time or at all;
- adverse weather conditions or natural disasters;
- labour disputes or disputes with subcontractors;
- accidents;
- changes in governmental priorities; and
- escalating costs of materials, manpower and global commodity prices.

Any of these factors, or any other unforeseen circumstances, could materially delay the completion of a project or materially increase the costs associated with a project, which could have a material adverse effect on the Company's business, financial condition, results of operations and prospects.

15. **The assumptions made in preparing the financial and operational targets included in this Prospectus may prove incorrect, incomplete or inaccurate, and the Company's results may differ materially from its financial and operational targets.**

The Company's financial and operational targets included in this Prospectus reflect numerous assumptions made by the Company. These assumptions relate to commercial expectations and other external factors, including political, legal, fiscal, market or economic conditions or in applicable legislation, regulations or rules (including, but not limited to, tax laws and accounting policies), all of which are difficult to predict and are beyond the Company's control. Accordingly, there is a risk that the assumptions made in preparing its financial and operational targets could prove incorrect or incomplete, and there may be differences between the Company's actual and targeted results, which could be material in nature and impact the price of the Shares. In addition, unanticipated events may adversely affect the actual results that the Company achieves in future periods, whether or not its assumptions relating to financial and operational targets otherwise prove to be correct. The inclusion of the financial and operational targets in this Prospectus should not be regarded as an indication that the Company considered or consider such financial or operational targets to be achievable or reliable predictions of future events. Accordingly, investors are strongly urged not to place undue reliance on any of the financial and operational targets set forth in this Prospectus. For further discussion on financial and operational targets as forward-looking statements, see "*Forward-Looking Statements*".

16. **Negative publicity may harm the Company's business and results of operations.**

The Company may be exposed to the risk of negative publicity and press speculation concerning its business and industry. For example, complaints relating to employment opportunities and local supplier relationships, as well as environmental concerns, such as pollution, water usage and GHG emissions, have in the past been, and may in the future be, raised with respect to the Company's business.

In addition, as Oman has been actively pursuing environmental sustainability initiatives, the Government's emphasis on reducing carbon emissions and controlling industrial pollution could heighten public and regulatory attention on the Company's operations. Mismanagement or environmental incidents at the Company's facilities, or the facilities of others in its industry, could adversely influence public perceptions and lead to reputational harm. This is particularly relevant to the Company, as its products (and the production of them) could have significant environmental impacts if not handled or produced responsibly. Furthermore, the improper use and handling of the Company's products by third parties could lead to accidents or environmental damage, exacerbating public and governmental concerns.

Any significant damage to the Company's reputation could cause existing suppliers to terminate their relationships with the Company or prevent it from securing new contracts, affect its ability to attract and retain talent and maintain relationships with suppliers, affect the Company's ability to maintain a positive relationship with its local communities or otherwise affect its operational viability, any of which could result in a material adverse effect on the Company's business, financial condition, results of operations and prospects.

17. **The Company is subject to risks relating to the integrity, reliability and efficiency of its internal control over financial reporting.**

The Company's business relies on internal controls and procedures that regulate customer and management information, finance, credit exposure and other aspects of its business. Prior to 2023, the Company did not use an automated system for reporting business control incidents. The Company introduced and began using an automated system in 2023, which uses software for incident reporting relating to governance and internal controls. Additionally, in connection with the IPO, the Company is undergoing control validation and internal control database confirmation and, in 2024, the Company established a dedicated internal control function, which had previously been part of the OQ Group's governance function.

There can be no assurance that the Company's controls and procedures will be adequate for the Company's requirements generally or its requirements as a publicly listed company. If there are material weaknesses in the Company's internal controls over financial reporting, the Company's financial statements may contain material misstatements, it could be required to restate its financial results and investors could lose confidence in the Company's reported financial information. In addition, if the Company is unable to produce accurate and timely financial statements, the market price of its shares may be adversely affected.

18. The Company depends on the reliability and security of its information technology ("IT") systems.

The Company depends on the reliability and security of its critical IT systems, as well as those provided by, or integrated with, OQ under the IDS Services Agreement dated 30 September 2024, in particular the Systems Applications and Products in Data Processing ("**SAP**") Enterprise Resource Planning system. For further information on the structure of the Company's IT systems, see "*—Description of the Company and Business Overview—Information Technology*". With the exception of the Tawasul application, a document management system and news platform, the IT systems of the Company's plants, including those relating to internet connectively, telephony systems, corporate application access and labware, are independent of one another. Any failure, interruption or breach in security of any of the IT systems on which the Company depends, even if limited to only one plant, could result in failures or interruptions in its risk management, financial accounting or other systems and could interfere with, in particular, the Company's ability to operate certain aspects of its operational businesses, particularly in relation to industrial control systems, potentially resulting in physical damage, injury or loss of life and environmental harm. Furthermore, software or hardware malfunctions, malicious hacking or other criminal cyber-attacks by nation states, criminal hackers and competitors, ransomware, physical damage to vital IT centres, infection by computer viruses and other significant failures could result in unauthorised access to, and destruction, loss, theft, misappropriation or release of, the Company's proprietary, confidential, sensitive or otherwise valuable information, including trade secrets, which others could use for disruptive, destructive or otherwise harmful purposes and outcomes.

IT systems also need to be upgraded periodically to meet the needs of changing business and regulatory requirements and to keep pace with the requirements of existing operations. For example, the Company has recently completed an upgrade of certain obsolete infrastructure hardware and network equipment. In addition, remote work arrangements may increase the risk of cybersecurity incidents, data breaches or cyberattacks.

Adverse incidents could also result in significant costs, including investigation and remediation expenses, regulatory scrutiny, legal liability and the loss of personal or sensitive business or third-party information. The Company may also be required to expend significant management attention and financial resources to protect against the threat of security breaches and other network disruptions and, in the event of significant breaches or failures, to remedy resulting damages. As a result, the occurrence of any failure, interruption or breach in security of any of the IT systems on which the Company depends could have a material adverse effect on its business, financial condition, results of operations and prospects.

19. The Company does not own the land on which its assets are situated and may cease to benefit from its existing rights to use the land.

The Company does not own the land on which the LPG plant, the methanol plant and the ammonia plant are situated. The Company was granted the right to use such land pursuant to the lease, sub-usufruct, easement and right of way agreements with Salalah Port Services Company SAOC and Salalah Free Zone Company SAOC for each of the LPG plant, the methanol plant and the ammonia plant. The terms of the agreements expire between 2035 and 2047 unless extended or terminated before then. Upon the expiration of these agreements, the Company may need to renew its land rights or negotiate changes to the agreement terms, including rent or fee terms. There is no assurance that the Company will be able to secure favourable terms or payment rates in relation to any new or renegotiated land rights agreements. Further, any inability to renew these agreements could result in the Company losing access to some of its major assets.

Any termination or non-renewal of property rights over the land on which the Company's assets are situated could have a material adverse effect on the Company's business, financial condition, results of operations and prospects.

20. The Company's insurance and indemnities from its counterparties may not be adequate to cover potential losses from its operations.

The Company has insurance policies covering property damage, casualty, business interruption and third-party liability under an umbrella insurance programme which covers OQ and a number of its subsidiaries, including the Company, subject to certain deductibles.

However, the Company may not be able to obtain or maintain sufficient insurance coverage for the risks associated with the operation of its business, and its operations may be affected by various risks, including terrorist acts and war-related events, for which full insurance cover is either not available or not available on commercially reasonable terms. In addition, severe or frequently occurring events, such as accidents and other mishaps, business interruptions or potential damage to facilities, property and equipment caused by machinery breakdown, inclement weather, human error, pollution, labour disputes and natural catastrophes, may result in losses or expose the Company to liabilities in excess of its insurance coverage. The Company's insurance coverage may not be sufficient or available to cover losses arising from any or all such events, and it may not be able to renew existing insurance cover on commercially reasonable terms, if at all. Should an incident occur in relation to which the Company has no insurance coverage or has insufficient insurance coverage, it could lose the capital invested in, and anticipated future revenue relating to, any property that is damaged or destroyed and, in certain cases, it may remain liable for financial obligations related to the impacted property.

In addition, while the NGSAs and the Company's offtake agreements contain rights to indemnities from suppliers and offtakers up to certain limits that are intended to cover certain losses, the Company may not have rights to indemnities for all possible risks. In addition, the indemnities which the Company has from these counterparties may not be easily enforced and may be of limited value if the relevant counterparties do not have adequate resources to make payments thereunder. The occurrence of an event which is not fully insured or indemnified against, or the failure of a counterparty or insurer to meet its indemnification or insurance obligations, could result in substantial losses for the Company.

If the Company needs to file a claim that is not covered by insurance, is in excess of policy limits, is subject to substantial deductibles or is not limited by contractual limitations of liability, this could materially adversely affect the Company's business, financial condition, results of operations and prospects.

21. The Company uses the OQ brand under licence, as a result of which it is exposed to risks associated with market perceptions of the OQ brand.

In addition to the Company's operations, the OQ brand is associated with the operations of OQ, as well as numerous other OQ-affiliated companies. The Company licences its use of the OQ brand pursuant to the terms of a trade mark licence agreement dated 20 October 2024. Erosion of the value of the OQ brand for any reason, including due to the activities and operations of it or of other OQ-affiliated companies, could have a material adverse effect on its business, financial condition, results of operations and prospects.

22. The Company will continue to rely on OQ for certain support services.

As a wholly-owned subsidiary of the OQ Group, the Company has historically relied on the OQ Group for the provision of support services, infrastructure and certain personnel. The Company has entered into corporate shared services agreements with the OQ Group on an arm's length basis setting out the terms, conditions and pricing for the OQ Group to provide certain corporate services to the Company, including an option for the OQ Group to provide certain additional services to the Company upon its request. The corporate services are expected to include, among other things: corporate governance, energy excellence services, human resources, business support services, procurement, communication services, insurance services and IT services. If the OQ Group were to fail to provide the Company with the support services it currently relies upon, it would be required either to contract with another provider of these services or to develop the capability to perform these services internally, either of which could take a considerable amount of time and increase the Company's costs and, in such circumstances, the Company may not be able to cover its needs at all, or at the same or commercially acceptable costs, which could have a material adverse effect on the Company's business, financial condition, results of operations and prospects.

23. The Company has engaged and expects to continue to engage in transactions with certain related parties.

During the periods under review, the Company has engaged in related party transactions with, among others, OQ, OQ Trading, OQGN, OQ Alternative Energy, Oman Oil Facilities Development Company and OQ Refineries, over which OQ has the ability to control or exercise significant influence in financial and operating decisions. These transactions were conducted in the ordinary course of business on terms that were comparable with those that could be obtained from unrelated third parties. As part of the corporate governance framework that the Board approved in September 2024 in preparation for the Offer, the Company has introduced a policy to govern related party dealings as an MSX-listed Company. Notwithstanding the foregoing, conflicts of interest may arise between the Company and such related parties, potentially resulting in changes to, or the conclusion of, transactions on terms not determined by market forces. See "*Chapter XVI—Related Party Transactions and Material Contracts*".

24. The Company's management has no experience managing companies listed on public stock exchanges.

Prior to Admission, the Company had been managed as an LLC from 27 February 2006 (its incorporation) until 3 April 2023, when it converted into an SAOC. The Company is currently under transformation into an SAOG. In preparation for the IPO, the Board approved in September 2024 a corporate governance framework and other related policies to comply with the corporate governance requirements that an MSX-listed company is required to fulfil. Management has no experience in managing a publicly listed company and complying with laws and regulations relating to public companies in Oman. Management, together with the Board, will be required to ensure the Company's compliance with MSX and FSA regulatory and disclosure rules. However, they may not be familiar with these requirements, and their attention could be diverted from overseeing and managing the Company's business and strategy. The Company's failure to abide by the laws and regulations imposed on listed companies, disclosure requirements and continuing obligations in a timely manner and without any delay could result in the Company violating the rules set by the MSX or other regulatory authorities, which could lead to the imposition of fines or penalties or the suspension of the Company's listing on the MSX, any of which could have a material adverse effect on the Company's business, financial condition, results of operations and prospects.

25. The Company could fail to recruit and retain management and skilled personnel.

The Company relies on its senior management to implement its strategy and direct its day-to-day operations. There is considerable competition in Oman for management personnel, especially at the senior management level, due to a disproportionately low number of available qualified and experienced individuals, and the Company's senior management team is not subject to non-compete or non-solicitation restrictions. In addition, the Company depends on the continuing efforts of skilled personnel to operate and provide technical services and support for its business. Furthermore, the Company's operations are in Dhofar, in the south of Oman, and the lack of a sufficiently large and skilled local labour pool means that it is often required to recruit employees from outside the region, which has in the past proved challenging to do. The loss of any member of the Company's senior management team or other skilled personnel, or the inability to hire sufficiently qualified replacements, could adversely affect the Company's ability to execute its operations.

In addition, the Company's ability to develop its human resources is key to achieving its strategy, and it may not be able to identify, hire or develop sufficient human resources. If the Company is not successful in recruiting, retaining and motivating talented individuals and developing in its employees the competencies and capabilities needed to deliver its strategy, it may not realise its strategic ambitions and objectives, which could have a material adverse effect on its business, financial condition, results of operations and prospects.

In general, Oman relies in part on expatriate labour in many industries, ranging from unskilled labourers to highly skilled professionals. However, the Government aims to increase domestic employment as part of its "Omanisation" initiative, the goals of which are to employ Omani citizens in a meaningful and efficient manner in the public and private sectors and to reduce the country's reliance on foreign workers. Under this initiative, companies are required to employ Omanis in certain management, administrative, technical and other positions, and must maintain an overall Omanisation rate of 80 per cent. Within the SFZ, where the Company operates, the required Omanisation rate is 20 per cent. In addition, certain roles within the Company, such as administrative and human resources, must maintain a 100 per cent. Omanisation rate. While the Company has maintained an Omanisation rate of over 75 per cent. for each of the years ended 31 December 2021, 2022 and 2023, it may nevertheless find it difficult to recruit skilled Omani employees with the relevant qualifications. If it is unable to do so and cannot hire suitably qualified expatriates, its business, financial condition, results of operations and prospects could be materially adversely affected.

26. The Company's debt agreements may contain restrictions that limit its flexibility in operating its business and it will continue to have material funding requirements.

Following completion of the Offer, the Company will refinance its outstanding indebtedness. See "*Chapter XIV—Management's Discussion and Analysis of Financial Condition and Results of Operations—Liquidity and Capital Resources—Liquidity—Borrowings and Financial Liabilities*"). The Company's Term Loans (as defined under *Chapter XIV—Management's Discussion and Analysis of Financial Condition and Results of Operations—Liquidity and Capital Resources—Liquidity—Borrowings and Financial Liabilities*") contain certain covenants that limit the Company's ability to engage in certain types of transactions and require the Company to maintain certain ratios relating to net debt to equity. A breach of any of these covenants may result in a default under the Company's debt obligations which may result in all amounts outstanding thereunder becoming immediately due and payable, which could have a material adverse effect on the Company's financial condition.

The Company expects to require further debt finance to fund a significant portion of its capital expenditure in future years and will have material funding needs in relation to certain of its projects, such as the continued support of its methanol brownfield expansion project, if and when approved by the Company's shareholders, and the planned expansion into other downstream industries and the blue and green ammonia and blue methanol markets. The Company's ability to obtain further external financing and the cost of such financing depend on numerous factors, including general economic and market conditions, international interest rates, credit availability from banks or other lenders and investor confidence in the Company and the success of its business. Global credit markets have been and continue to be affected by periods of uncertainty, volatility and disruption, including most recently as a result of the conflict in Ukraine, U.S. and European bank failures, inflation and the conflict in the Palestinian territories (and neighbouring regions). These challenging market conditions have resulted in higher interest rates, reduced liquidity, greater volatility, a widening of credit spreads and a lack of price transparency in credit markets. If the Company is required to raise additional external financing in the near to medium term, a worsening of general global economic conditions or any further changes in investment markets, including, but not limited to, changes in expectations for international, regional or local growth rates, geopolitical tensions, commodity prices, international interest rates, exchange rates and returns from equity, property and other investments, could affect its ability to secure financing on terms similar to those received in the past or at all. Furthermore, the covenants to which the Company is subject under its indebtedness and the security arrangements to which it is subject under the Term Loans could limit its ability to finance its future operations and capital needs.

If appropriate sources of financing are not available or are only available on onerous terms and the Company does not have sufficient operating cash flow, this would adversely affect the Company's business through increased borrowing costs and impact its capital expenditure plans, which could require the Company to, amongst other measures, delay certain projects or reduce capital expenditure, or seek to restructure or refinance all or a portion of its debt on or before maturity (which it may be unable to do on favourable terms or at all). Any of the foregoing, as well as a failure by the Company to complete the refinancing of its outstanding indebtedness on the currently anticipated terms in relation to the Refinancing Facilities (as defined under "*Chapter XIV—Management's Discussion and Analysis of Financial Condition and Results of Operations—Liquidity and Capital Resources—Liquidity—Borrowings and Financial Liabilities*"), could have a material adverse effect on the Company's business, financial condition and results of operations.

27. The Company is subject to interest rate related risks.

As at 30 June 2024, the Company's total loans and borrowings were OMR 388.5 million. As at 30 June 2024, the interest rate sensitivity in respect of the Company's total loans and borrowings was OMR 1.4 million per year for each 1 per cent. change to the interest rate. The Company's interest expense may therefore be impacted by volatility of interest rates. Interest rates are sensitive to many factors beyond the Company's control, including the policies of central banks, economic conditions and political factors. An adverse change in the base rates upon which the Company's interest rates are determined, including the Secured Overnight Financing Rate ("**SOFR**"), would result in an increase in the Company's interest rate expense and could have a material adverse effect on its financial condition.

Furthermore, the use of SOFR as the benchmark rate for certain of the Company's variable indebtedness may adversely affect its business or financial condition. Using SOFR as the basis on which interest on the Term Loans and the Refinancing Facilities is calculated may result in interest rates and/or payments that do not directly correlate over time with the interest rates and/or payments that would have been made on the Company's obligations if the London Interbank Offered Rate ("**LIBOR**") was available in its current form. Although SOFR has been endorsed by the Alternative Reference Rate Committee as its preferred replacement for LIBOR, it remains uncertain whether or when SOFR or other alternative reference rates will be widely accepted by lenders as the replacement for LIBOR. This may, in turn, impact the liquidity of the SOFR loan market, and SOFR itself, with the risk of increased volatility, which could result in higher borrowing costs for the Company. Further, as the use of SOFR-based rates is relatively new, there could be unanticipated difficulties, disruptions or methodological or other changes with the calculation and publication of SOFR based rates, which in turn could trigger another benchmark transition or otherwise cause a reliance on an alternate base rate. This could also result in increased borrowing costs for the Company and thereby have a material adverse effect on its business, financial condition, results of operations and prospects.

Legal and Regulatory Risks

28. The Company operates in a regulated industry and its business may be affected by regulatory changes.

The Company is subject to various laws and regulations, including those specific to the chemicals sector, as well as those relating to taxation, financial markets regulation, economic sanctions, licences over resources, development of projects, production and post-closure reclamation, handling and transportation of chemicals, the employment of expatriates and Omanisation, labour and occupational health and safety standards, pensions and anti-bribery and anti-corruption measures. Compliance with, and monitoring of, applicable laws and regulations may be time consuming and costly. Those laws and regulations and their interpretation and application may also change from time to time, or the Government may take additional actions under its regulatory powers.

Any change in Oman to the laws, regulations, policies or practices relating to the chemicals industries in which the Company operates could adversely affect the way the Company operates its business. In addition, the failure by the Company to comply with any of these laws or regulations could result in significant penalties and legal liabilities, the temporary or permanent suspension of production of any affected products, and restrictions on the Company's business. The occurrence of any of these events could have a material effect on the Company's business, financial condition, results of operations and prospects.

29. The Company is required to obtain, maintain and renew Government licences, permits and approvals in order to operate its business.

The Company's operations require various licences, permits, clearances and approvals at local and national levels in Oman. Obtaining these authorisations may not always be routine and the conditions attached to obtaining and maintaining them are subject to change and may not be predictable. Further, certain licences and authorisations require periodic renewals. Future licences, permits and approvals may be suspended, terminated or revoked if the licensee fails to comply with the licence requirements, does not make timely payments of all applicable levies and taxes, systematically fails to provide information, becomes bankrupt or fails to fulfil any capital expenditure or production obligations. The Company may not comply with certain licence requirements for some or all its operations. If it fails to fulfil the specific terms of any of its licences or if it operates in a manner that violates applicable law, government regulators may impose fines or suspend or terminate its licences, any of which could have an adverse effect on the Company's business, financial condition, results of operations and prospects.

In addition, the budget and annual work programmes of the LPG plant must be approved by the Joint Management Committee established under the LPG Plant BOOT/NGSA, the members of which comprise two Government nominees and four Company nominees. A failure to receive such approval may result in the Company being required to decrease its LPG plant production and adversely affect its budget plans for the following year.

The occurrence of any of the foregoing events could have a material adverse effect on the Company's business, financial condition, results of operations and prospects.

30. The Company is subject to compliance risks associated with anti-bribery, anti-corruption, economic or trade sanction regulations or export control laws.

The Company is subject to anti-bribery and anti-corruption laws in Oman, and any further expansion into markets outside Oman may subject the Company to the requirements of anti-bribery and anti-corruption laws in such other jurisdictions. In addition, as the Company sources equipment and parts from various countries, including the U.S. and countries in Asia, its activities can also be subject to economic and trade sanctions and export control laws and regulations in countries outside Oman. The terms of the legislation and other rules and regulations which establish anti-money laundering, anti-bribery, economic or trade sanction and related regimes are often broad in scope and difficult to interpret. There can be no assurance that the Company's corporate governance, compliance and ethics policies and procedures (including with respect to sanctions and trade restrictions, anti-bribery and anti-corruption) will protect it from business activities that violate economic or trade sanctions or from the improper conduct of its employees or business partners, which could result in substantial civil or criminal penalties and reputational damage. If the Company were to fail to comply with applicable sanctions, the Company could be subject to substantial fines, sanctions, deferred settlement agreements, penalties or limitations on its ability to operate or expand into certain jurisdictions, or its customers may terminate their contracts, which could materially adversely affect its business, financial condition, results of operations and prospects.

31. Litigation, including international trade litigation, could adversely affect the Company's business, financial condition, results of operations and prospects.

From time to time, the Company has been party to ordinary course litigation and may, in the future, be involved in various litigation matters. Damages claimed under litigation to which the Company is a party may be material or may be indeterminate, and the outcome of such litigation could materially and adversely affect the Company's business, financial condition, results of operations and prospects. Litigation could result in substantial costs (including civil and/or criminal penalties, damages or the imposition of import trade measures) and require significant financial and other resources to resolve and may divert management attention to defend against such litigation.

Furthermore, increasing attention on climate change risks may result in an increased possibility of litigation against the Company. Claims relating to climate change matters have been filed against companies in the chemicals industries. Some of these claims demand that the defendants pay financial amounts as compensation for alleged past and future damages resulting from climate change. For further information on climate change-related risks, see "*—Climate change concerns and impacts could cause the Company to incur significant costs or make significant investments*".

In addition, the Company is subject to the risk of litigation or regulatory action in respect of its activities, including for breaches of applicable tax, environmental, health and safety and other laws and regulations. Any regulatory actions against the Company could lead to fines, the loss or restriction of operating licences, or other penalties, thereby having a material adverse effect on the Company's business, financial condition, results of operations and prospects.

Moreover, exports of chemicals to foreign countries may be affected by litigation, regulatory actions, investigations, disputes or agreements that lead to the imposition of import trade measures, including anti-dumping and countervailing duties, safeguard measures, import licensing and customs requirements, and new or increased tariffs, quotas or embargos. The possibility and effect of any such measures will depend on the laws governing the foreign country to which the applicable products are being exported and applicable international trade agreements. Foreign countries may take such measures for political or other reasons, including reasons unrelated to the Company's actions or operations. Since the substantial majority the Company's products are exported, any such measures may have a material adverse effect on the Company's business, financial condition, results of operations and prospects.

In addition, Oman is a party to international trade agreements, such as World Trade Organisation agreements, which include commitments with respect to the composition of its laws, regulations and practices that impact international trade. Oman may become a party to other such agreements in the future. Compliance by Oman with any such commitments may directly or indirectly impact the Company and could cause it to alter its operations in a manner that is costly or otherwise has a material adverse effect on its business, financial condition, results of operations and prospects. If Oman fails to comply with these commitments, the Company's business operations could be exposed to scrutiny and could be subject to potential remedial measures, such as duties, which could have a material adverse effect on the Company's business, financial condition, results of operations and prospects.

32. Changes in Omani tax laws could adversely affect the Company.

The Company currently benefits from a number of tax exemptions, including an exemption from corporate income tax (typically charged at the rate of 15 per cent.) as a result of operating in the SFZ. In this respect, Royal Decree 56/2002, as amended by Royal Decree 105/2020, which promulgated the Law of Free Zones states in article 3 that both the operator and the working company shall be exempted from taxes and from submitting income declarations stipulated in the Income Tax Law. In addition, Royal Decree 62/2006 Establishing the Salalah Free Zone states in clause 2 that the operator and the working company are exempt from taxes, provided that the exemption from corporate income tax and corporate profits tax shall be for a period of 30 years from the date of commencement of the activity. The Income Tax Law promulgated by Royal Decree 28/2009 was amended in 2017 by Royal Decree 9/2017 and Royal Decree 118/2020 to expand the scope of withholding tax (currently charged at the rate of 10 per cent.) to dividends, interest payments and services fees, and the Government may adjust the tax laws from time to time in the future. Changes in tax laws may increase the tax burden for the Company, thereby adversely affecting its financial position, results of operations and dividend distribution capabilities.

Risks Relating to Oman

33. Oman may be affected by political developments in the MENA region or elsewhere.

Oman enjoys domestic political stability and generally healthy international relations. However, Oman is, and will continue to be, affected by political developments in or affecting the wider MENA region, and investors' reactions to developments in any country in the MENA region may affect securities of issuers in other markets, including Oman. Furthermore, other world events, including the ongoing conflicts in Ukraine and the Palestinian territories (and neighbouring regions), could have an impact on Oman's political and security situation. Oman pursues an independent foreign policy and, although it aims to maintain its cordial relationship with the international community, a shift in the relationship between Oman and other countries in the Gulf Cooperation Council ("**GCC**") or globally or changing political priorities in the region could have a material adverse effect on Oman's economic, political or financial condition, which, in turn, could have a material adverse effect on the Company's business, financial condition, results of operations and prospects.

34. Any adjustment to, or ending of, Oman's currency peg could negatively affect Oman, which could have a material adverse effect on the Company's business.

Since 1973, the Omani Rial has been pegged to the U.S. Dollar at a rate which has remained unchanged at US$2.60 = OMR 1 since 1986. The maintenance of this currency peg is a firm policy of the CBO. However, there is no assurance that the CBO will be able to continue to maintain the currency peg in the future. If the CBO cannot maintain the currency peg to the U.S. Dollar or, failing that, a stable exchange rate versus the U.S. Dollar, it could reduce confidence in Oman's economy, reduce foreign direct investment and adversely affect Oman's finances and economy and ability to service its debt.

In addition, because of the currency peg to the U.S. Dollar, the CBO does not have any flexibility to devalue the Omani Rial to stimulate Oman's exports market, and the CBO's ability to independently manage interest rates and thus, influence the condition of the Omani economy through monetary policy actions is constrained. If the U.S. Federal Reserve Board was to increase interest rates, and the CBO were to significantly delay increasing its own rates, this could result in significant pressure on the currency peg. For example, the CBO has not followed each of the U.S. Federal Reserve Board's interest rate rises with matching interest rate rises in Oman. However, the CBO increased interest rates several times in 2022 and in 2023, stabilising the benchmark inter-bank interest rate at 5.50 per cent. in September 2024. This lack of flexibility could have an adverse effect on Oman's foreign trade and domestic demand and, in turn, on its economy. In addition, recent International Monetary Fund (IMF) publications have linked increases in the U.S. Federal Reserve Board's policy rates to reductions in non-oil activity in GCC countries, an effect which may be magnified in low oil price environments. As at 30 June 2024, all of the Company's revenue and the majority of its operating expenses were denominated in U.S. Dollars, with the balance denominated in Omani Rial and other foreign currencies. Further, the Company's indebtedness is denominated in U.S. Dollars. Any removal or adjustment of the US$/OMR exchange peg could have a material impact on the Company's financial results due to the impact thereon of currency translation effects and could also affect the impact that the Company's U.S. Dollar-denominated borrowing has on its financial results. Any of these consequences could adversely affect the Company's business, financial condition, results of operations and prospects.

Risks Relating to the Offer and to the Shares

35. The Offer may not result in an active or liquid market for the Shares, and trading prices of the Shares may be volatile and may decline. In addition, the MSX is significantly smaller in size than other established securities markets, which may also affect liquidity in the Shares.

Prior to the Offer, there has been no public trading market for the Shares. There can be no assurance that an active trading market for the Shares will develop or, if a market does develop after the IPO, that it will be sustained or that the market price of the Shares will not decline thereafter below the Offer Price. The trading price of the Shares may be subject to wide fluctuations in response to many factors, as well as stock market fluctuations and general economic conditions or changes in political sentiment that may adversely affect the market price of the Shares, regardless of the Company's actual performance or conditions in Oman.

The Company will apply for the Shares to be listed on the MSX. The MSX was established in 1988, but its future success and liquidity in the market for the Shares cannot be guaranteed. The MSX is considerably smaller and consequently less liquid than more established securities markets, including, for example, those elsewhere in the GCC, United States or the United Kingdom. As at 30 September

2024, there were approximately 109 companies with securities traded on the MSX with a total market capitalisation of approximately OMR 24.5 billion. The MSX had a daily average regular trading turnover of approximately OMR 4.5 million in the nine months ended 30 September 2024. These factors could generally decrease the liquidity and increase the volatility of share prices on the MSX, which in turn could increase the price volatility of the Shares and impair the ability of a holder of Shares to sell any Shares on the MSX for the desired amount and at the price and time achievable in more liquid markets.

The Offer Price has been determined based on several factors, including the history of and prospects for the Company's business and the industry in which it operates, and, as such, may not be indicative of the market price of the Shares after the IPO. The Company's operating results or financial performance may fail to meet the expectations of analysts or investors due to the circumstances described in these risk factors or otherwise. The trading price of the Shares could also be subject to significant fluctuations in response to variations in the Company's financial performance, general market conditions and other factors as well as the circumstances described in these risk factors or otherwise. Fluctuations in the Company's operating results or failure to meet the expectations of analysts or investors may cause the price of the Shares to decline, and investors may not be able to sell the Shares they purchased in the Offer at or above their original price or at all. As a result, investors who purchase Shares in the Offer could lose all or part of their investment in the Shares. Further, the value of the Shares may also be subject to significant fluctuation from time to time, which may not necessarily be related to the Company's financial performance. Consequently, the general decline in the market or any declines in the market for similar securities could have a material adverse effect on the trading market for, and the liquidity of, the Shares.

36. Substantial future sales of Shares may dilute the holdings of Shareholders and may depress the price of the Shares.

Sales of a substantial number of Shares following completion of the Offer may significantly reduce the Share price. The Company and the Selling Shareholders have each agreed in the Institutional Settlement Agreement to certain restrictions on their respective ability to issue, sell, transfer and otherwise deal in the Shares for a period of 180 calendar days from the Listing Date, except in certain limited circumstances, unless otherwise consented to by the Joint Global Coordinators (such consent not to be unreasonably withheld or delayed). In addition, the Anchor Investors have each agreed in an Anchor Investment Agreement to certain restrictions on their respective ability to issue, sell, transfer and otherwise deal in the Shares for a period of 90 calendar days from the Listing Date, except in certain limited circumstances, unless otherwise consented to by the Company, the Selling Shareholders and the Joint Bookrunners. Nevertheless, the Company is unable to predict whether substantial amounts of Shares (in addition to those which will be available in the Offer) will be sold in the open market following the completion of the Offer. It is possible that the Company may decide to offer additional Shares or securities convertible into Shares in the future, including in the form of stock-based compensation. Future sales could dilute the holdings of shareholders, adversely affect the prevailing market price of the Shares and impair the Company's ability to raise capital through future sales of equity securities. In addition, any sales of substantial amounts of Shares in the public market, or the perception that such sales might occur, could materially and adversely affect the market price of the Shares.

37. The Company may not pay dividends or declare dividends in the future.

While the Company intends to pay dividends in respect of the Shares in accordance with the Company's approved dividend policy, its ability to do so is contingent on achieving adequate profits, levels of retained earnings and the timing and amount of any future dividend payments will depend on applicable laws and regulations, the Company's existing and future financial condition, results of operations, liquidity needs, any restrictions on payment of dividends in its credit facilities and other matters that the

Company may consider relevant from time to time, including, without limitation, capital expenditures, financial performance and equity market conditions. Even if the Company generates significant profits, it may not pay dividends if the Board believes that Shareholder value may be increased more effectively by using the profit for other purposes, for example through reinvestment or in expansions, and hence there can be no assurance that holders of the Shares will receive dividends in the future. For further details, see "*Chapter XV—Dividend Policy*".

38. OQ will continue to be able to exercise control over the Company, its management and operations.

As at the date of this Prospectus, OQ, which is indirectly wholly owned by the Government through the Oman Investment Authority, holds (directly and indirectly) 100 per cent. of the Issued Share Capital and immediately following the Offer, it will continue to hold at least 51 per cent. of the Shares assuming that it sells all of the Shares being offered in the Offer and that the size of the Offer is not increased. As a result, OQ will continue to be able to exercise control over the management and operations of the Company and over matters requiring the consent of the Shareholders, such as in relation to the payment of dividends and the election of the members of the Board and other matters. There can be no assurance that the interests of OQ and the Government will coincide with the interests of purchasers of the Shares. For example, decisions made by OQ may be influenced by the need to consider the social benefit of any investment to Oman and its nationals or other factors, including the ability of OQ to generate dividends or other returns for its shareholders. In the absence of any specific investment restrictions, including those designed to mitigate other potential investment risks, such decisions may prove to be more risky or less profitable than decisions that might otherwise have been made.

In addition, neither OQ nor the Government are obliged to provide any financial or other support to the Company. Additionally, certain members of the Board hold senior management positions at OQ or other companies within the OQ Group. The interests of such members or OQ may be different from those of new investors.

Furthermore, OQ's significant ownership immediately following the Offer may: (a) delay or deter a change of control of the Company (including deterring a third party from making a takeover offer for the Company); (b) deprive Shareholders of an opportunity to receive a premium for their Shares as part of a sale of the Company; and (c) affect the liquidity of the Shares, each of which could have a material adverse effect on the market price of the Shares. When considering an investment in the Shares, an investor should not assume that a shareholder with the ability to exercise control will be guided by the interests of all of the Shareholders.

39. Settlement will occur up to seven working days prior to listing and the application for listing of the Shares on the MSX may not be successful.

The Settlement Date for the Offer is expected to be on or about 11 December 2024, and the Issue Managers may at their own discretion request some investors to make full payment for the Shares prior to this date. However, the Company expects the Listing Date to be on or about 12 December 2024. It is not possible to trade the Shares on the market prior to the Listing Date and, accordingly, investors will be unable to sell their Shares in response to events or circumstances affecting the Company, its business or financial markets during this period. As such, the investors will not know on the Settlement Date if the application for listing will be approved. If Admission does not become effective within seven calendar days of the proposed Listing Date, then (i) the Offer shall automatically terminate, (ii) the Selling Shareholders shall refund all monies received from investors, and (iii) investors who purchased Shares in the Offer will be required to return the Shares they have purchased to the Selling Shareholders.

40. It may be difficult for shareholders to enforce judgments against the Company in Oman, or against the Company's directors.

The Company is in the process of being converted into a public stock company incorporated in Oman and all of its directors and Management reside outside the U.S., UK and EEA. In addition, the Company's material assets and those of its directors and Management are located outside the U.S., UK and EEA. As a result, it may not be possible for investors to effect service of process outside Oman upon the Company or its directors and Management or to enforce judgments obtained against them in courts outside Oman, including judgments predicated upon the civil liability provisions of the securities laws of the U.S., UK or the EEA.

41. Non-Omani holders of Shares may be subject to exchange rate risk.

The quoted price of the Offer Shares will be in Omani Rials. In addition, any dividends that the Company pays in relation to the Shares may be paid in Omani Rials. As a result, fluctuations in the value of the Omani Rial in relation to other currencies may affect the value of the Shares and dividend payments on conversion into those other currencies for investors outside Oman. See "*—Any adjustment to, or ending of, Oman's currency peg could negatively affect Oman, which could have a material adverse effect on the Company's business*".

Chapter V
Use of Proceeds

The Offer does not represent an issuance of new Shares. The Offer represents the divestment of Shares currently held by the Selling Shareholders. The proceeds of the Offer shall therefore accrue to the Selling Shareholders and the Company will not receive any proceeds from the sale of the Shares in the Offer. Offer expenses will be paid by the Selling Shareholders.

Chapter VI
Capitalisation

The summarised data presented below should be read in conjunction with "*Presentation of Financial, Industry and Market Data*", "*Chapter XIV—Management's Discussion and Analysis of Financial Condition and Results of Operations*" and the Combined Financial Statements, including the related notes, included elsewhere in this Prospectus.

The following table, which has been extracted from the Interim Combined Financial Statements, sets forth the Company's cash and cash equivalents and total capitalisation as at 30 June 2024.

	As at 30 June 2024
	(OMR millions)
Bank deposits	81.9
Cash and cash equivalents	46.6
Indebtedness	
Term loan – non-current	305.6
Term loan – current	44.7
Lease liabilities – non-current	13.3
Lease liabilities – current	0.3
Subordinated loans from shareholders (OQ LPG)	38.2
Total indebtedness	402.1
Capitalisation	
Share capital	38.5
Legal reserve	12.9
Hedging reserve	14.4
Merger reserve	0.5
Retained earnings	205.2
Total capitalisation	271.5
Total capitalisation and indebtedness	673.6

The Company is currently negotiating the documentation for the Refinancing Facilities (as defined under "*Chapter XIV—Management's Discussion and Analysis of Financial Condition and Results of Operations—Liquidity and Capital Resources—Liquidity—Borrowings and Financial Liabilities*"), which are expected to be used in part to refinance the outstanding balance of the Company's indebtedness. In addition, the OQ Subordinated Loan (as defined below) in the amount of OMR 38.2 million was converted into 956,023,950 new Shares issued to OQ on 3 November 2024. See "*—Liquidity and Capital Resources— Liquidity—Borrowings* *and Financial Liabilities—The Subordinated Loans*". The impact of the foregoing is not reflected in the table above.

Chapter VII
Objects and Approvals

Overview

The Company was incorporated and registered with MOCIIP as an LLC on the Commercial Register on 27 February 2006 and was then converted to an SAOC on the Commercial Register on 3 April 2023. At an EGM held on 24 September 2024, it was resolved to convert the Company into an SAOG. This conversion process is expected to be completed following allocation of the Shares to the investors and the Shares being listed on the MSX on the Listing Date.

The Company's core business activity is the manufacturing of basic organic chemicals (petrochemical products) as well manufacturing of associated nitrogen products (including nitric and sulphonitric acids, ammonia, ammonium chloride, ammonium carbonate, nitrites and nitrates of potassium). As at the date of this Prospectus, the Company is 100 per cent. owned by the Selling Shareholders and, following this Offer, should the Offer be fully subscribed, the public will own 34 per cent. of the Issued Share Capital.

Following are the details of registered commercial activities and its registered branches, as per the Company's Commercial Register:

Ministry of Commerce, Industry, and Investment Promotion: Commercial Registration

Commercial Registration Number: 1830503
Date of registration: 27 February 2006
Expiry date: 09 February 2026

Registered Commercial Activities:

(i) 201101: Manufacture of basic organic chemicals (petrochemical products); and

(ii) 201202: Manufacture of associated nitrogen products: nitric and sulphonitric acids, ammonia, ammonium chloride, ammonium carbonate, nitrites and nitrates of potassium.

The Company currently has the following active branches:

Date and Place of Registration of Company branches:

(i) Registration ID: 7988430
Registration Date: 03 April 2007
Place: Salalah Free Zone / Salalah / Dhofar Governorate

Oman Chamber of Commerce & Industry: Membership

Number: 2081292

Expiry date: 27 February 2025

Articles of Association

The principal objectives for which the Company is established are the manufacturing of basic organic chemicals (petrochemical products) as well manufacturing of associated nitrogen products (including nitric and sulphonitric acids, ammonia, ammonium chloride, ammonium carbonate, nitrites and nitrates of potassium).

A copy of the Memorandum and Articles is available for perusal at the registered office of the Company during business hours on any Oman business day.

Resolutions Passed for Transformation of the Company

At the EGM held on 24 September 2024, among other matters, the following resolutions were unanimously passed:

(i) conversion of the Company from an SAOC to an SAOG, in connection with which the Selling Shareholders will offer to sell the Offer Shares for public subscription; and

(ii) approval of the proposed amendments to the Articles to align the Articles with the model issued by the FSA with respect to the form and content of the articles of association of SAOGs.

At the EGM held on 9 October 2024, the following resolution was unanimously passed:

(i) increasing the Company's issued capital from 38,510,000 Omani Rials to 100,138,676 Omani Rials.

In addition to the above, the Board of the Company unanimously adopted the following resolution on 9 October 2024:

(i) dividing the Company's share capital by reducing the nominal / par value of the shares from OMR 1 per share (one Omani Rial) to 40 Bzs per share.

Moreover, on 3 November 2024, the Board of the Company unanimously approved the increase of the Company's issued share capital from OMR 100,138,676 to OMR 138,379,634.

Continuing Obligations

In accordance with the CCL, all existing obligations of the Company, prior to its transformation into an SAOG, shall continue to apply to the transformed company. The transformation is expected to be completed following allocation of the Offer Shares to investors and the Offer Shares being listed on the MSX on the Listing Date.

Chapter VIII
Shareholding Details

Equity Structure of the Company at Incorporation and Subsequent Changes

The Company was incorporated on 27 February 2006 with an initial share capital of OMR 150,000 which was subsequently increased as follows:

- OMR 38,510,000 in 30 January 2012;
- OMR 100,138,676 on 9 October 2024; and
- OMR 138,379,634 on 3 November 2024, which is the current capital of the Company.

The Company was converted into an SAOC on 3 April 2023.

On 9 October 2024, the Board of Directors of the Company approved the change in the value of the Shares from one Omani Rial per Share to 40 Bzs per Share. On 3 November 2024, the Board of Directors of the Company approved the issuance of additional 956,023,950 Shares with a value of Bzs 40 per Share to OQ in connection with the conversion of the OQ Subordinated Loan to capital. The following table provides details of the Issued Share Capital, as at the date of this Prospectus:

Name of Shareholder	Number of Shares (value of Bzs 40) Held	% of Issued Share Capital
OQ SAOC[(1)]	3,363,215,850	97.21%
Takamul Investment Company LLC	96,274,975	2.78%
OQ Salalah Industries Company SAOC	25	0.0000007%
Total	**3,459,490,850**	**100%**

Note:

(1) OQ SAOC is 100 per cent. owned by the Oman Investment Authority.

Equity Structure Immediately Before and After the Offer

Immediately (i) before and (ii) after the completion of the Offer, and assuming that all of the Offer Shares in the Offer are sold, the Issued Share Capital will remain OMR 138,379,634 and will be held as follows:

Name of Shareholder	Number of Shares held immediately before the Offer	% of Total Issued Share Capital	Number of Shares held immediately following the Offer	% of Total Issued Share Capital
OQ SAOC	3,363,215,850	97.21%	1,764,340,334	51%
Takamul Investment Company LLC	96,274,975	2.78%	0	0%
OQ Salalah Industries Company SAOC	25	0.0000007%	0	0%
Anchor investors	0	0%	508,545,156	15%

Name of Shareholder	Number of Shares held immediately before the Offer	% of Total Issued Share Capital	Number of Shares held immediately following the Offer	% of Total Issued Share Capital
Public shareholders	0	0%	1,186,605,361	34%
Total	**3,459,490,850**	**100.0%**	**3,459,490,850**	**100.0%**

Brief profile of Selling Shareholders

OQ SAOC

OQ was established in 1996 to pursue investment opportunities in the energy sector both inside and outside Oman. OQ (together with its wholly-owned subsidiaries, the "**OQ Group**") is wholly owned by the Government through the Oman Investment Authority. The OQ Group is Oman's leading integrated energy group managing and developing investments across the energy value chain.

The OQ Group's core businesses operate in three principal integrated business streams: (i) upstream, comprising oil and gas exploration, development and production through OQ Exploration and Production SAOG, and gas transportation throughout Oman through OQGN, (ii) commercial and downstream, comprising oil refining and the manufacture of a range of petrochemicals, the manufacture of a range of specialty chemical products, trading operations relating to crude oil, refined products, petrochemical products, LNG and dry bulk (principally petroleum coke, sulphur and urea and retail and commercial fuel and related product distribution), principally in Oman, through OQ Refineries, OQ LPG, and OQ Trading, among others, and (iii) alternative energy, through OQ Alternative Energy, which focuses on the development of green hydrogen and clean energy assets to support Oman's objective to achieve carbon neutrality by 2050.

Takamul Investment Company LLC ("TIC")

TIC, a wholly owned subsidiary of OQ, was established by OQ for the purposes of investment in the energy downstream sector inside of Oman.

OQ Salalah Industries SAOC ("OQSI")

OQSI, a wholly owned subsidiary of OQ, was established solely for the purposes of holding investments in the downstream sector located in Salalah, Oman.

Chapter IX
Overview of the Omani Economy

Location

Oman is a country located on the Arabian Peninsula with stable political, economic, and social systems. It is the second largest country by geographical area among the states of the GCC region, after Saudi Arabia. Strategically positioned at the crossroads of Asia and Europe, Oman has historically been a centre of trade and commerce. It has a population of 5.2 million as at June 2024, spread over a land area of 309,500 km^2, and a coastline extending over 3,165 km. Oman is administratively divided into 11 governorates (Al Dakhiliyah, A'Dhahirah, Al Batinah North, Al Batinah South, Al Buraimi, Al Wusta, Al Sharqiyah North, Al Sharqiyah South, Dhofar, Muscat, and Musandam), which are further divided into 63 provinces or wilayats. The capital of Oman is the city of Muscat. Oman boasts several key ports that enhance its trade capabilities, including, among others, Port Sultan Qaboos in Muscat, primarily a tourist and cruise hub; the Port of Salalah, one of the world's busiest container transshipment ports; the Port of Sohar, with a free zone that is integral for industrial imports and exports; and the Port of Duqm, which is central to Oman's economic diversification efforts. These ports contribute significantly to Oman's role as a vital logistics and trading conduit in the region.

Government

His Majesty Sultan Haitham bin Tarik Al Said succeeded after the passing of His Majesty Sultan Qaboos bin Said Al Said in January 2020. His Majesty Sultan Haitham bin Tarik Al Said as Head of State presides over the Council of Ministers. The Council of Ministers assists His Majesty in framing and implementing the general policies of Oman. The Basic Law serves as the basis of a constitution governing state affairs. The Basic Law establishes a bicameral system, known as the Majlis Oman, or Council of Oman, and comprises the appointed State Council and the elected Shura Council, and the members of each chamber serve in an advisory capacity, although the members of both chambers may also propose legislation.

International Relations

Oman maintains strong relations with its neighbours, as well as with a wide range of western and other countries. Oman has enjoyed political and economic stability for over 50 years and is a member of various prominent international organisations, including the United Nations, the International Monetary Fund, the International Bank for Reconstruction and Development and the World Trade Organisation.

Regionally, Oman is a founding member of the GCC (alongside five other Arab Gulf states: Bahrain, Kuwait, Qatar, Saudi Arabia and the United Arab Emirates). Oman is also a member of the GCC's Permanent Petroleum Cooperation Committee which is charged with preparing the long-term petroleum strategy of the GCC in accordance with its sustainability goals.

Key Economic and Social Indicators

The following table shows a selection of key economic and social statistics for Oman for the periods indicated:

Particulars	**2018**	**2019**	**2020**	**2021**	**2022**	**2023**
GDP at constant prices (*OMR billion*)	35.2	34.8	33.6	34.5	37.8	38.3
Population (*million*)...........	4.60	4.62	4.48	4.53	4.93	5.17

Particulars	2018	2019	2020	2021	2022	2023
Per capita GDP at market prices (*OMR*)	7,647	7,332	6,515	7,417	8,724	8,099(1)
Annual inflation................	0.9%	0.5%	(0.4)%	1.7%	2.5%	0.9%
MSX market capitalisation (*OMR billion*)	18.2	18.8	20.2	22.1	23.7	23.8

Note:

(1) Calculated as per capita GDP at current prices (2023) = 2023 GDP at current prices/ December 2023 population.

Sources: NCSI; CBO Annual Reports; MSX Annual Statistical Bulletin; World Bank figures.

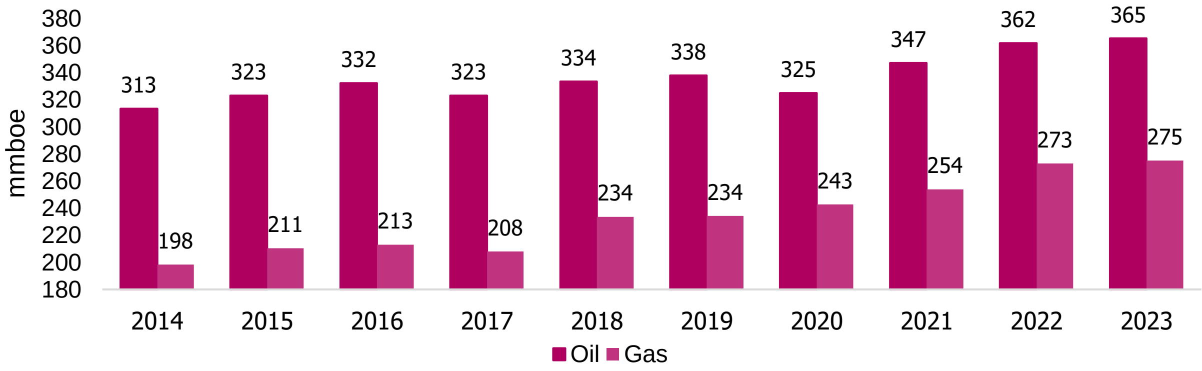
Economy

Oman's current credit ratings are "BB+" with a stable outlook from Fitch, "Ba1" with a positive outlook from Moody's Investors Service and "BBB-" with a stable outlook from Standard & Poor's.

The Omani Rial is pegged to the U.S. Dollar at a fixed exchange rate of US$1 = OMR 0.3851.

The exploration, extraction and export of oil are key components of Oman's economy and important contributors to the Government's revenues, exports and gross domestic product ("**GDP**"). The Dubai Mercantile Exchange's Oman Crude Oil Futures Contract is now the third of three global crude oil benchmarks and sets the benchmark export price for crude oil produced in Oman and Dubai. Oman is the world's 20th largest producer of oil (the second largest non-OPEC oil producer in the Middle East), as well as the 18th largest producer of gas, according to the Energy Institute Statistical Review of World Energy 2024 by the Energy Institute. While the Government continues to attract new investment in the upstream industry through licensing rounds, it continues to seek to diversify the economy in order to gradually reduce its dependence on hydrocarbon revenues, which accounted for approximately 72 per cent. of Oman's Government income for the fiscal year 2023 (as compared to approximately 86 per cent. in 2013).

The graph below displays annual oil and gas production in Oman during the period from 2014 to 2023:



Source: NCSI

Public Finance[2]

The Ministry of Finance is responsible for Oman's fiscal policy, including the endorsement of the annual general state budget.

In 2023, based on preliminary results, the Government recorded total revenue of OMR 12.5 billion compared to OMR 14.5 billion of revenue in 2022, a decrease of approximately 13.8 per cent., primarily due to a decrease in oil and gas revenues. The Government's 2023 actual revenue was approximately 24.8 per cent. higher than the revenue estimated in the 2023 budget, due to an increase in the oil price per barrel (average Brent price of US$ 82 per barrel against a budgeted price of US$ 55 per barrel) and increases in oil and gas revenues.

Public expenditure was OMR 11.6 billion in 2023 compared to OMR 13.3 billion in 2022, a decrease of approximately 12.8 per cent. and approximately 2 per cent. higher than estimated in the 2023 budget. The decrease was primarily attributable to a decline in public debt service expenditure and postponing the implementation of the Social Protection System, partially offset by increases in civil ministries expenditures and subsidies.

In 2023, Oman registered a surplus of OMR 936 million as compared to a budgeted deficit of OMR 1,300 million. The key drivers for the surplus were the generation of additional revenue as compared to the 2023 budget estimate due to an upturn in oil prices, continuing implementation of the Government's fiscal consolidation measures and a reduction in public debt.

The Government has used the additional revenue to repay existing indebtedness, and, as a result, the public debt decreased from OMR 17.6 billion at the end of 2022 to OMR 15.3 billion by the end of 2023.

Oman's 2024 budget has been prepared in line with the objectives of the Tenth Five-Year Development Plan (2021-2025) and is shaped by Oman's 2040 Vision priorities, including achieving fiscal sustainability and economic diversity and reducing the ratio of the public debt to GDP. The Government's total revenues are budgeted to be OMR 11.0 billion in 2024, marginally higher than the 2023 budget estimates. The increase in the estimated revenues for 2024 is attributable to the increase in net oil revenue by 11.2 per cent., net gas revenue by 12.5 per cent. and non-hydrocarbon revenue by 5.7 per cent. Revenue share from non-hydrocarbon activities is projected to reach OMR 3.5 billion in 2024 which is a 5.7 per cent. increase from the 2023 estimates.

The Government intends to continue to focus on maintaining fiscal sustainability, lowering public debt and achieving higher economic growth through sustainable investment in development expenditure and social expenditure. For 2024, the Government has budgeted for a total expenditure of OMR 11.7 billion which is 0.9 per cent. higher than the public expenditures of OMR 11.6 billion spent in 2023.

Development Plans

Vision 2040

Oman's Vision 2040 strategy was created to overcome challenges, keep pace with regional and global changes, generate and seize opportunities to foster economic competitiveness and social well-being, stimulate growth and build confidence in all economic, social and developmental relations nationwide.

Vision 2040, which was launched in 2020 as a comprehensive national 20-year plan, sets out several pillars and priorities. The People and Society pillar focuses on enhancing the quality of life in Oman through improved healthcare, education and housing, as well as on fostering an inclusive society that cherishes its cultural heritage. The Economy and Development pillar focuses on diversifying the economic base beyond oil by boosting sectors like tourism, fisheries, logistics and manufacturing, alongside enhancing private sector participation and

[2] Source: publications of the NCSI, the Central Bank of Oman and other public sources

attracting foreign investments. The Governance and Institutional Performance pillar focuses on enhancing governance through improved regulatory frameworks, transparency and public sector innovation. Lastly, the Sustainable Environment pillar focuses on environmental conservation, addressing climate change, sustainable management of resources, and promoting renewable energy, ensuring Oman's growth is sustainable for future generations.

Vision 2040 also includes a roadmap of 68 KPIs that set clear targets for 2030 and 2040, with the goal of transforming Oman into a more diversified and resilient society with even more effective institutions.

Divestment

In order to reduce its reliance on borrowing, enhance Oman's capital markets, bolster the MSX, further Vision 2040 and promote strong levels of private investment to spur economic growth, the Government has committed to divest a portion of its direct or indirect shareholdings in various Government owned and controlled companies. OIA, which the Government is using as a vehicle to divest many of its assets, has communicated a divestment programme anticipated to result in approximately OMR 1.9 billion (US$5 billion) in proceeds during the five-year period of 2021-2025. Through the initial public offerings of Abraj Energy Services SAOG, OQGN and OQ Exploration and Production SAOG, proceeds of approximately OMR 1.2 billion (equivalent to US$3 billion) have already been raised, and the Offer by the Company is part of this programme as well.

Currency and Financial System

The Omani Rial is the official currency of Oman. It is divided into 1,000 Bzs. From 1973 to 1986, the OMR was pegged to US$ at 1 Omani Rial = 2.895 U.S. Dollars. In 1986, the rate was changed to 1 Omani Rial = 2.6008 U.S. Dollars, which translates to approximately 1 US$ = OMR 0.3851. The CBO buys US$ at 0.384 Omani Rial and sells US$ at 0.385 Omani Rial.

The CBO was established in December 1974 by the Banking Law which sets out its functions and responsibilities. The CBO sets monetary policy independently after consulting with the Government about its fiscal policy objectives. In addition to the formulation and implementation of monetary policy, these include regulation and supervision of the banking system and the execution of foreign currency transactions on behalf of the Government. The financial sector comprises commercial banks, Islamic banks, investment banks, specialised banks, non-bank finance and leasing companies, as well as money exchange houses.

The FSA's predecessor, the Capital Market Authority, was established pursuant to Royal Decree 80/1998 and commenced its duties on 9 January 1999. The Capital Market Authority was replaced and reconstituted into the FSA pursuant to Royal Decree 20/2024. The FSA is a Government entity with financial and administrative independence. Amongst the mandate of the FSA, it is entrusted with the key role to regulate the accounting and auditing professions and to supervise the capital market and insurance sectors in Oman and to develop the legal framework governing the same. A number of entities are regulated by the FSA, including the MSX and MCDC. The FSA also aims to promote market efficiency for investors and raise awareness of investor rights and the importance of the capital market.

Chapter X
Industry Overview

Except as otherwise stated below, the industry and market information in this Chapter is derived from the Market Report dated 22 August 2024, which was prepared by the Market Consultant. For further information, see "Presentation of Financial, Industry and Other Market Data — Industry and Market Data". The projections and forward-looking statements in this Chapter are not guarantees of future performance and actual results could differ materially from the projections and forward-looking statements.

Overview

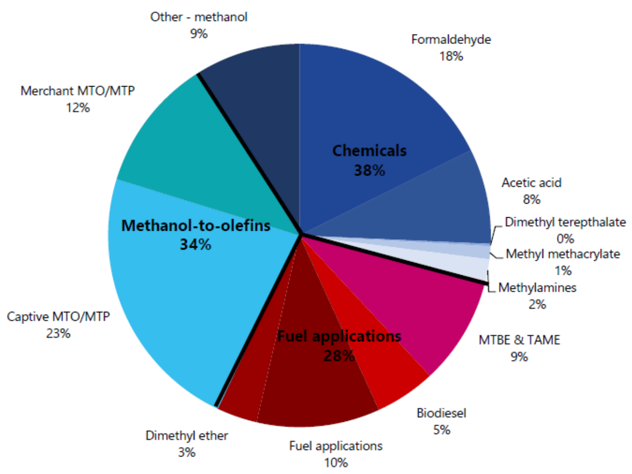
The Company is a leading integrated producer of methanol, ammonia and LPG[3]. Each product serves distinct chemical, industrial and consumer end markets and is subject to varying market dynamics.

Methanol

Methanol is a clear liquid petrochemical that is water soluble, readily biodegradable and an essential commodity chemical building block for numerous industrial and energy-related applications. Methanol is used for traditional applications, which include building and automotive parts, paints, paper, plastics and pharmaceuticals; for fuel applications, which include fuel for road and sea vehicles, boilers, kilns and cooking; and as an input for methanol-to-olefin processes.

Demand

Global methanol demand by market, 2023



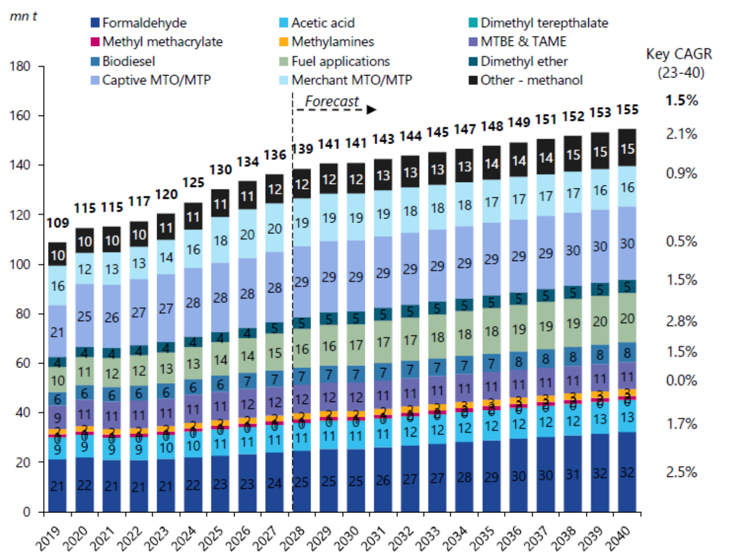
Source: Argus Consulting

As illustrated in the table below, global methanol demand was 120 mmt in 2023, of which 72 per cent. was for chemical applications (olefin and non-olefin based chemicals) and 34 per cent. was converted to olefins using MTO or Methanol-to-Propylene ("**MTP**") technologies in China. These olefins are mainly used to produce polymers that are utilised across a wide range of plastic applications. Additional 38 per cent. was for non-olefin based chemicals, including formaldehyde, acetic acid, methylamines and methyl methacrylate. The remaining 28 per cent. of global methanol demand was used for fuel applications and fuel enhancers. This sector includes methyl tert-butyl ether ("**MTBE**") and tert-amyl methyl ether ("**TAME**"), biodiesel as a blend component into

[3] References to LPG in this Chapter X are to the LPG Products on a collective basis.

diesel fuels, dimethyl ether ("**DME**") as an LPG blendstock and methanol blended directly into gasoline or fuel. Other fuel applications include consumer applications (use in coking stoves and as a boiler fuel).

Global methanol demand by application, 2019-2040



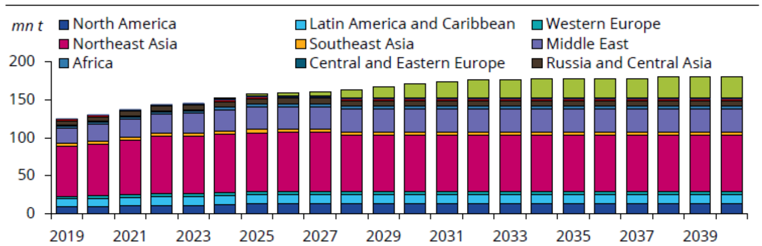
Source: Argus Consulting

Global methanol demand increased at a 2.6 per cent. CAGR from 109 mmt in 2019 to 120 mmt in 2023, underpinned by China's growing MTO/MTP sector. However, the MTO/MTP sector will face an olefins and derivative market transitioning to oversupply, slowing MTO production and methanol demand. Global methanol demand is expected to increase at a 2.3 per cent. CAGR from 120 mmt in 2023 to 141 mmt in 2030, linked primarily to GDP-driven traditional chemicals demand. Growth in merchant MTO and fuel applications (e.g. directly into the gasoline pool, boiler fuel substitution, cook stove fuels, and biodiesel or DME production for LPG blending) are expected to experience the highest demand growth between 2023-2030 of 4.5 per cent. and 4.0 per cent., respectively.

The Company primarily serves Asian markets, which accounted for almost 80 per cent. of global demand in 2023. In 2023, China accounted for over 70 per cent. of total global methanol demand (other key consuming countries in Asia include India, South Korea, Japan, Malaysia, Indonesia, Singapore and Thailand), followed by North America (7 per cent.) and Western Europe (6 per cent.). Whilst the MENA region (3 per cent.) and Western Europe (2.2 per cent.) are expected to witness the strongest demand growth in CAGR terms, Asia will continue to drive overall global demand, with over 19 mmt of additional demand in China alone. Outside of Asia, mature Atlantic markets represent the next largest consumers of methanol, with demand growth driven by traditional chemical applications and biodiesel in Western Europe.

Supply

Global methanol capacity by region, 2019-2040



Source: Argus Consulting

Global methanol capacity was 180 mmt in 2023, of which 43 per cent. was produced from natural gas, 28 per cent. from coal, 19 per cent. from MTO/MTP, and 10 per cent. from other processes, including coking gas and heavy liquids. Asia accounted for 57 per cent. of global supply, followed by the MENA region (18 per cent.), Latin America and Caribbean (8 per cent.) and North America (8 per cent.).

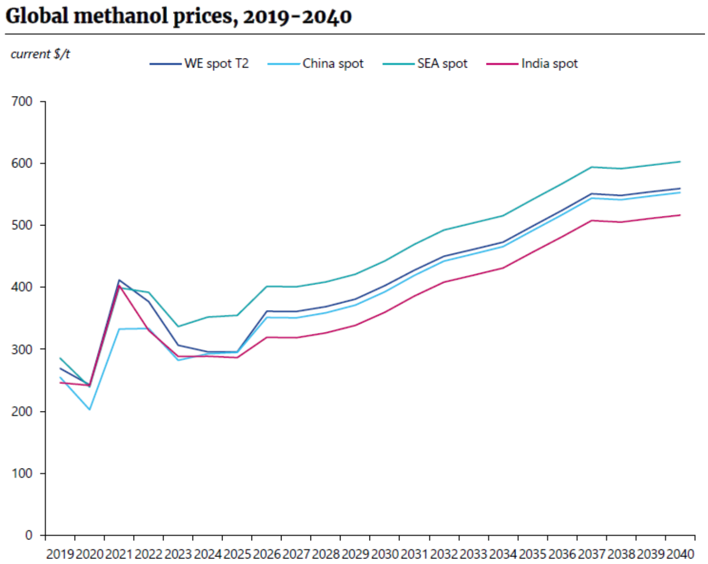
Global methanol supply increased at a 2.3 per cent. CAGR from 108 mmt in 2019 to 118 mmt in 2023, mainly in China which accounted for 20 mmt of new capacity (9.5 mmt excluding MTO/MTP). Global methanol supply is expected to increase at a 2.6 per cent. CAGR from 118 mmt in 2023 to 141 mmt in 2030. There are several firm project announcements in China, U.S., India and Malaysia. North America is expected to overtake Latin America and Caribbean as the third largest capacity region in 2025, and to increase its capacity by over 50 per cent. by 2030. Key projects include Methanex's Geismar 3 (1.8Mtpa natural gas-based plant in the U.S., 2024), Pucheng Clean Energy Chemical (300ktpa expansion to existing 1.8Mtpa captive MTO plant in China, 2025), Shenhua SABIC (1.8Mtpa captive MTO plant in China, 2027) and Siraf Petrochemical and Dena Petrochemical (1.65Mtpa each natural gas-based plants in Iran, 2025).

The MENA region and Latin America and Caribbean export the bulk of the world's methanol. The MENA region is expected to continue being the world's largest net exporter, with 23Mtpa net exports projected in 2030, primarily to China and India. Following an increase in North American supply in recent years, the region is expected to continue its transition from being a net importer to a significant net exporter.

Market Balance

The global methanol industry remains oversupplied, with a 2.3 per cent. CAGR projected demand in 2023-2040 as compared with a 2.6 per cent. CAGR projected supply. Global operating rates averaged 83 per cent. in 2019-2023, with a gradual decrease following subdued demand growth related to COVID-19. Global operating rates are expected to average 87 per cent. in 2023-2030, with excess supply exported into China (as a large consumption base and high-cost incremental supplier), forcing Chinese operating rates to reduce.

Pricing



Source: Argus Consulting

MTO economics and affordability are the key factors driving methanol pricing. As well as olefins demand and pricing, upward pressure on prices is driven by oil prices and demand restoration until 2026, but kept in check by new methanol capacity additions. Historically, regional methanol prices have been strongly correlated with each other, reflecting the large volumes of inter-regional trade flows. China's market dominance is expected to continue to guide overall industry direction across other pricing hubs.

Regulatory Overview

Methanol demand and supply is impacted by energy transition regulations and trade tariffs.

Energy transition and related regulations represent market potential for methanol, particularly in the marine sector where there is a special emphasis on reducing GHG emissions and finding low-carbon alternatives to fossil fuel-based fuels. The industry will transition to e-methanol and bio-methanol over time, but in the early years, grey methanol will be used. Argus Consulting estimates that the marine industry was responsible for approximately 1,000 mmt of CO_2 emissions in 2019, with around 80 per cent. of those emissions from international shipping. The three key regulatory frameworks are the International Maritime Organisation ("**IMO**") targets, FuelEU Maritime and the EU ETS. The 2023 IMO Strategy on the Reduction of GHG Emissions from Ships targets a 20-30 per cent. reduction in GHG emissions by 2030 vs. 2008 baseline, a 70-80 per cent. reduction by 2040, and Net Zero emissions by or around 2050. This includes a 5-10 per cent. uptake of zero GHG emission fuels by 2030. FuelEU Maritime targets a 2 per cent. reduction in GHG intensity by 2024 vs. the 2020 baseline and an 80 per cent. reduction by 2050. The EU ETS comes into effect in the maritime sector in 2025, with ships over a certain weight required to acquire emissions allowances. According to Argus Consulting, 374 methanol-fuelled and methanol-ready ships are expected to be commissioned by 2030. Methanol, as a liquid at room temperature, is safer and more economical to store and handle as compared to some of the alternative fuels, supporting its uptake as a marine fuel. This represents demand upside that is not currently incorporated into market forecasts.

Trade tariffs are a potential supply risk in the market. As at July 2022, the U.S. reinstated superfund excise taxes on the sale and import of substances including methanol, with the applicable tax rate depending on the percentage of taxable chemicals contained by the substance. There is also a 5.5 per cent. third-party duty in place for methanol trade between Oman and EU countries, and a 10 per cent. customs duty on methanol imports into India. Furthermore, India recently introduced the NITI Aayog Methanol Economy Programme promoting the conversion of coal reserves and solid waste into methanol in order to reduce its dependence on Middle East methanol imports.

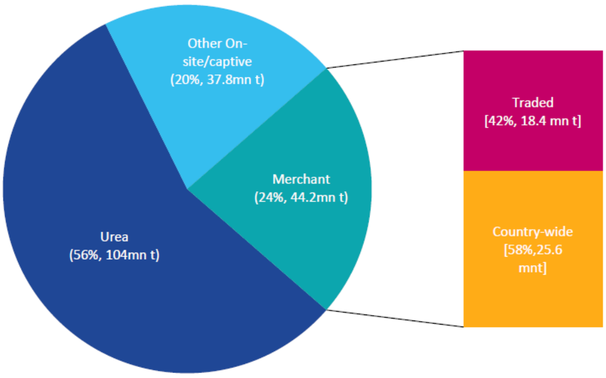
Ammonia

Ammonia is produced from the synthesis of nitrogen from air and hydrogen, and is the cheapest and easiest way of fixing atmospheric nitrogen. Ammonia is a building block for nitrogen fertilisers, notably urea, or when combined with other nutrients to produce multi-nutrient fertilisers. In the U.S., ammonia can also be used as a direct application fertiliser. Non-fertiliser uses include explosives (ammonium nitrate), textiles and plastics intermediates, as well as emissions control. There is also the potential for ammonia to be harnessed for new energy transition uses.

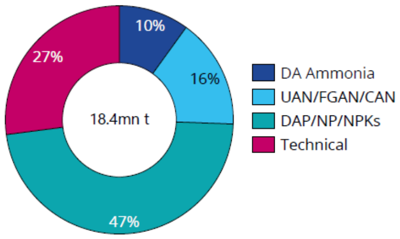
Demand

Share of merchant ammonia market, 2020* (in gross ammonia)

Global gross ammonia consumption: 186mn t



Ammonia trade by end-use, 2020

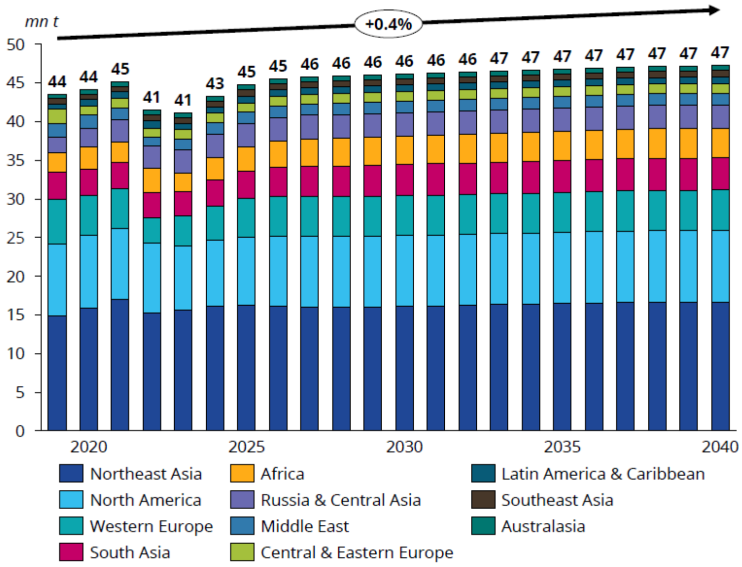


* 2020 data used as base case, i.e. prior to the ongoing conflict in Ukraine (and related 2021 price gas price build-up in Europe) and its distorting impact.

Source: Argus Consulting

As illustrated in the charts above, global gross ammonia demand was 186 mmt in 2020 (prior to the ongoing conflict in Ukraine and the related 2021 gas price build-up in Europe), of which around 80 per cent. was for fertiliser use and 20 per cent. for non-fertiliser use. As ammonia is predominantly consumed on-site for urea and other captive uses, the merchant ammonia market accounts for around 24 per cent. of the global ammonia market. Ammonia is primarily traded for technical end-uses or for the production of ammonia phosphates (DAP, NP, NPKs). In the case of the latter, production is typically located close to phosphate rock and phosphoric acid, with ammonia being imported. Traded ammonia accounted for 42 per cent. of the merchant ammonia market in 2023, or 18Mt. It is the merchant ammonia market and traded ammonia that is most relevant to a standalone ammonia producer such as the Company.

Global Merchant Ammonia Consumption by region, 2019-2040



Source: Argus Consulting

Global merchant ammonia demand decreased at a negative 1.4 per cent. CAGR from 44 mmt in 2019 to 41 mmt in 2023, largely attributable to a dip in 2022 and 2023 caused by the fall-out from the ongoing conflict in

Ukraine with the removal of 20-25 per cent. of traded volumes from Russia, which combined with the spike in European gas prices to drive up international prices. However, this is expected to normalise in the near-term, with global merchant ammonia demand projected to increase at a 1.7 per cent. CAGR from 41 mmt in 2023 to 46 mmt in 2030. Consumption of ammonia is focused on regions with large nitrogen fertiliser sectors, notably China, India, and the U.S. Northeast Asia is the largest consumer of merchant ammonia (38 per cent. of global demand), followed by North America (20 per cent.) and Western Europe (9.5 per cent.).

Supply

Global gross ammonia supply decreased at a 1.4 per cent. CAGR from 44 mmt in 2019 to 41 mmt in 2023. Much of ammonia capacity developed over the last 20-30 years is associated with downstream investment in urea capacity, and this trend is expected to continue over the forecast period. Global merchant ammonia supply is projected to increase at a 1.6 per cent. CAGR from 41 mmt in 2023 to 46 mmt in 2030. Several firm and probable downstream merchant ammonia-using projects are expected to come online in the medium-term, including a number of ammonium phosphates projects and producers in Russia upgrading ammonia capacity to urea, thereby reducing current exportable surplus.

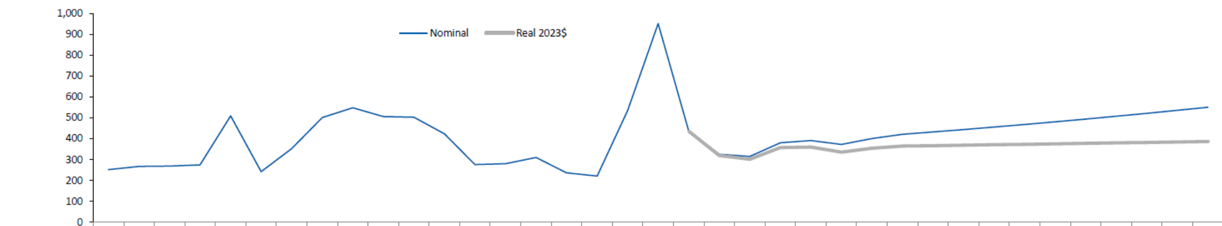
Ammonia capacity has been constructed in countries where security of fertiliser demand was deemed essential due to large populations and significant agricultural markets (notably China and India). Capacity has also been constructed close to sources of cheap gas to serve the export markets (e.g., Middle East, Russia, Trinidad, North Africa, Nigeria).

Market Balance

The global merchant ammonia market is forecast to remain finely balanced, with a 1.6 per cent. CAGR projected supply in 2023-2030, compared to a 1.7 per cent. CAGR projected demand in 2023-2030. Global operating rates averaged 90 per cent. in 2019-2023 and are expected to increase slightly to 91 per cent. in 2023-2030.

Pricing

Middle East fob Ammonia price forecast, 2004-2040



	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Nominal	252	267	269	275	509	242	352	501	548	506	503	423	276	280	311	237	221	535	951
Real 2023$																			

	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036	2037	2038	2039	2040
Nominal	436	326	315	381	391	372	401	421	432	444	456	468	481	494	507	521	536	550
Real 2023$	436	320	302	358	360	336	355	365	367	369	371	373	375	378	380	382	385	387

Source: Argus Consulting

As illustrated in the chart above, ammonia prices have recovered after a period of demand destruction in the wake of the conflict in Ukraine and consequent dramatic price spike, with prices moving back to their long-term trend level. New standalone capacity coming online in the near-term will put prices under pressure, as well as the (assumed gradual) return of Russian ammonia to the international market, albeit the timing and volumes are highly uncertain. On the other hand, the start-up of downstream capacity will also absorb some of the current export volumes to tighten the market. The low of the current medium-term cycle is expected in 2025 as the market absorbs new capacity, with prices rising through to 2027 and remaining stable thereafter in real terms over the long-term.

Regulatory Overview

Ammonia demand and supply are not currently materially affected by trade tariffs. In the future, carbon emission policies and associated regulations may have a significant impact.

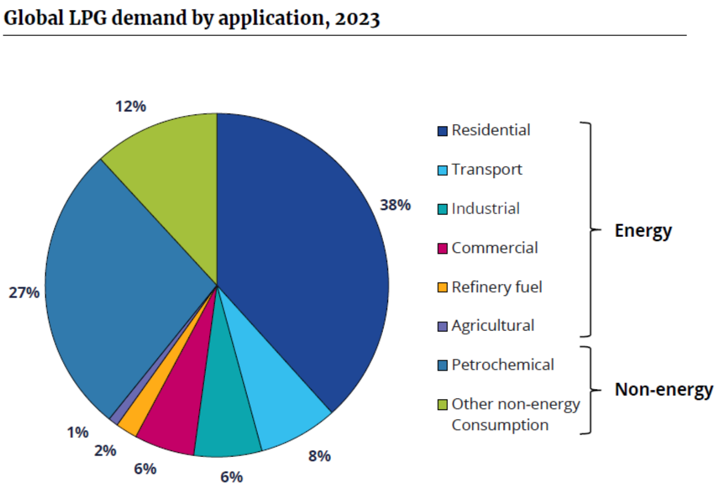
Trade tariffs are a potential supply risk in the market. However, ammonia is a widely traded product and as a key raw material usually has duty free access. The main exception is a 5.5 per cent. third-party duty for trade between Middle East, Russian and U.S. exporters (except for Algeria, Egypt and Trinidad) into the EU. In 2021, all duties were temporarily removed in the wake of the conflict in Ukraine when gas and local production costs spiked. There is also a 5 per cent. customs duty on ammonia imports into India.

Progressive regulation in large, modern economies coupled with progress in carbon capture and electrolyser technologies are now beginning to generate demand potential for low-carbon ammonia. Future demand segments for low-carbon ammonia consumption include direct combustion of ammonia as a marine fuel, co-firing for power generation, ammonia as a hydrogen carrier, and traditional ammonia demand. Global demand for clean ammonia is forecast to accelerate from 0 mmt today to 211 mmt in 2040. Of this, marine fuels demand is expected to account for 170 mmt demand in 2040, representing a 75.6 per cent. CAGR from 2023-2040. However, there are significant caveats given current clean ammonia demand is near zero, uncertain status of regulations and subsidies required to grow demand, as well as currently challenging economics around switching to green and blue ammonia.

LPG

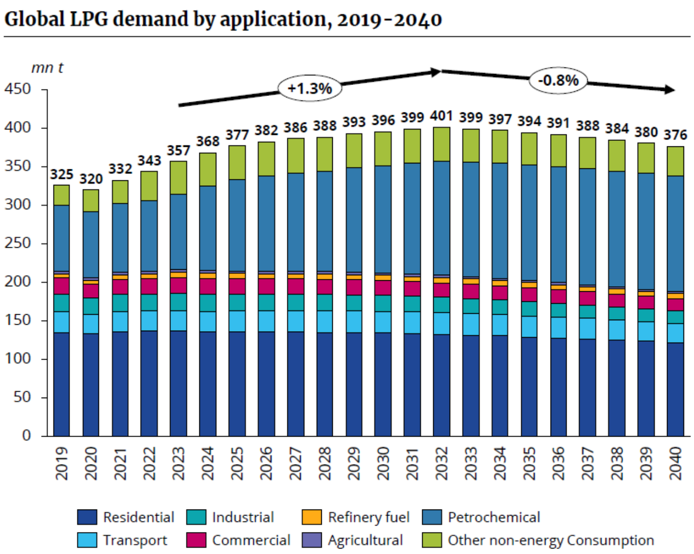
LPG is a fuel gas that contains a mixture of hydrocarbon gases, in particular propane and butane. It is a by-product of the natural gas and oil extraction processes and of crude oil refining. Its ease of storage and ability to be transported in liquid form under moderate pressure make it an ideal energy source in areas lacking pipeline infrastructure. LPG is also a cleaner fuel source than other fossil fuels, with a lower sulphur content and fewer carbon emissions. Widely used in both industrial processes, such as fuelling boilers, and as a household cooking gas, it also serves as a vital feedstock in the chemical industry for synthesising materials like synthetic rubber and plastics and can be converted into transport fuel, typically for trucks.

Demand



Source: Argus Consulting

As illustrated in the chart above, global LPG demand was 357 mmt in 2023, of which 61 per cent. was used in energy uses (residential, agricultural, industrial, commercial, transport, refinery fuel), and 39 per cent. was used in non-energy uses (primarily as petrochemical feedstock). The largest source of energy use demand is in the residential sector, where LPG is used as a cooking and heating fuel, especially where natural gas infrastructure is not available.

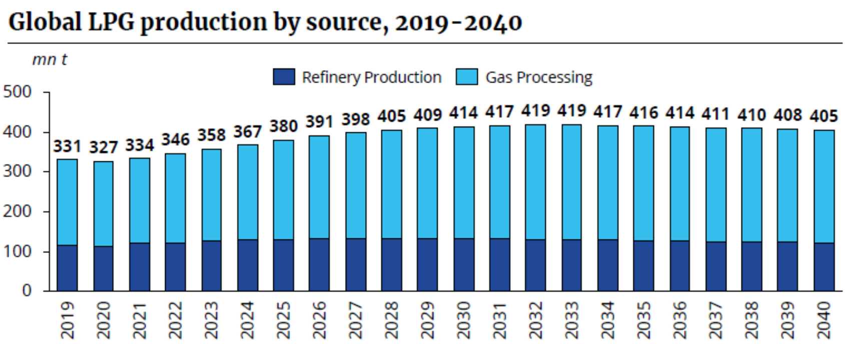


Source: Argus Consulting

As illustrated in the chart above, global LPG demand increased at a 2.3 per cent. CAGR from 325 mmt in 2019 to 357 mmt in 2023, driven by non-energy uses, primarily petrochemicals. Over the forecast period, the energy demand for LPG is likely to have peaked in 2023, leading to a global shift from energy consumption towards use of LPG in the petrochemical sector. Global LPG demand is projected to increase at a 1.5 per cent. CAGR from 357 mmt in 2023 to 396 mmt in 2030, reaching a peak of 401 mmt in 2032 before reducing to 376 mmt in 2040 (0.3 per cent. CAGR in 2023-2040), driven by lower residential demand in China. Petrochemical demand is forecast to increase significantly (2.3 per cent. CAGR), driven by demand for plastics, primarily in Asia.

Growth in the Asian market is forecast to continue to drive the global market, led by petrochemical demand in China, representing 25 per cent. of global demand in 2023-2030. Developing markets in Africa and Asia are a key uncertainty to future LPG energy use demand, with considerable upside potential if LPG penetration increases to provide greater access to modern energy sources (away from traditional biomass sources).

Supply



Source: Argus Consulting

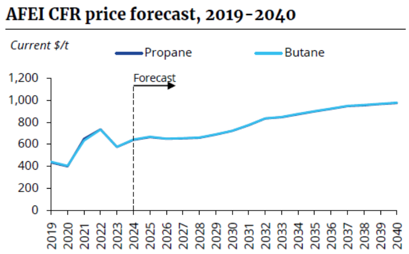
As a by-product of natural gas and oil extraction processes, supply of LPG is inelastic. As illustrated in the chart above, global LPG supply increased at a 2.0 per cent. CAGR from 331 mmt in 2019 to 358 mmt in 2023, driven primarily by new U.S. gas processing capacity since 2018. Global LPG supply is projected to increase at a 2.1 per cent. CAGR from 358 mmt in 2023 to 414 mmt in 2030, reaching a peak of 419 mmt in 2032 before reducing to 405 mmt in 2040 (0.7 per cent. CAGR in 2023-2040). Increasing LPG production up to 2030 is primarily driven by additional gas processing capacity, supported by a global trend of shifting towards natural gas from other fossil fuels.

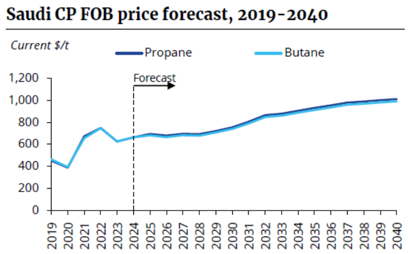
The U.S. and Middle East are the key drivers of LPG production globally, driven by expanding natural gas supply. The Middle East is expected to increase supply by 30 mmt in 2023-2030 (including the large Jafurah shale field in Saudi Arabia, with is expected to yield approximately 9.5Mtpa by 2030), whilst gas processing production in the U.S. is expected to slow in the next few years after a period of high recent supply growth. In the long term, LPG production and export availability are expected to continue to increase driven by investment in the natural gas sector.

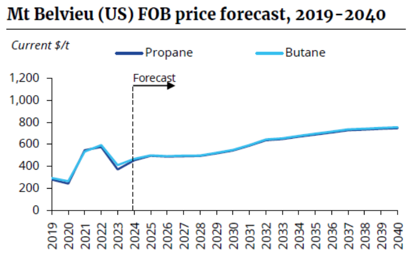
Market Balance

The global LPG market is moving from a position of tightness in 2024-2025 to increasing oversupply by 2030 as new supply comes online. Any supply overhang will be met by flexible petrochemical plants switching from naphtha to LPG (not included in demand forecast), keeping outright LPG prices high. Operating rates for LPG production via gas processing, which is the process utilised by the Company, averaged 71 per cent. in 2019-23 and are expected to remain stable over the forecast period.

Pricing







Source: Argus Consulting

LPG prices are largely based on crude oil pricing, as LPG is a by-product of natural gas and crude oil. Marginal demand for LPG comes from steam crackers switching from using naphtha as a feedstock to LPG, so LPG must price at a level to outcompete naphtha into steam crackers since supply is inelastic. Crude oil prices are forecast to rise due to more expensive non-OPEC production and growing OPEC market share in the long term, putting upward pressure on naphtha prices. Bearish LPG fundamentals will cause prices to fall relative to naphtha, but a rise in naphtha prices will cause outright prices to increase. Tightness in the LPG market is expected to increase prices in the near-term, followed by a dip in 2026 following a large oversupply in the market, and increasing thereafter due to crude and naphtha pricing dynamics, with any supply overhang absorbed by flexible petrochemical plants switching from naphtha to LPG feedstock.

Regulatory Overview

Trade tariffs and permitting represent risks to supply in the LPG market. There is significant political sensitivity due to the importance of China's petrochemical and manufacturing sectors, which could lead to further tariffs between the U.S. and China. In the MENA region, there are further geopolitical tensions which could lead to regulatory trade barriers, with Iran already under trade embargoes limiting exports except to China. The EU has also imposed sanctions on Russian LPG imports (announced in December 2023, with a one-year grace period for existing contracts), notably impacting Eastern European markets.

Additionally, supply is impacted by difficulties in receiving permits for hazardous materials, notably in Europe, which makes it challenging to build new LPG infrastructure. Additionally, LPG consumption for energy uses is often incentivised by subsidies and tax incentives, which may be impacted by green and renewable legislation. These incentives are likely to be pursued in developing countries due to a lack of affordable renewable fuel alternatives which can provide energy in off-grid regions.

Chapter XI
Regulatory Framework

Salalah Free Zone

The Company and its facilities are located in the SFZ, which was established under Royal Decree 62/2006. The SFZ is a strategically positioned special economic zone in the Dhofar region of Oman and was established to enhance regional economic development and attract global investment.

Situated near Salalah Port, the SFZ offers significant logistical advantages for import and export activities and provides a variety of incentives, including significant tax exemptions, to promote business growth. Companies operating within the SFZ benefit from tax exemptions for a specified period, with the possibility of extensions based on performance and compliance, as well as certain exemptions from municipal and real estate fees.

Environment Authority and Relevant Laws

Royal Decree 106/2020 established the Environment Authority of Oman, replacing the Ministry of Environment and Climate Affairs. The EA is the primary regulatory body overseeing matters related to dangerous and hazardous chemicals, making it the main supervisory entity for the Company.

Royal Decree 46/1995 Promulgating the System for the Handling and Use of Chemicals, along with Environment Authority's Decision 107/2023 Issuing the Regulation Governing Environmental Permits and Environment Authority's Administrative Decision 50/2023 issuing the Regulation Governing Hazardous Chemicals ("**Chemical Regulation**") establishes the regulatory framework for the handling, use and management of hazardous chemicals in Oman. These regulations ensure the safe and environmentally responsible management of chemicals, protecting public health and the environment and constitute the main regulatory framework in which the Company operates.

The Chemical Regulation requires the Company to obtain and maintain a valid EP for all activities involving hazardous chemicals. Each chemical manufactured by the Company must be listed on the EP, and the Company must also secure a permit from the Civil Defence and Ambulance Authority for the transport and storage of hazardous chemicals. The EP must be renewed periodically, typically every three years, to ensure ongoing compliance with regulatory standards.

As an EP holder, the Company is obligated to follow established procedures for the safe handling, storage and disposal of hazardous chemicals. This includes adherence to guidelines on proper labelling, packaging, and transportation to prevent accidents and environmental contamination. The Company must maintain up-to-date safety data sheets and a comprehensive database for each hazardous chemical in the format provided by the EA. These records must include information on the chemical's type, properties, hazards, international identification numbers, quantities used and stored, effects on human health and the environment and appropriate handling methods.

Additionally, the Company is required to conduct an environmental impact assessment for any facility handling hazardous chemicals. This assessment should outline the chemical composition and formulas used in manufacturing, monitor air, soil, and water pollutants, and provide lab analysis results from accredited laboratories. Environmental audits must be conducted and reported at various stages of the manufacturing process. Furthermore, bi-annual reports detailing hazardous chemical activities must be submitted to the regulatory authority, following the formats provided by the EA. In case of chemical accidents, the Company is required to immediately notify the EA, and any significant changes to the facility, such as changes in ownership or production capacity, must also be reported.

The Company holds all the required licences under the foregoing laws in order to continue its manufacturing and sale operations.

Waste Processing / Health and Safety

As a by-product of its operations, the Company generates wastewater and hazardous waste. While the excess unused natural gas is fed back into OQGN's natural gas transportation network, some waste product is left for the Company to dispose of.

Ministerial Decision 18/1993 establishes regulations for the management of hazardous waste to protect human health and the environment. It applies to all hazardous waste from commercial, industrial, agricultural and other activities. The decision provides definitions for terms such as hazardous waste, recycling, transporter and hazardous waste generator. It requires hazardous waste generators and transporters to obtain relevant licenses. Hazardous waste must be collected, handled, stored, disposed of and transported by authorised personnel and facilities. The decision allows officers to carry out inspections without prior notification.

In addition to the precautions and directions set out by the EA, health and safety matters associated with hazardous chemicals are regulated by additional laws such as the Civil Transactions Law and Ministerial Decision 286/2008, as amended, issuing the Regulation of Occupational Safety and Health for Establishments Governed by the Labour Law. In addition, the Public Authority for Civil Defence and Ambulance issues safety and fire protection directives for industrial facilities which set forth minimum requirements for health and safety management systems.

Oman Labour Law

The Labour Law was issued by Royal Decree 53/2023. The Labour Law sets out the obligations of employees and employers for both Omani nationals and expatriates in the public and private sector and deals with matters including (but not limited to) working hours, health and safety, the employment of non-Omanis, occupational health and safety, labour disputes as well as labour unions and penalties for non-compliance with the law.

Omanisation

Oman operates its Omanisation policy as implemented by the Ministry of Labour. Omanisation requires Omani companies to ensure that Omani nationals account for a prescribed percentage of the workforce. The Ministry of Labour prescribes Omanisation in accordance with the sector in which a company operates and Omanisation targets can be specific for each company. The Ministry of Labour also periodically notifies certain roles and designations which can only be undertaken by Omani nationals. The Omanisation targets provided by the Ministry of Labour are supplemented by targets that may become applicable to companies operating in a Free Zone. As a result, the Company, as a company operating in the SFZ, is prescribed an Omanisation target of 20 per cent.

Chapter XII
Description of the Company and Business Overview

Overview

The Company is the only integrated producer in Oman of methanol, ammonia and LPG Products, which comprise propane, butane, condensate and LPG (cooking gas). In 2024, the Company (established in 2006), which is as at the date of this Prospectus a wholly-owned subsidiary of OQ, Oman's flagship energy company, acquired OQ LPG, which was previously an independent and wholly owned subsidiary of OQ.

The Company is active throughout the natural gas value chain, operating three advanced plants with a combined nameplate production capacity of 1,816 ktpa. Its plants are located in the SFZ in the south of Oman, near the Port of Salalah, Oman's largest port and a gateway to the MENA, European and Asian markets. The Company's plants process rich and lean natural gas feedstock that is supplied under long-term agreements with IGC through a natural gas transmission network operated by OQGN, a subsidiary of OQ. With the exception of a small portion of LPG sold domestically in the form of LPG (cooking gas), all of the Company's products are sold pursuant to long-term, arm's-length exclusive take-or-pay offtake agreements with OQ Trading for export to end markets, principally in Asia and the MENA region and, to a lesser extent, Europe and Africa.

The Company operates through three strategic divisions, Methanol, Ammonia and LPG Products, and, for financial reporting purposes, through two segments, Methanol Plant (which includes the financial results of the ammonia plant) and LPG Plant.

- **Methanol**: Through the Methanol division, the Company operates a 1,095 ktpa nameplate production capacity methanol plant. Methanol is an essential chemical building block for many industrial products and is also used as a cleaner-burning fuel. For the year ended 31 December 2023 and the six months ended 30 June 2024, the Company produced 904 kt and 614 kt of methanol, respectively, and methanol sales accounted for 39.4 per cent. and 50.0 per cent., respectively, of the Company's total revenues. All of the Company's methanol is exported.

- **Ammonia**: Through the Ammonia division, the Company operates a 365 ktpa nameplate production capacity ammonia plant. Ammonia is a chemical that is primarily used for downstream nitrogen products, with diverse fertiliser, industrial and energy applications. For the year ended 31 December 2023 and the six months ended 30 June 2024, the Company produced 264 kt and 147 kt of ammonia, respectively, and ammonia sales accounted for 20.0 per cent. and 15.5 per cent., respectively, of the Company's total revenues. All of the Company's ammonia is exported.

- **LPG Products**: Through the LPG Products division, the Company operates a 356 ktpa nameplate production capacity LPG plant, where it produces LPG Products, comprising propane, butane, condensate and LPG (cooking gas). These LPG Products are used for various energy applications. In the year ended 31 December 2023 and the six months ended 30 June 2024, the Company produced 336 kt and 178 kt of LPG Products, respectively, and LPG Product sales accounted for 40.7 per cent. and 34.5 per cent., respectively, of the Company's total revenue. Approximately 90 per cent. of the Company's LPG Products are exported, with a small portion sold domestically in the form of LPG (cooking gas).

For the year ended 31 December 2023 and the six months ended 30 June 2024, the Company had revenue of OMR 196.2 million and OMR 104.3 million, respectively, Adjusted EBITDA[4] of OMR 84.6 million and OMR 39.0 million, respectively, and profit for the period of OMR 47.5 million and OMR 4.1 million, respectively.

History

The following table sets forth key dates with respect to the Company's business and operations:

Date	Event
2006	Salalah Methanol Company established
2010	Salalah Methanol plant commissioned
2016	Salalah LPG SFZCO LLC established
2019	OQ brand launched
2021	LPG plant commissioned
2022	Ammonia plant commissioned
2024	Acquisition by the Company of OQ LPG and rebranding of the Company as OQ Base Industries

Strengths

The Company believes it benefits from the following competitive strengths:

Attraction of Oman as an investment jurisdiction and strategic location within the Salalah Free Zone

The Company benefits from its location in Oman, a highly attractive investment destination with stability and robust economic growth. Oman has a strong GDP outlook amongst emergent economies in the region, with a favourable economic outlook and clear long-term vision via the launch of Oman Vision 2040. Recent consolidation of national assets under the OIA and announcement of its accelerated divestment programme, combined with favourable regulatory changes, have supported regional and foreign international investment interest.

Within Oman, the Company benefits from a robust position in the energy sector via its arrangements with IGC to process rich natural gas supplied by IGC via the OQGN pipeline network to the Company for it to extract and produce LPG Products (and return lean natural gas to IGC) based on a revenue sharing mechanism for its LPG Products. Gas supplied by IGC is recognised in the combined statement of profit and loss within cost of sales as notional cost of rich gas, calculated as a theoretical non-cash amount that does not have any effect on the Company's cash flows due to its notional nature. The Company also benefits from a gas pricing formula linked to netback prices for the methanol plant, therefore providing downside protection to its margins. Additionally, the Company is strategically located in the SFZ, which provides its tenants with attractive structural benefits, including a skilled and low-cost workforce, an income tax exemption and an Omani customs duties exemption. The Company's close proximity to the Port of Salalah also offers comprehensive domestic and export infrastructure and direct connectivity to key international trade routes.

[4] For a discussion of how Adjusted EBITDA is calculated, see "*Presentation of Financial, Industry and Market Data—Non-IFRS Information and Certain Other Financial and Operational Data—Non-IFRS Information*" and "*Chapter XIII—Selected Historical Financial, Operating and Other Information—Other Financial and Operational Data*".

Robust industry environment for methanol, ammonia and LPG Products, with strong demand growth across a broad range of end markets

Methanol, ammonia and LPG Products have the advantage of an attractive long-term outlook, with stable demand growth across applications, supportive cost curves due to regional differences in feedstock costs and high visibility for supply additions.

Global methanol demand is forecast to grow from 120 mmt in 2023 to 141 mmt in 2030, implying a CAGR of 2.6 per cent. Demand from Merchant MTO and fuel applications are forecast to have the highest demand growth, with 2023-2030 CAGRs of 4.5 per cent. and 4.0 per cent., respectively. Other key trends driving methanol demand include stable traditional chemicals demand and emerging fuel applications and energy transition trends, particularly in marine fuel applications which present a significant opportunity in the future.

Global merchant ammonia demand is forecast to grow from 41 mmt in 2023 to 46 mmt in 2030, implying a CAGR of 1.7 per cent. and outpacing supply growth of 1.6 per cent. per year. Ammonia demand is expected to remain resilient, driven by global population growth and food scarcity megatrends, growth in emerging economies and stable demand in technical applications.

Global LPG product demand is forecast to grow from 357 mmt in 2023 to 396 mmt in 2030, implying a CAGR of 1.5 per cent. Key trends driving LPG product growth include increasing petrochemical demand in Asia, meaningful energy demand (especially off-grid energy) and upside potential in emerging markets. Energy demand for LPG products likely peaked in 2023, leading to a global shift from energy consumption towards the use of LPG products in the petrochemical sector; however, energy uses continue to represent a significant portion of global LPG product demand (61 per cent. in 2023). Demand is expected to be outpaced by supply growth of 2.1 per cent. per year. As propane, butane, condensate and LPG are by-products of the natural gas and oil extraction processes, supply remains inelastic. However, any supply overhang will be met by flexible petrochemical plants switching from naphtha to LPG products, keeping outright LPG product prices high.

The Company's key export markets are driving global demand in methanol, ammonia and LPG Products. 73 per cent. of global methanol, 28 per cent. of global merchant ammonia and 77 per cent. of global LPG product demand growth in 2023-2030 is expected to come from Asia. The MENA region export share for methanol, merchant ammonia and LPG products is expected to increase to meet additional demand, from 60 mmt net exports in 2023 to 94 mmt in 2030. Additionally, Oman has a freight advantage over other regional exporters due to its location outside the Strait of Hormuz and advantageous location to serve the major Indian market. The Company's shipping costs to its target regions are amongst the lowest in the world.

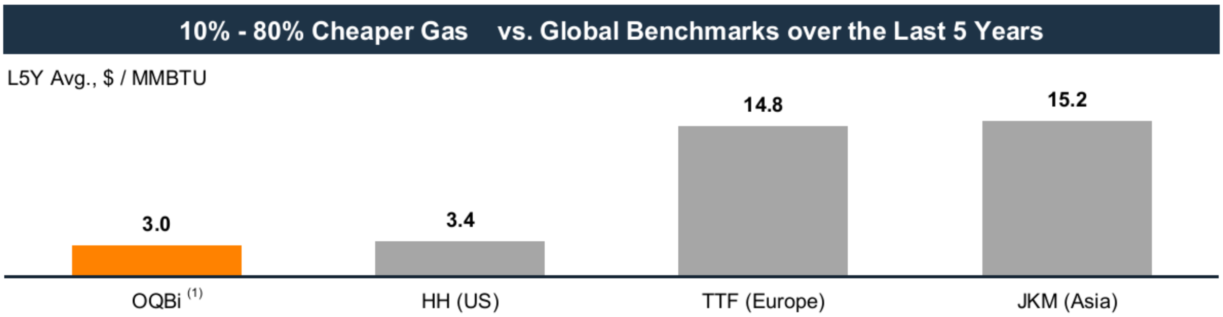
Strong operational track record enabled by fully integrated, state-of-the-art assets with high reliability

The Company's methanol, ammonia and LPG plants were commissioned in 2010, 2022 and 2021, respectively. The young asset base benefits from technological reliability, greater operational efficiency and lower maintenance requirements. Ensuring the safe operation of the Company's plants is essential to its business and, as at 30 June 2024, it has achieved a milestone of 4.7 million man hours without a Lost Time Injury ("**LTI**"). Furthermore, reliability and efficiency are supported by production integration at scale. As more than 50 per cent. of lean natural gas produced by the LPG plant is consumed by the Company's methanol and ammonia plants, the Company is able to optimise LPG plant utilisation by timing scheduled production outages based on expected demand and pricing. These benefits are evidenced by the high utilisation rates achieved by all three plants during the periods under review (99 per cent. average for the methanol plant in 2021-2023, 80 per cent. average for the ammonia plant in 2022-2023, and 84 per cent. average for the LPG plant in 2021-2023). In the first half of 2024, the utilisation rate was 116 per cent. for the methanol plant, 97 per cent. for the ammonia plant and 98 per cent. for the LPG plant.

Long-term gas supply agreements with an attractive pricing mechanism

The Company views its long-term access to ample competitively-priced natural gas as a key advantage underpinning its financial performance, particularly during periods of market volatility in gas availability and prices.

For methanol, the gas pricing formula embedded in the Methanol Plant GSA is linked to the netback prices realised by the Company on the sale of its products, thus providing downside protection to its margins. Over the last five years, the average gas cost for the Company's methanol plant was approximately US$3.0/MMBtu, which is 10 per cent. to 80 per cent. cheaper as compared to the global benchmark prices for other markets as shown below:



Source: Company data, Platts

(1) Average of gas prices for the methanol plant.

For the LPG plant, rich natural gas is supplied by IGC for the LPG Products extraction at no immediate cost in return for lean natural gas and a share of the proceeds from the sale of LPG Products pursuant to an agreed payment waterfall under the LPG Plant BOOT/NGSA. After considering operating expenditure, capital expenditure and the payment of financing obligations, the remaining cash balance of revenue from the sale of LPG Products is distributed between IGC and the Company as per the revenue sharing arrangement under the LPG Plant BOOT/NGSA. See "*—Material Contracts— LPG Plant Build, Own, Operate and Transfer and Natural Gas Supply Agreement*".

In addition to the Government's revenue sharing arrangement under the LPG Plant BOOT/NGSA, the security of the natural gas supply to the Company's plants is underpinned by the commissioning by OQGN of a new gas pipeline in August 2024, which is intended to enhance gas supply capacity in the Dhofar region.

Attractive geographic location and access to global logistics network, scale and expertise of OQ Trading platform

The Company is strategically located near the Port of Salalah, benefitting from direct proximity to the main East-West Shipping Lane which provides the region's fastest access point to the wider Middle East, Indian subcontinent and East Africa, which are among the fastest demand growth regions for the Company's products.

The Company's long-term offtake agreements with OQ Trading provide visibility and reliability of 100 per cent. volume offtake on a take-or-pay basis for exported methanol, ammonia and LPG Products other than LPG (cooking gas) across market cycles. OQ Trading is a leading global player in the petrochemical industry, trading approximately 40 million tonnes of energy products each year. It is also one of the five largest methanol traders in the world based on volumes traded, and a large, international trader of LPG Products and ammonia. OQ Trading has a global network of trading offices, ideally located in all the major oil trading regions (Dubai, London, Houston, Rotterdam, Shanghai and Singapore), which enables OQ Trading to capture value from evolving market dynamics, utilising its world-class logistics and supply chain management capabilities. The Company derives significant benefit from its partnership with OQ Trading, leveraging their expertise, market access and distribution reach.

The Company also leverages strong commercial infrastructure onsite, including its approximately 100kt methanol and ammonia storage facilities, dedicated berth and pipeline access to the Port of Salalah and captive power generation and desalination capabilities, which further support its competitive edge.

Tangible future growth pathways including a brownfield expansion project to increase methanol plant capacity by 50 per cent.

The Company has a demonstrated track record of successful implementation of expansion through backward integration (by commissioning the LPG plant) and product diversification (into ammonia). All three of the Company's plants are running at near full nameplate capacity, with the methanol plant utilisation being greater than 100 per cent. in 2021, 2022 and the first half of 2024.

The management anticipates considerable medium-term growth potential for methanol given the favourable industry dynamics. According to the Market Consultant, global methanol demand is expected to increase at a 2.3 per cent. CAGR from 120 mmt to 141 mmt in 2030. With an expectation that the methanol demand growth will remain robust in the medium term, methanol producers that use natural gas as feedstock and benefit from a competitive cost advantage are positioned to capture a larger segment of the market.

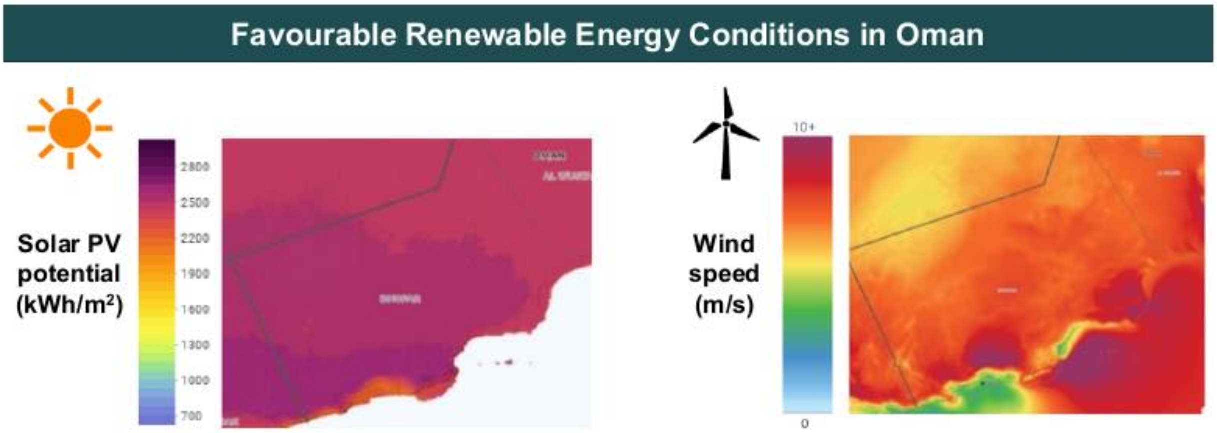
The Company believes it is well placed to capitalise on this tangible growth opportunity. The Company may in the future consider a brownfield expansion of the existing methanol plant, which would result in an approximately 550 ktpa increase in the plant's capacity and generate additional demand for lean natural gas that results from the production of the Company's products at its LPG plant. The Company believes that this brownfield expansion project, if undertaken, has already been substantially de-risked due to (i) the necessary natural gas allocation already having been approved by the Government (securing feedstock at competitive pricing terms), subject to further discussions with the Government, (ii) the ability to use proven technology, (iii) downside price protection resulting from the existing variable gas price formula, and (iii) leveraging existing operational and commercial set-up to create economies of scale and improve the plant's energy efficiency, including OQ Trading's support for a 100 per cent. offtake arrangement on a take-or-pay basis for enhanced production volumes post the proposed capacity expansion.

Preliminary studies are being conducted to determine the feasibility of the brownfield expansion project. Subject to requisite corporate approvals and the outcome of feasibility studies, the Company would decide on the best course of action in implementing the project. If undertaken, the project would be a significant step toward expanding the Company's operations into other downstream industries and ultimately becoming a key player in the more sustainable methanol markets of the future.

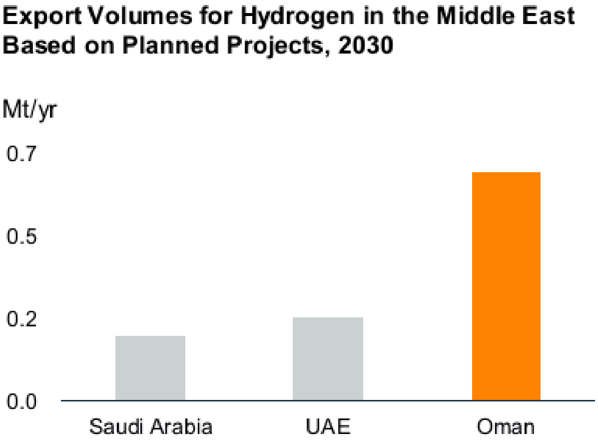
Optimally positioned to capitalise on the transition to clean methanol and ammonia to serve emerging clean fuels demand

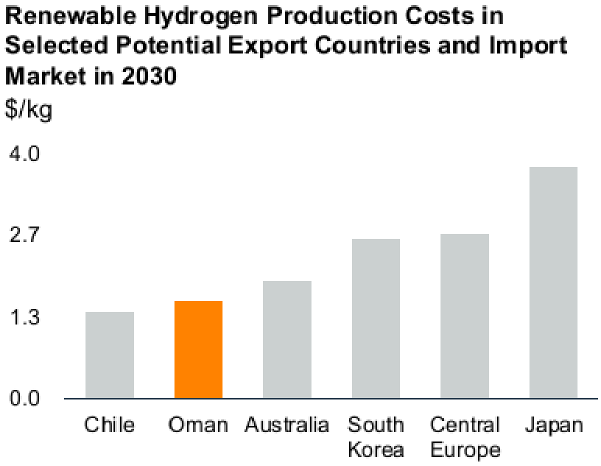
Management believes that as a unique integrated petrochemical player of scale in the region, with secured feedstock supply at competitive pricing and locational advantage, the Company is well positioned to benefit from a potential industry shift towards blue methanol and blue ammonia in the medium term, subject to feasibility and market development, as well as a potential further shift towards green ammonia in the long term, subject to availability of green hydrogen locally and the development of global markets and competitive terms. The Company believes it has an established commercial platform with the ability to scale up exports, as well as established relationships with key renewable players and government entities, which will assist it in capitalising on blue and green ammonia opportunities.

According to the Market Consultant, industry projections suggest a move towards more sustainable energy solutions focused on the low carbon hydrogen ecosystem, including its derivatives such as low carbon ammonia. It is anticipated that the demand for clean ammonia will exceed 200 mmt by 2040, with 170 mmt of demand from the marine fuels segment. A similar trend is observed in the demand for green methanol, with both green ammonia and green methanol projected to significantly contribute to achieving the decarbonisation goals for the global shipping industry.



Oman is Poised to Become a Major Renewables Player with Cost Advantage





Source: OQ Group 2023 Public Disclosure, Argus Consulting, International Energy Agency

Oman's strategic geographic position and climate conditions, which provide ample access to low-cost solar and wind resources, make it optimally positioned to benefit from low-cost renewable energy production, which is one of the key focus areas of the Government's energy transition strategy. Additionally, the Company benefits from direct access to European and Asian markets, where there is a growing regulatory mandate for cleaner fuels.

The Company has developed a Decarbonisation Plan targeting net zero emissions by 2050, in line with Oman's Vision 2040. In the long term, the Company is considering the adoption of carbon capture technology in the methanol reformer and the introduction of carbon credit certificates, which could allow ammonia to be classified as blue or green ammonia in certain markets, leading to potential pricing advantages.

Attractive dividend capacity supported by high margins and strong cashflow generation across commodity cycles

The combination of integrated operations, a diversified product portfolio, an attractive quartile cost position, operational excellence and cost discipline has enabled the Company to achieve robust revenues, market leading Adjusted EBITDA Margins[5] and strong Operating Unlevered Free Cash Flows[6] across the periods under review.

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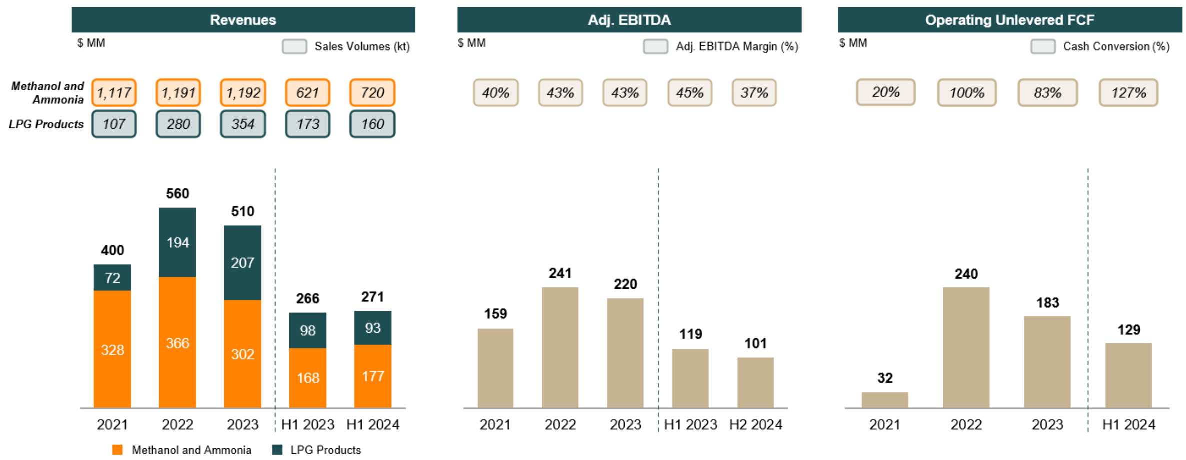
[5] For a discussion of how Adjusted EBITDA Margin is calculated, see "*Presentation of Financial, Industry and Market Data—Non-IFRS Information and Certain Other Financial and Operational Data—Non-IFRS Information*" and "*Chapter XIII—Selected Historical Financial, Operating and Other Information—Other Financial and Operational Data*".

[6] For a discussion of how Operating Unlevered Free Cash Flow is calculated, see "*Presentation of Financial, Industry and Market Data—Non-IFRS Information and Certain Other Financial and Operational Data—Non-IFRS Information*" and "*Chapter XIII—Selected Historical Financial, Operating and Other Information—Other Financial and Operational Data*".



For the year ended 31 December 2023, the Company's revenue was US$509.5 million, Adjusted EBITDA Margin was 43.1 per cent., Operating Unlevered Free Cash Flow was US$182.7 million and Cash Conversion[7] was 83.2 per cent. For the six months ended 30 June 2024, the Company's revenue was US$271.3 million, Adjusted EBITDA Margin was 37.4 per cent., Operating Unlevered Free Cash Flow was US$129.2 million and Cash Conversion was 127.3 per cent. The Company generated combined revenue of over US$300 million for each of the last three years for the Methanol and Ammonia strategic divisions, despite 2023 being a turnaround year for the methanol and ammonia plants. The LPG Products strategic division, which was introduced in 2021 following commissioning of the LPG plant in August of that year, has scaled up and stabilised its operations, generating revenue of US$207.2 million in 2023. The Company has achieved robust Adjusted EBITDA margins, underscoring the cost discipline and the resilience of margins owing to competitive feedstock pricing. The Company's ability to generate healthy Operating Unlevered Free Cash Flow is supported by (i) low maintenance capex, (ii) exemption from tax payments due to being an SFZ entity, (iii) organic Adjusted EBITDA growth due to product diversification (e.g., the addition of LPG Products in 2021 and ammonia in 2022), (iv) competitive feedstock pricing and (v) de-risked sales and distribution model through OQ Trading's support for a 100 per cent. offtake arrangement for exported products. The Company's strong commercial and operational position allows it to maintain a robust cashflow profile and the ability to distribute healthy dividends across cycles, putting it line with the major regional and international chemicals peers.

Strategy

The Company's strategy aims to drive sustainable growth and operational excellence by cultivating a people-focused culture, executing energy-efficient decarbonisation initiatives and fostering domestic growth.

The Company intends to maximise value by maintaining high operating standards, with a focus on energy intensity reduction

The Company is committed to exceptional reliability and proactive maintenance practices. In the first half of 2024, it achieved less than 1 per cent. unplanned downtime across its methanol, ammonia and LPG plants. This performance significantly surpassed the unplanned downtime targets of 4 per cent. for the methanol and LPG plants and 8 per cent. for the ammonia plant. Plant turnarounds, which are crucial for maintaining operational efficiency and reliability, are scheduled every five years for the methanol and ammonia plants, with the next

[7] For a discussion of how Cash Conversion is calculated, see "*Presentation of Financial, Industry and Market Data—Non-IFRS Information and Certain Other Financial and Operational Data—Non-IFRS Information*" and "*Chapter XIII—Selected Historical Financial, Operating and Other Information—Other Financial and Operational Data*".

turnaround planned for 2028. For the LPG plant, turnarounds occur every four years, with the next one scheduled for 2025.

Alongside operational improvements, the Company places a strong emphasis on energy reduction as part of its comprehensive decarbonisation strategy. As at 30 June 2024, the Company successfully achieved an energy intensity reduction of 0.3 MMBtu/kt compared to a 2023 baseline, in line with its ambition to achieve a reduction of 1.1 MMBtu/kt by 2025 compared to a 2023 baseline.

The Company is dedicated to implementing a robust ESG strategy that prioritises health and safety, decarbonisation and sustainability initiatives

The Company is dedicated to implementing a robust ESG strategy with a strong focus on decarbonisation and sustainability initiatives, as well as health and safety, corporate social responsibility ("**CSR**") and diversity and inclusion efforts. The Company has identified specific focus areas and commitments for 2024 and beyond within each of these strategic priorities.

Health and Safety

As at 30 June 2024, the Company reached a milestone of 4.7 million man hours without an LTI and strives to maintain this high standard in its operations going forward. For 2024 and beyond, the Company is focusing on the wellbeing of its contractors, with a commitment to developing a joint comprehensive report to identify gaps and areas for improvement in contractor engagements.

Environment

The Company has a clearly established decarbonisation roadmap, targeting a 25 per cent. emissions reduction by 2030, compared to a 2023 baseline, and net zero emissions by 2050. In 2024, the Company initiated GHG emissions and energy efficiency studies and implementation plans, both of which are now underway and are aimed at establishing processes for maintaining GHG reporting as well as measuring GHG emissions and energy intensity. By the end of 2025, the Company aims to achieve a 5 per cent. reduction in emissions and a 1.1 MMBtu/kt reduction in energy intensity, in each case compared to a 2023 baseline, through ongoing optimisation initiatives in the production process, focusing on reliability, capital performance and energy efficiency. These optimisation initiatives include implementing an advanced process control system for the methanol and LPG plants, optimising a steam network and hot water circuit at the methanol plant and shifting it from steam drivers to motors, optimising water content in ammonia as well as optimising overall product quality of the LPG Products. For the medium term, the Company has developed a defined pipeline of capital expenditure-based improvements, which could potentially reduce emissions by a further 20 per cent. This includes the installation of a carbon capture, utilisation and storage ("**CCUS**") unit within the methanol reformer, as well as steam de-superheating, 3D impeller for synthesis machine, LPG plant power integration with storage, sea water cooler and steam methane reformer tubes replacement projects. Further CCUS initiatives and the utilisation of carbon credit certificates, together with potential usage of green hydrogen, are planned to facilitate the full decarbonisation of operations at the ammonia plant and in the production of blue or green ammonia.

The Company is also focused on sustainable water management. It has direct access to seawater and a dedicated seawater intake facility and treatment plant designed to minimise water usage. Additionally, the Company is committed to developing baseline water usage data for the administrative building to further drive sustainable water management practices.

CSR and Diversity and Inclusion

The Company remains highly involved in community initiatives, including the construction of the OQ Innovation Laboratory at the Vocational College Salalah, the Dhalkout Cultural Centre project in Western Dhofar, the Chemical Engineering Research and Development Laboratory at the University of Technology and

Applied Science - Salalah and the OQ Green Initiative, under which the Company has participated in planting over 800 trees since 2023. These initiatives are aligned with the objectives of the Oman Vision 2040 and the National Innovation Strategy. In addition, the Company is in the process of developing a framework for completion of a social return on investment (SROI) study.

The Company has a robust commitment to diversity and inclusion. In the short term, the Company is dedicated to increasing youth participation in the workforce and raising the proportion of employees with disabilities to 2 per cent.

The Company's growth plans include the potential brownfield expansion of its methanol plant and longer-term opportunities to expand into downstream products and to develop blue and green ammonia capabilities

The Company has several growth pathways available, including a near-to-medium-term opportunity for the brownfield expansion of the existing methanol plant, as well as long-term opportunities to expand into downstream products and to develop low-carbon ammonia products.

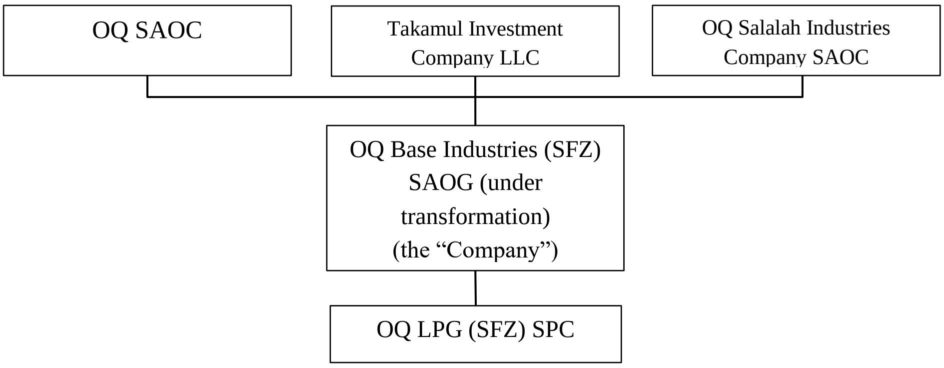
The methanol brownfield expansion project would increase existing methanol capacity by approximately 50 per cent., or around 550 ktpa, enabling the Company to capitalise on additional methanol demand. The project is already significantly de-risked, with gas allocation approved by the Government and the utilisation of proven technology. Additionally, the brownfield expansion would leverage the Company's existing operational set-up, resulting in approximately 40 per cent. lower capital expenditure intensity compared to an equivalent greenfield expansion. The Company expects to be able to capture ongoing enhanced returns through a shared commercial platform and economies of scale post-production. The expansion would align with the Company's wider decarbonisation efforts, yielding an approximate 20 per cent. increase in conversion efficiency. The Company expects that the project will require capital expenditure of approximately US$470 million. Should the Company proceed with the project, the final investment decision is expected in the first quarter of 2026, with completion planned for the fourth quarter of 2028. This timeline would be planned to coincide with the next scheduled turnaround for the methanol and ammonia plants.

In the medium term, the Company has the potential to enter multiple attractive downstream derivative markets. Existing methanol and ammonia plants could be developed to produce downstream products, including acetic acid, urea formaldehyde resin and various ammonium phosphates, nitrates and sulphates. The existing LPG plant could produce derivative products, including polyacrylamide and butadiene. The Company has identified acetic acid and urea formaldehyde resin as the most attractive potential expansion opportunities. Acetic acid serves as an intermediate for vinyl acetate monomer (VAM) and purified terephthalic acid (PTA) for polyethylene terephthalate (PET) production. According to the Market Consultant, demand for acetic acid was 17 mmt in 2023, with an additional 6 mmt demand growth expected by 2030. Urea formaldehyde resin is a polymer used in downstream industries, including adhesives, building materials and moulded objects. Demand for urea formaldehyde resin was at 21 mmt in 2023, with an anticipated increase of 4 mmt by 2030.

In the long term, the Company believes it is well-positioned to capitalise on emerging opportunities in low-carbon ammonia and methanol, particularly for marine fuels and energy applications.

Organisational Structure

The following table provides a simplified illustration of the Company's organisational structure.



Operations

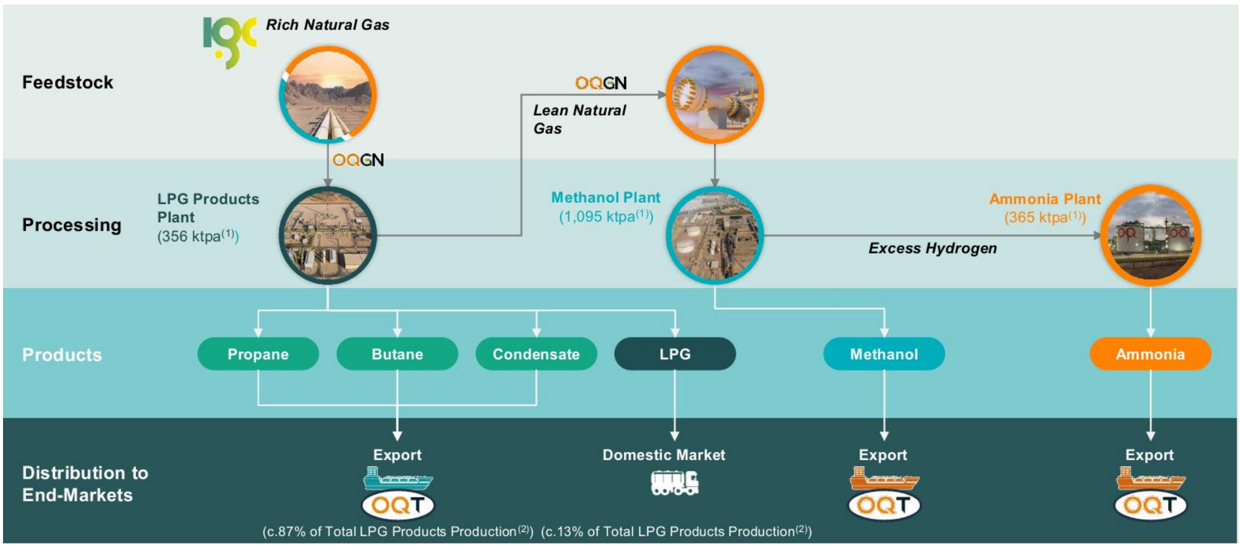
The Company produces methanol, ammonia and LPG Products. The production chain for its products begins with rich natural gas that the Company receives from IGC and uses as feedstock. The rich natural gas is transported via a natural gas transportation network operated by OQGN to the LPG plant, where it is processed into (i) propane, butane and condensate for export and (ii) LPG (being a mixture of predominantly propane and butane) for sale in the domestic market.

The lean natural gas that remains after the LPG Products are extracted is fed back into OQGN's natural gas transportation network and transported to users of lean natural gas in Oman, including the methanol plant.

The methanol plant processes the lean natural gas into methanol for export, and the excess hydrogen that results from this process is transported via the Company's pipeline network to the ammonia plant, where it is used to produce ammonia for export.

The Company's products are stored in its storage tanks at Salalah until they are transported via its pipeline network to the Port of Salalah for lifting onto vessels for export, or to the loading station at its LPG plant for lifting onto trucks for domestic sales of LPG (cooking gas).

The following summary graphic illustrates the Company's production chain.



Notes:

(1) Nameplate production capacity as at 30 June 2024.

(2) Since plant commissioning in August 2021 to December 2023.

The following table sets out the Company's utilisation and production volumes as at and for the years ended 31 December 2021, 2022 and 2023 and the six months ended 30 June 2023 and 2024.

	As at and for the year ended 31 December			As at and for the six months ended 30 June	
	2021	**2022**	**2023**	**2023**	**2024**
Utilisation (%)	**92**	**83**	**89**	**90**	**104**
Methanol plant (%)	105	107	95(1)	94	116
Ammonia plant (%)		60(2)	83(1)	84	97
LPG plant (%)	80	83	89	92	98
Production volumes (kt)	**1,244**	**1,504**	**1,504**	**810**	**939**
of which Methanol (kt)	1,112	1,133	904	497	614
of which Ammonia (kt)		91	264	147	147
of which LPG Products (kt)	132	280	336	167	178
of which:					
Butane (kt)	44	84	103	52	56
Propane (kt)	64	138	155	78	79
Condensate (kt)	10	27	43	20	25
LPG (cooking gas) (kt)	14	32	34	16	18

Notes:

(1) Excluding turnaround days.

(2) Starting from August 2022.

Methanol

Methanol (MeOH) is a clear liquid petrochemical that is water soluble, readily biodegradable and an essential commodity chemical building block for numerous industrial and energy-related applications. Methanol is used for traditional applications, which include building and automotive parts, paints, paper, plastics and pharmaceuticals; for fuel applications, which include fuel for road and sea vehicles, boilers, kilns and cooking; and as an input for methanol-to-olefin processes.

Methanol production process

The Company produces methanol using the following process:

- **Feed purification (de-sulphurisation)**: the methanol production process starts by purifying natural gas (typically lean natural gas, although the methanol plant can use rich natural gas as well if lean gas is not available). Impurities in the gas are reduced to a level where they become undetectable (i.e., measurable only in ppm).

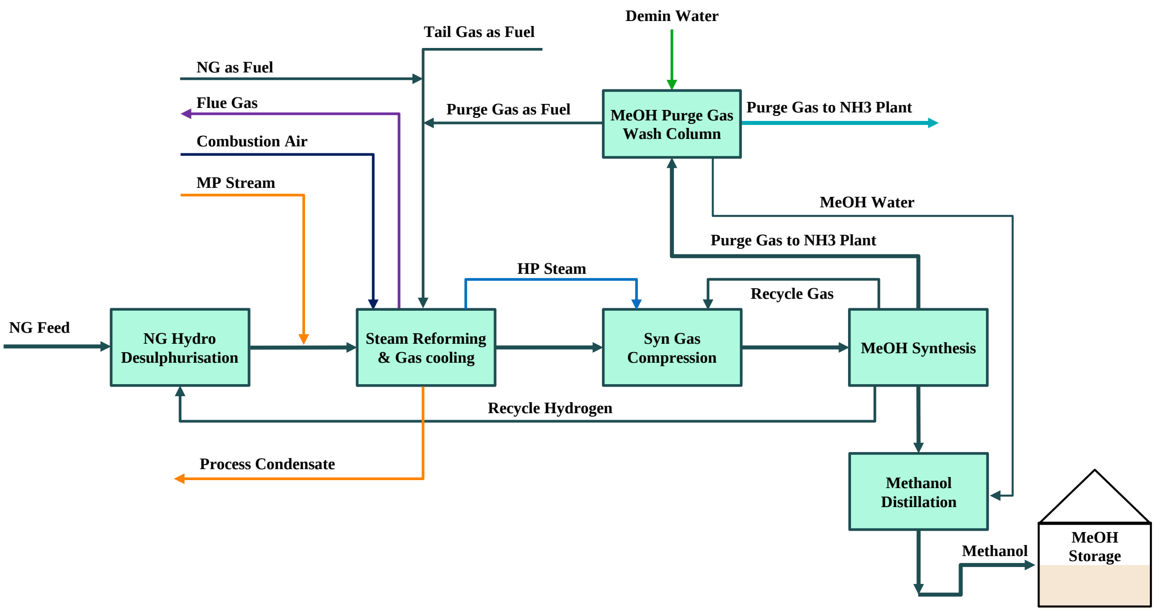
- **Reforming**: reforming transforms methane and steam into a mixture of carbon monoxide, carbon dioxide and hydrogen, thereby producing synthesis gas (also known as syngas). This process is carried out in a reformer furnace which is heated by burning gas as fuel and is referred to as steam methane reforming.

- **Methanol synthesis**: the syngas is then sent to the synthesis reactor, where excess heat is removed and the syngas is compressed. Through the chemical reactions taking place in the synthesis reactor, the syngas is converted into methanol and separated out as a product with a composition of methanol (79 per cent.) and water (21 per cent.).

- **Methanol distillation**: the methanol solution is then distilled in a topping column and a refining column to yield a refined product with a purity of at least 99.85 per cent. methanol, which is classified as IMPCA and U.S. Federal Grade AA refined methanol. This is transported to the Company's methanol storage tanks at Salalah.

Methanol plant

The Company operates a state-of-the-art, 1,095 ktpa nameplate capacity (assuming 97 per cent. availability) methanol plant that was commissioned in 2010. The following diagram illustrates the principal components of the methanol plant:



The methanol plant uses commercially proven technology and had an initial design life of 25 years from commissioning, although periodic upgrades and refurbishments have the potential to maintain the viability of the methanol plant well beyond this term. The methanol plant's utilities include water desalination with direct access to sea water, as well as captive power generation, boiler feed-water preparation, auxiliary steam generation, condensate/water treatment facilities, instrument air/plant air and nitrogen generation, as well as a wastewater treatment plant. The methanol plant has two atmospheric methanol storage tanks, each of which has a maximum capacity of 40 kt.

The Company undertakes major refurbishment work (turnaround) at its methanol plant every four to five years. During turnaround, the plant is typically taken offline for a four- to six-week period. The most recent turnaround was in 2023 and included an upgrade of the distributor control system, and the Company expects that the next turnaround will take place in 2028.

The Company may in the future consider expanding the methanol plant, which would result in an approximately 550 ktpa increase in the plant's nameplate capacity. The Company believes that this brownfield expansion project, if undertaken, has already been substantially de-risked due to (i) the necessary natural gas allocation already having been approved by the Government (securing feedstock at competitive pricing terms), subject to further discussions with the Government, (ii) the ability to use proven technology, and (iii) downside price protection resulting from the existing variable gas price formula. If undertaken, the expansion would align with the Company's wider decarbonisation efforts, yielding an approximate 20 per cent. increase in conversion efficiency. The Company expects that the project will require capital expenditure of approximately US$470 million. Should the Company proceed with the project, the final investment decision is expected in the first quarter of 2026, with completion planned for the fourth quarter of 2028. This timeline would be planned to coincide with the next scheduled turnaround for the methanol and ammonia plants.

The methanol plant has obtained various accreditations, including ISO 9001:2015 (Quality management system), ISO TS 29001:2020 (Quality management system), ISO 14001:2015 (Environmental management system) and ISO 45001:2018 (Occupational health and safety management system).

In the years ended 31 December 2021, 2022 and 2023 and the six months ended 30 June 2024, the methanol plant's utilisation levels were 105 per cent., 107 per cent., 95 per cent. and 116 per cent., respectively.

Ammonia

Ammonia (NH_3) is a building block for industrial chemicals and nitrogen fertilisers that can also be used as a direct fertiliser. There is also increasing demand for ammonia driven by clean energy applications such as power generation.

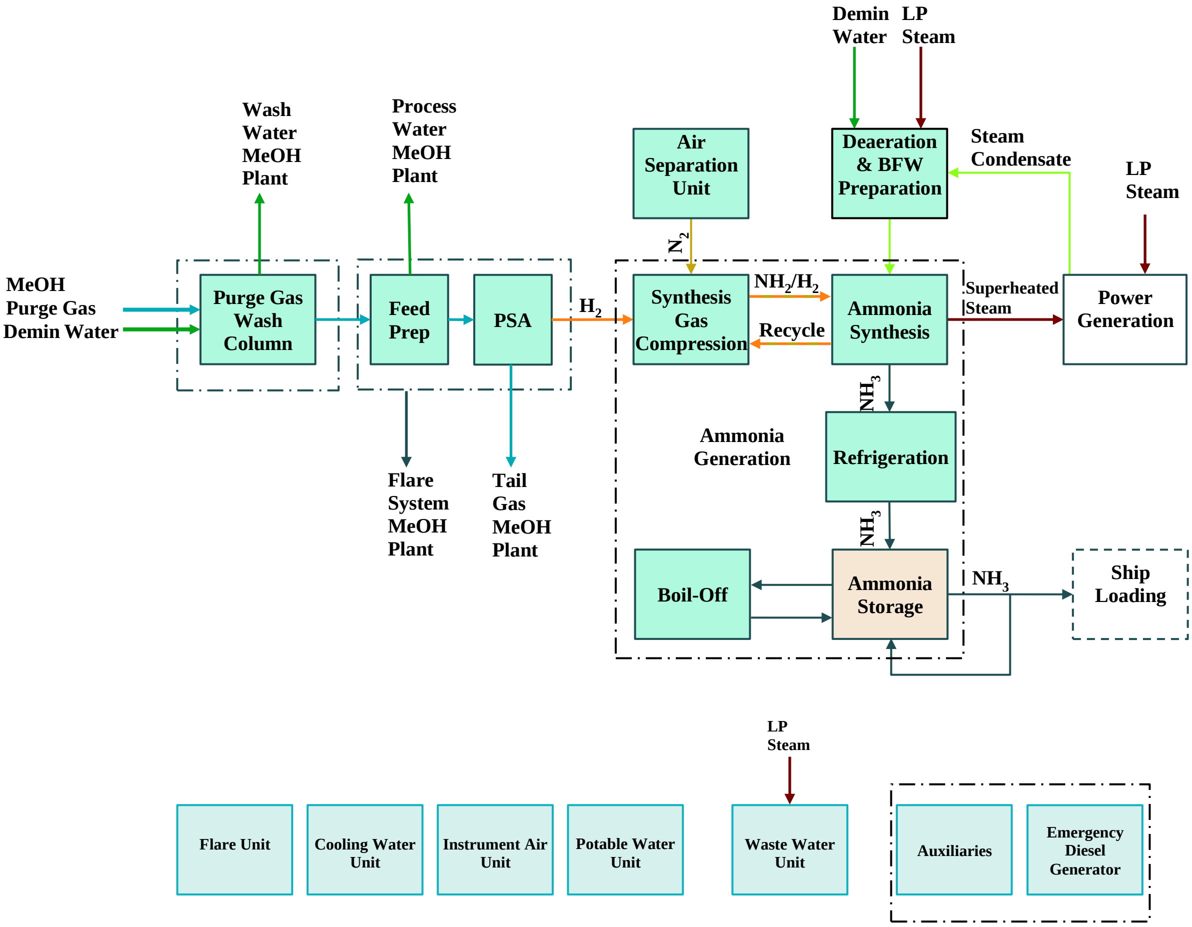
Ammonia production process

The Company produces ammonia using the following process:

- **Purge gas purification**: methanol is extracted from the hydrogen-rich purge gas in a methanol wash column at the methanol plant.
- **Purification**: the purge gas is then sent to a pressure swing adsorption unit to produce the hydrogen (greater than 99.5 per cent. pure) that is required for ammonia production.
- **Nitrogen production**: nitrogen is produced from the ambient air in the ammonia plant's air separation unit. The air separation unit also supplies instrument air for the ammonia plant.
- **Ammonia synthesis**: hydrogen and nitrogen are mixed at a ratio of 3:1 and compressed in an ammonia synthesis gas compressor and sent to the ammonia reactor.
- **Ammonia production**: at the ammonia reactor, ammonia is produced using Topsoe technology, and is then sent to a downstream boiler, where excess heat is removed by generating steam.
- **Cooling and refrigeration**: additional excess heat is removed by using a series of heat exchangers, and ammonia vapor is then condensed into a liquid using a refrigeration compressor and sent to the Company's ammonia storage tanks at Salalah.

Ammonia plant

The Company operates a state-of-the-art 365 ktpa nameplate capacity (assuming 97 per cent. availability) ammonia plant that was commissioned in 2022 and is co-located with its methanol plant. The following diagram illustrates the principal components of the ammonia plant:



The ammonia plant uses commercially proven technology and has an initial design life of 25 years from commissioning, although periodic upgrades and refurbishments have the potential to maintain the viability of the ammonia plant well beyond this term. The ammonia plant has access to the methanol plant's utilities and its own additional utilities, which include captive power generation (that is supplemented by a connection to the national power grid), boiler feed-water preparation, instrument air, nitrogen generation from the air separation unit and seawater cooling towers. The ammonia plant has two atmospheric ammonia storage tanks, each of which has a maximum capacity of 20 kt.

Typical ammonia plants include primary and secondary reformers and use natural gas or hydrocarbon feedstock to generate syngas, with further purification and compression followed by a shift reaction and methanation leading to ammonia generation. The reformer and its related equipment and infrastructure typically forms a significant proportion of the total capital expenditure required for an ammonia plant. However, the Company's hydrogen is sourced from the hydrogen-rich purge gas that the co-located methanol plant produces, and therefore the ammonia plant does not require a reformer like a conventional ammonia plant would. As a result, the ammonia plant requires significantly less capital expenditure compared to a conventional ammonia plant of similar capacity, making it a globally competitive ammonia producer. Energy efficiency is also increased due to the reformer elimination, resulting in a reduction in the ammonia plant's energy consumption by an average of 20 to 30 per cent., compared to a conventional ammonia plant. Furthermore, the ammonia plant benefits from additional cost savings and synergies from sharing utilities and other facilities with the methanol plant.

The Company expects to turnaround its ammonia plant every four to five years, simultaneously with the turnaround of the methanol plant. During turnaround, it expects that the plant will be taken offline for a four-to six-week period. The most recent turnaround was in 2023, and the Company expects that the next turnaround will take place in 2028.

The ammonia plant is expected to obtain accreditations by the end of 2024, comprising ISO 9001:2015 (Quality management system), ISO TS 29001:2020 (Quality management system), ISO 14001:2015 (Environmental management system) and ISO 45001:2018 (Occupational health and safety management system).

In the years ended 31 December 2022, 2023 and the six months ended 30 June 2024, the ammonia plant's utilisation levels were 60 per cent., 83 per cent. and 97 per cent., respectively.

LPG Products

The Company produces propane, butane, condensate and LPG (cooking gas). Propane and butane are flammable hydrocarbon gases that can be easily liquefied and stored under moderate pressure, making them convenient for transport and use. Both burn cleaner than other fossil fuels, making them environmentally favourable. They are commonly used for heating, cooking and fuel in household and industrial settings. Propane is effective in colder climates and is used in agriculture and as a petrochemical feedstock, while butane is often found in lighters, aerosol sprays and synthetic rubber production. Condensate is a light hydrocarbon liquid that is often produced as a by-product during the extraction and processing of propane and butane. It serves as an important feedstock in the petrochemical industry, contributing to the production of ethylene and gasoline, among other products. Condensate's clean-burning properties and ability to enhance the overall quality of oil streams make it a valuable asset in refining, petrochemical and industrial processes. LPG is a fuel gas that contains a mixture of hydrocarbon gases, in particular propane and butane. Its ease of storage and ability to be transported in liquid form under moderate pressure make it an ideal energy source in areas lacking pipeline infrastructure. LPG is also a cleaner fuel source than other fossil fuels, with a lower sulphur content and fewer carbon emissions. Widely used in both industrial processes, such as fuelling boilers, and as a household cooking gas, it also serves as a vital feedstock in the chemical industry for synthesising materials like synthetic rubber and plastics and can be converted into motor fuel and gasoline.

LPG production process

LPG products can be produced by refining crude oil or by using natural gas as feedstock. The Company produces its LPG Products by using rich natural gas, which is natural gas that contains larger quantities of heavier hydrocarbons (such as propane and butane) than lean natural gas.

The Company produces its LPG Products using the following process:

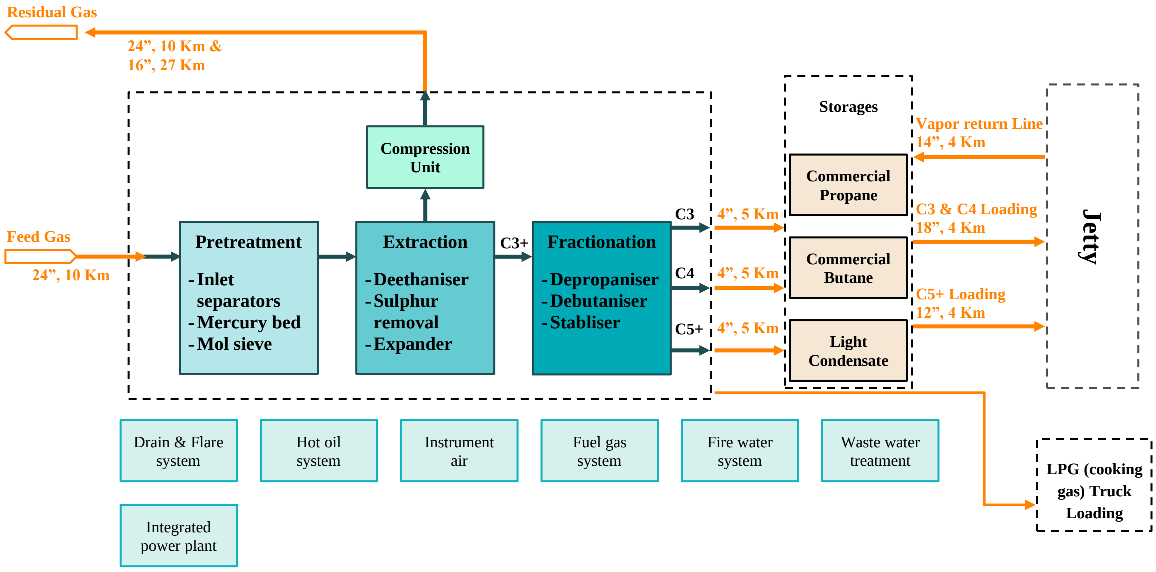
- **Pre-treatment and dehydration**: rich natural gas is pre-treated in a gas separator to remove any free liquid. Mercury is then removed in a mercury removal bed. The natural gas is then dehydrated in a dehydration facility to decrease its moisture content to less than 1 ppm.

- **Extraction**: the natural gas is transported to the Company's extraction facilities, where it goes through a heat exchange process in a cold box and then through a cold separator to remove liquid condensate, which is transported to the de-ethaniser column. The natural gas passes through a turboexpander where the pressure is decreased, which causes a decrease in temperature. This eases the separation of the heavier components (such as propane, butane and condensate) from the natural gas in the de-ethaniser column.

- **Fractionation**: the resulting lean gas is sent to OQGN's natural gas transmission network and the extracted propane, butane and condensate is transported to the fractionation unit, where these liquids first enter the de-propaniser column to extract propane. The butane and condensate that remain are then transported to the de-butaniser column to extract butane. The condensate that remains is transported to a condensate stabiliser column to extract condensate. Now extracted and separated, the propane, butane and condensate are transported to the Company's product-specific storage tanks at Salalah.

LPG plant

The Company operates a modern 356 ktpa nameplate capacity (assuming 97 per cent. availability) LPG plant that was commissioned in 2021. The following diagram illustrates the principal components of the LPG plant:



The LPG plant uses commercially proven technology and has an initial design life of 25 years from commissioning, although periodic upgrades and refurbishments have the potential to maintain the viability of the LPG plant well beyond this term. The LPG plant is designed to process up to 8.8 MMSCM/day of rich gas in its processing facilities, which include a gas processing facility, separate storage and a loading site and related utilities, as well as instrument air, a fire water system, an in-house power generation unit, a hot oil unit and a flare system. The LPG plant has one 23 kt propane storage tank, one 23 kt butane storage tank and one 7.8 kt condensate storage tank.

The Company expects to turnaround its LPG plant every four to five years. During turnaround, the plant is expected to be taken offline for a four- to five-week period. The Company expects the first turnaround of the LPG plant to take place in the third quarter of 2025.

The Company's propane, butane and condensate meet the Saudi Aramco LPG specifications and the Company's LPG (cooking gas) adheres to standards set by the Oman Ministry of Commerce and industry specifications for domestic LPG. The LPG plant has obtained accreditations including ISO 9001:2015 (Quality management system), ISO TS 29001:2020 (Quality management system), ISO 14001:2015 (Environmental management system) and ISO 45001:2018 (Occupational health and safety management system).

In the years ended 31 December 2021, 2022 and 2023 and the six months ended 30 June 2024, the LPG plant's utilisation rates were 80 per cent., 83 per cent., 89 per cent. and 98 per cent., respectively.

Product quality and testing

The Company conducts routine and pre-shipment product quality testing, as well as environmental impact testing, at its on-site laboratories. Routine testing is conducted at various points throughout its production processes, including when raw materials are used. Pre-shipment testing is conducted for all products, and a certificate of quality is issued in connection with each product shipment. Environmental testing is conducted with respect to wastewater treatment, emissions levels and seawater discharge.

For methanol, the laboratory is accredited in accordance with ISO 17025:2017 (Laboratory Management System – Testing), and the methanol is tested for conformity with IMPCA Grade AA specification. The laboratory is also accredited for methanol testing in accordance with Bureau of Indian Standards ("**BIS**") 517:2020. The laboratory is accredited for ammonia testing in accordance with BIS 662:2020. The LPG laboratory is accredited for testing propane, butane and mixtures thereof, including LPG (cooking gas), in accordance with the international standard ASTM D1835.

The Company's laboratory undergoes annual independent audits and has in place related assurance systems.

Maintenance

The Company's maintenance department provides comprehensive maintenance services intended to ensure the safe, smooth and reliable operation of its facilities in line with the Company Health & Safety Policy which is supported by a set of up-to-date maintenance standards and practices. Through a robust Maintenance Management System, the maintenance department supports the business needs of the Company's operations, aiming to maximise return on assets across their life cycles. The maintenance department prioritises environmental protection and safety, aiming to prevent accidents and injuries across all maintenance activities. Its strategies are designed to minimise downtime from maintenance and meet shutdown and availability goals of the Company. The department excels in performance and leadership, actively sharing lessons learned to refine processes, elevate standards and contribute to project successes.

Maintenance services are divided into seven specialised disciplines. These services support the Company's operations to ensure that it is complying with its licensing requirements, maintaining safety, production and plant integrity best practices, and safely and efficiently managing plant availability and utilisation levels.

- **Mechanical Maintenance**: Manages all surface rotating equipment such as pumps, compressors, fans and blowers.
- **Mechanical Support**: Focuses on static plant activities, including fabrication, painting, scaffolding, insulation and workshop tasks.
- **Electrical Maintenance**: Oversees equipment generating and distributing electricity, HVAC systems, and electric motors up to the distribution panel.
- **Instrumentation Maintenance**: Maintains control instruments, process safeguarding systems and automated valves.
- **E&I Support**: Responsible for operational technology maintenance, fire and gas systems, analyser systems, electrical asset management and electrical communication.
- **Planning & Scheduling**: Efficiently plans and schedules all maintenance activities, ensuring optimal resource utilisation.
- **Performance & Systems**: Monitors and analyses KPIs, manages budgets and oversees contracts for materials and services.

The maintenance department also supports the turnaround of the Company's plants, which typically occurs at each facility every four to five years. This requires extended planning and results in total plant shutdown for a four-to-six week period, depending on the plant and the required activities. During turnaround, major refurbishment and upgrade activities are undertaken. The most recent turnaround for the methanol and ammonia plants was in 2023 and the Company expects the first turnaround of the LPG plant to take place in the third quarter of 2025. In the years ended 31 December 2021, 2022 and 2023 and the six months ended 30 June 2024, the Company's maintenance capital expenditure was OMR 2.8 million, OMR 2.8 million, OMR 25.1 million and OMR 11.8 million, respectively. Maintenance capital expenditure is defined as the sum of turnaround capital expenditure and sustainable capital expenditure.

In addition, the Company engages third-party contractors for certain equipment maintenance services and expert technician support. It also benefits from specialised support provided by original equipment manufacturers and authorised dealers, ensuring optimal performance and compliance with industry standards.

Logistics and infrastructure

The Company's plants are strategically located in the tax-exempt SFZ in the south of Oman, near the Port of Salalah, Oman's largest port and a gateway to the MENA, European and Asian markets.

The Company relies on OQGN's underground natural gas transportation network to transport rich natural gas supplied by IGC from upstream natural gas fields to the LPG plant via 24-inch and 32-inch pipeline networks. Lean natural gas is transported from the LPG plant to end users, including the methanol plant, via a 24-inch pipeline network.

The Company does not pay for the rich natural gas that the LPG plant receives from IGC, nor does it charge IGC for the lean natural gas that it sends back into OQGN's natural gas transportation network. Gas supplied by IGC is recognised in the combined statement of profit and loss within cost of sales as notional cost of rich gas, calculated as a theoretical non-cash amount that does not have any effect on the Company's cash flows due to its notional nature. However, the Company has a revenue sharing arrangement in place under the LPG Plant BOOT/NGSA with IGC, pursuant to which the Company shares the revenue from the sale of its LPG Products with IGC, after the deduction of certain cash outflows pursuant to a payment waterfall. For further details, see "*Chapter XII—Description of the Company and Business Overview—Material Contracts—LPG Plant Build, Own, Operate and Transfer and Natural Gas Supply Agreement*".

The methanol plant pays IGC, as the Government's representative, for the lean gas that it receives based on a bespoke pricing formula linked to netback prices of methanol as per the terms of the Methanol Plant GSA. For further details, see "*Chapter XII—Description of the Company and Business Overview—Material Contracts—Methanol Plant Gas Supply Agreement*".

All products to be sold for export are transported from the Company's storage tanks, through its product-specific pipelines and to its dedicated loading arms onto vessels located at the Port of Salalah. LPG (cooking gas), which is sold domestically, is loaded onto trucks operated by third-party distributors via a dedicated loading station at the LPG plant.

Offtake, sales and customers

The Company seeks to maximise value from the sale of its methanol, ammonia and LPG Products (other than LPG (cooking gas)) through its offtake agreements with OQ Trading, which is a leading global player in the petrochemical industry, one of the five largest methanol traders in the world based on volumes traded, and a large, international trader of LPG products and ammonia. Under these offtake agreements, OQ Trading has agreed to purchase on an exclusive basis, until 2031, 2032 and 2037 in the case of methanol, ammonia and LPG Products other than LPG (cooking gas), respectively, all the methanol, ammonia and such LPG Products that the Company exports. OQ Trading is responsible for marketing the products it purchases from the Company.

Methanol is principally sold to Asian markets, as well as to Europe and Africa. Ammonia is principally sold to the MENA region and India, as well as other Asian markets, Africa and Europe. Propane, butane and condensate are principally sold to India, the Indian subcontinent and Asian markets, as well as to the Red Sea region and East and South Africa. Risk transfers free-on-board ("**FOB**") from the Company to OQ Trading at the flange point between the Company's loading arm at the Port of Salalah and the nominated vessel on which the Company's products will be shipped.

The Company delivers agreed volumes of methanol, ammonia and LPG Products other than LPG in the form of cooking gas to OQ Trading on a take-or-pay basis. Pricing for each of the Company's products is set with reference to the relevant market index for that product and adjusted by a discount or premium based on an assessment of the relevant market's supply and demand characteristics for the next 12-month period as well as, with respect to certain products, freight costs. The discount or premium, as well as the volume of product that OQ Trading agrees to offtake for the next 12-month period is agreed between the Company and OQ Trading in the fourth quarter of each year, and takes effect from 1 January of the following year. OQ Trading typically lifts products on a monthly basis at the flange point at the Port of Salalah, at which point risks associated with the transport of such products transfers from the Company to OQ Trading. For further details on the offtake agreements, see "*—Material Contracts—Offtake Agreements*".

The Company and OQ Trading work collaboratively to ensure that the Company does not exceed the storage capacity for its products before they can be offloaded onto vessels, as the Company would be required to shut down production of the relevant product(s) if this were to happen. While this has not happened to date, under the terms of the offtake agreements, OQ Trading would be required to pay damages to the Company if the Company were required to cease production.

Pursuant to an arrangement with Oman Ministry of Energy and Minerals ("**MEM**") and OQ Refineries, the Company sells to distributors in the Dhofar region of Oman a portion of the propane and butane that it produces in the form of LPG (cooking gas). The price received by the Company for this LPG is typically slightly higher than the price it would have received had the LPG's component products (propane and butane) been sold directly to OQ Trading due to the absence of shipping freight costs. LPG (cooking gas) that is sold domestically is transported via trucks operated by third-party distributors, and the risk transfers once the LPG has been loaded onto the trucks.

In the years ended 31 December 2021, 2022 and 2023 and the six months ended 30 June 2024, the Company sold 16 per cent., 12 per cent., 10 per cent. and 11 per cent., respectively, of its LPG Products in the form of LPG (cooking gas) domestically, with the balance being exported in the form of propane, butane and condensate.

Competition

The methanol, ammonia and LPG Products industries are competitive, with the primary factors affecting competition being feedstock costs, advancements in production technologies, as well as regional market dynamics, including local demand and trade policies. Primary competitors for the sale of methanol, ammonia and LPG Products include large-scale and specialised chemical manufacturers, integrated energy corporations and specialised gas producers.

As OQ Trading is currently the sole offtaker of all of the Company's methanol, ammonia and LPG Products, except LPG (cooking gas) which is sold domestically pursuant to an arrangement with MEM, there is no direct open competitive market for the sale of the Company's products.

Information Technology

Pursuant to the IDS Services Agreement with OQ dated 30 September 2024, the Company uses OQ's centralised and cost-efficient SAP Enterprise Resource Planning system covering all of its assets and aspects of its business activity, including billing and payment, supply chain management, finance and cost control, maintenance, investment and project management and talent management.

The Company manages certain aspects of its own information and communications technology infrastructure requirements, including end-users' devices, the data and voice network, the backbone transmission network and telecommunications infrastructure, and all applications that are used only by the Company, such as its SharePoint network. Other aspects of its IT infrastructure are provided by OQ pursuant to the terms of the IDS Services Agreement. The Company owns and operates its own data centres and also uses data centres provided at the OQ level, both of which provide the required hosting, database, storage and backup infrastructure to support the Company's business applications (with all data and information being backed up regularly in accordance with the Company's corporate backup and retention policies). OQ operates a cloud-based disaster recovery centre with respect to the shared IT services and the Company operates a separate cloud-based disaster recovery centre with respect to its local critical business applications, in each case as part of the Company's business continuity plan. IT systems are managed according to operational technology security standards and best practices. The Company continuously monitors changes to laws, regulations and IT-related cybersecurity threats, and applies mitigation controls to ensure compliance with regulations and to minimise cyber risks.

The Company relies on various IT systems to carry out its day-to-day operations. As a result of the increasing complexity of digital information and communication, and the increase in unauthorised access attempts and cyberattacks on corporations globally, the Company is exposed to risks, ranging from the loss or theft of data, cyberattacks, stoppages and interruptions of the business, to failure and technical obsolescence of IT systems. Therefore, the Company prioritises security measures to prevent unauthorised access or attacks and uses trusted infrastructure protection technologies to ensure a high level of security. Both at the Company level and the OQ level, network access security is regularly tested, and weaknesses are identified and remedied. Furthermore, cybersecurity-related internal and external network penetration tests are periodically performed by independent security companies to identify and mitigate security vulnerabilities as soon as possible. The Company provides its employees with access to anti-phishing awareness programmes and mandatory cybersecurity training. The Company has also adopted the ISO/IEC 27001:2013 standard for implementing and sustaining an Information Security Management System ("**ISMS**"). Its ISMS is audited and certified by an independent external certification body based on ISO/IEC 27001:2013. The Company has been certified under ISO/IEC 27001:2013 since 2022.

Intellectual Property

The Company has historically operated under the OQ logo and trade mark. The Company has entered into a trade mark licensing agreement with OQ which authorises the Company to use the OQBi logo and certain OQ trade marks (the "**Trademark License Agreement**"). See "*—Material Contracts—Trademark License Agreement*" for further information.

Environmental

The Company seeks to protect the environment and make a positive impact on the wider community and its various internal and external stakeholders. With a goal of embedding its sustainability agenda in its internal plans and strategies, the Company's sustainability team is tasked with overseeing and implementing sustainability initiatives as part of its sustainability strategy. The Company's sustainability performance is also subject to review by its executive management team.

The Company is subject to regulation by the EA, which has wide powers that include the implementation and enforcement of environmental regulations. Under the supervision of the EA, the Company is subject to the Law on Conservation of the Environment and Prevention of Pollution and the rules and regulations issued by the EA (previously the Ministry of Environment and Climate Affairs).

The EA has jurisdiction over Oman's environmental policies and regulates environmental management, pollution prevention and environmental conservation through the issuance of regulations and standards. The Company is also required to obtain, maintain and renew environmental licences, permits and approvals.

The Company's environmental and sustainability strategy is focused on decarbonisation, energy transition and water management in line with Oman's Vision 2040 and commitment to net zero carbon emissions by 2050. The Company has committed to reduce its Scope 1 and Scope 2 GHG emissions by 5 per cent. by the end of 2025 and by 25 per cent. by 2030, in each case compared to a 2023 baseline. The Company targets net zero GHG emissions by 2050. Additionally, it has achieved an energy intensity reduction of 0.3 MMBtu/kt as at 30 June 2024, compared to a 2023 baseline, and targets a reduction of 1.1 MMBtu/kt by 2025, compared to a 2023 baseline. The Company believes that its water management system differentiates it from its peers as the Company benefits from a dedicated seawater intake facility, as compared to groundwater supply, as well as a treatment plant designed to minimise water usage. It is developing baseline water usage data the Company's administrative building. also

The Company also monitors a dashboard of environmental key performance indicators which relate to, among other things, GHG emissions, water consumption, energy intensity and waste generation, as set forth in further detail in the table below.

	For the year ended 31 December			For the six months ended 30 June 2024
	2021	**2022**	**2023**	
Total GHG emissions (*million tonnes CO2 equivalent*)	0.60	1.38	1.53	0.81
Water				
Seawater withdrawal[(1)] (*million cubic metres*)	104	116	107	57
Seawater discharge[(2)] (*million cubic metres*)	102	114	105	55
Water consumption[(3)] (*million cubic metres*)	2.025	2.02	2.01	2.05
Energy				
Total energy consumption (*gigajoules*)	51,652,454	60,513,156	56,637,597	33,766,385
Energy intensity (*gigajoules per mt production*)	41.53	40.23	37.66	35.96
Waste generation				
Hazardous (*tonnes*)	32	16	78	8
Non-hazardous (*tonnes*)	81	68	584	70
Total waste generation (*tonnes*)	113	84	662	78

Note:

(1) Seawater withdrawal excludes the LPG plant.

(2) Seawater discharge excludes the LPG plant.

(3) Water consumption is defined as seawater withdrawal minus seawater discharge, together with water consumed by the LPG plant office building.

The Company prioritises compliance with environmental regulations and best practices. The EA is the primary regulatory body overseeing matters related to dangerous and hazardous chemicals, including the main regulatory framework established by the Chemical Regulation for the handling, use and management of hazardous chemicals in Oman. See "*Chapter XII—Regulatory Framework—Environment Authority and Relevant Laws*".

Following the completion of an initial sustainability gap analysis, the Company is working towards establishing an automated ESG system, obtaining certifications in sustainability training, engaging with its stakeholders and contractors and developing a comprehensive ESG strategy, with a view of obtaining its first ESG rating in 2025 and sustainability report assurance in 2026.

The Company's decarbonisation initiatives include implementing an advanced process control system for the methanol and LPG plants, optimising the steam network and hot water circuit at the methanol plant and shifting it from steam drivers to motors, optimising water content in ammonia as well as optimising overall product quality of the LPG Products.

Greenhouse Gas emissions

There are three categories of GHGs: Scope 1 emissions, Scope 2 emissions and Scope 3 emissions. The majority of the Company's GHG emissions are Scope 1 emissions, which are direct GHG emissions that occur from sources that are controlled or owned by a company. Scope 2 emissions are indirect GHG emissions associated with the purchase of electricity. The Company does not report Scope 3 emissions, which are indirect emissions (not included in Scope 2) that occur in the value chain of a company, such as purchased goods and services, business travel, employee commuting, waste disposal and transportation and distribution (including both upstream and downstream) related emissions. In January 2024, the Company began to report Scope 1 and Scope 2 emissions on a monthly basis.

The following table sets out the Company's GHG total absolute emissions during the last three years:

	For the year ended 31 December			**For the six months ended 30 June 2024**
	2021	**2022**	**2023**	
	(Million tonnes of CO_2 equivalent)			
Scope 1	0.72	1.32	1.04	0.81
Scope 2	0.01	0.06	0.10	0.05
Total	0.73	1.38	1.14	0.86

The increases in GHG emissions in 2022 and 2023 were attributable to higher fuel consumption for process heat generation, increased fuel use in construction machinery and commissioning flaring for the ammonia plant, all of which were driven by the ramp-up of the LPG plant which was commissioned in 2021 and the construction and ramp-up of the ammonia plant which was commissioned in 2022.

The Company has established GHG reduction targets across its business activities in line with the goals of the Paris Agreement. It has identified more than 30 potential GHG reduction opportunities over the next 10 years.

In particular, the Company prioritises the reduction of methane emissions, which are a potent GHG. In 2022, a leak detection and repair campaign was launched to locate and repair methane leaks. For the medium term, the Company has developed a pipeline of capital expenditure-based improvements, which it believes could potentially reduce emissions by 20 per cent. This includes the installation of a CCUS unit within the methanol reformer, as well as steam de-superheating, a 3D impeller for synthesis machine, LPG plant power integration with storage, a sea water cooler and steam methane reformer tubes replacement projects.

Health and Safety

The Company is required to comply with applicable laws and regulations on labour and occupational health and safety standards. This includes compliance with the Labour Law. The Company is also required to comply with the Ministry of Labour Ministerial Decision 286/2008, as amended, issuing the Regulations for Occupational Health and Safety at Enterprises Governed by the Labour Law. These laws and regulations impose various health and safety requirements and place the primary responsibility to take precautionary health and safety measures on the employer (i.e., the Company). Under health and safety-related laws and regulations, the Company is required to identify potential health and safety hazards, evaluate potential risks to employees and promote an occupational health and safety policy.

The Company is committed to protecting the health, safety and welfare of its employees and recognises health and safety as an integral part of its business performance. As a result, the Company has a health and safety policy which aims to continuously focus on employee safety by:

- complying with Article 10 of Ministerial Decision 286/2008, by having its health and safety programme endorsed by the Ministry of Labour;
- ensuring that each employee focuses on achieving excellence in safety, health, work environment, quality and productivity;
- routinely evaluating practices and procedures and implementing the necessary processes to maintain and improve the health and safety of employees, consumers, contractors and sub-contractors;
- providing adequate training for all staff to reduce risks and hazards, including mandatory training programmes;
- promoting a health, safety and environment-focused culture;
- promoting occupational health and industrial hygiene, which includes pre-employment, periodic medical examination and fitness to work programmes, health risk assessments, monitoring occupational exposure limits, conducting health surveys and audits, promoting occupational health programmes, monitoring occupational health programmes, and providing primary healthcare services, including medical emergency services;
- ensuring that every employee and contractor whose work may give rise to health and safety concerns is fully trained and held accountable for the implementation of the Company's health and safety policies and related health and safety legislation in Oman;
- ensuring that the Company's safety rules are followed by all;
- ensuring that the Company's service providers maintain high standards of food safety, including by receiving ISO 22000 accreditation for food safety management, ISO 41001-2018 (facility management systems) and hazard analysis and critical control point ("**HACCP**") certification;

- seeking to ensure that the environment is protected against any pollution created due to the Company's operations;
- promoting the understanding that all injuries, incidents and occupational illnesses, and the investigation of such incidents, is fundamental to future prevention, by using the TapRooT® system for root cause analysis and ensuring that all learning from previous incidents is addressed and communicated to employees to prevent recurrence.
- ensuring that employees and contractors are aware of hazards and safe work practices in their work premises;
- setting a high standard for contractors' health and safety specifications and requirement and using contractor selection criteria based on health and safety evaluations;
- following industry health and safety best practices, such as electronic work permits and other digital health and safety solutions, including the use of electronic reporting systems, journey management systems and emergency and crisis management systems;
- motivating all employees and contractors to report unsafe acts, near misses and health and safety violations, and implementing a reward and recognition scheme for promoting a positive health and safety culture at the Company; and
- setting health and safety objectives, targets and measures, appraise and publicly report on the Company's health and safety performance.

The Company's robust health and safety management culture has resulted in strong safety outcomes, including approximately 4.7 million man hours of no lost time due to injuries as at 30 June 2024. The Company's methanol and LPG plants have obtained, and its ammonia plant is in the processing of obtaining, accreditations concerning environmental, health and safety and quality management, as described in more detail in "—*Operations*".

The following table sets out the Company's key safety data for the last three years:

	2021	**2022**	**2023**
Work-related fatalities			
Total number	0	0	0
Injuries			
Lost Time Injury (LTI)	0	0	1
Lost Time Injury Frequency (LTIF)	0	0	0.3
Lost Time Injury Frequency Rate (LTIFR)	0	0	0.28
Total Recordable Injury (TRI)	1	1	2
Total Recordable Incident Frequency (TRIF)	0.45	0.50	0.55
Process safety			
Tier 1 incidents	0	0	0
Tier 2 incidents	0	0	0
Tier 3 incidents	73	46	47
Tier 4 incidents (process safety leading indicators)	85	78	90

	2021	2022	2023
Exposure			
Man hours worked (*millions*)	2,226,409	2,012,902	3,613,334

Safety and emergency response

The Company has a well-established fire service, medical support, crisis management and business system capable of responding promptly to any emergency and addresses different escalation levels to ensure effective and efficient responses. Its full-fledged, standalone firefighter units and medical support are equipped with advanced equipment, and all operations and protocols strictly align with national standards, such as Civil Defence and Ambulance Authority guidelines, and international standards, such as Federal Emergency Management Agency, National Fire Protection Association and Occupational Safety and Health Administration guidelines, ensuring the highest levels of safety and reliability. Key features include:

- highly trained professionals with expertise in emergency response;
- dedicated firefighter units with specialised capabilities;
- two fully equipped fire stations with fire trucks and dedicated fire teams specifically located at the methanol and ammonia plants and the LPG plant;
- utilisation of the latest technology and equipment for firefighting and rescue operations;
- continuous preparedness to undertake emergency response activities at any time;
- two operational medics facilities and a qualified medical team available to provide immediate medical assistance;
- ongoing training programs to maintain and enhance skills and knowledge; and
- regular drills and education programs to increase community awareness and preparedness.

Corporate and Social Responsibility

The Company is recognised as a prominent leader in CSR endeavours in the Dhofar region, demonstrating a steadfast commitment to fostering shared value within the communities it serves. In alignment with the priorities of the Oman Vision 2040 and sustainable development goals, the Company spearheads various impactful CSR initiatives. Noteworthy projects include the establishment of a state-of-the-art chemical engineering research and development laboratory at the University of Technology and Applied Science - Salalah and the provision of equipment for the OQ Innovation Laboratory at the Vocational College. The chemical research laboratory will assist graduates in innovating and solving problems within the chemical engineering field with practical proficiency through experiments and by exposing students to research processes in the various fields of chemical engineering. Similarly, the OQ Innovation Lab has been equipped with the latest devices, equipment and advanced technologies which will enable students from colleges, universities, schools and members of civil society to use the laboratory as a centre within the national innovation system in line with the objections of Oman Vision 2040, the National Innovation Strategy and the National Research and Development Strategy. The Company also established the Salalah Autism Centre and a cultural centre in Dhalkout and is contributing to the restoration of Havour caves in Madabi Arzat and the creation of the Ittin Oasis Park. In addition, the Company is in the process of developing a framework for completion of a social return on investment (SROI) study.

Furthermore, the Company actively encourages a culture of volunteerism among its employees, with 312 dedicated individuals contributing 914 hours in 2023 to both Company-sponsored CSR projects and community-driven initiatives. By prioritising broader societal interests and the economic advancement of Oman, the Company consistently seeks to enhance its involvement and impact within Omani communities, support governmental initiatives for environmental sustainability, and cultivate robust community partnerships.

Central to the Company's social responsibility strategy is a strong emphasis on human capital development and In-Country Value (see below). This is achieved through various measures, including the promotion of a volunteer-friendly culture among employees, support for local suppliers, contractors and entrepreneurs, and the implementation of a comprehensive agenda to drive sustainable impact and positive change within the region.

In-Country Value

The Company aims to share the benefits of its industry across Oman through its In-Country Value ("**ICV**") strategy, which commits the Company to maximising its procurement of local goods and services and seeks to improve the capacity and capability of the Omani people and companies, thereby securing sustainable commercial benefits for Oman. ICV is defined as the total spend retained in-country that benefits business development, contributes to human capability development and stimulates productivity in Oman's economy. The Company includes ICV terms and conditions in most of its major contracts.

In 2023, the Company invested in programmes that promoted the growth and development of local businesses, created new job opportunities for 9 graduates, and supported skill development by introducing training for 15 graduates through its contractor and sub-contractor community. It also sources goods and services from nationally registered suppliers, promotes the use of locally made products, and encourages innovation and development in SMEs.

In the year ended 31 December 2023, the Company's total expenditure on goods and services was US$90.7 million, with ICV spend accounting for 27 per cent. of that amount. The Company also tracks its engagement with domestic SMEs and Riyada contractors (domestic SMEs who only work with the Company). In the year ended 31 December 2023, domestic SMEs and Riyada contractors together accounted for 16 per cent. of the Company's supply chain spend, and Riyada contractors accounted for 9 per cent. of its supply chain spend. Prior to 2023, ICV was only tracked at the OQ Group level.

Properties

The Company's properties are in Salalah, Oman and include the site for its co-located methanol and ammonia plants (at which its headquarters are also located) and the site for its LPG plant. The Company does not own the land on which the LPG plant, the methanol plant and the ammonia plant are situated. The Company was granted rights to use such land pursuant to the lease, sub-usufruct, easement and right of way agreements with Salalah Port Services Company SAOC and Salalah Free Zone Company SAOC for each of the LPG plant, the methanol plant and the ammonia plant. The terms of the agreements expire between 2035 and 2047 unless extended or terminated before then.

Employees

The Company had 352, 349, 409 and 411 employees, respectively, as at 31 December 2021, 2022 and 2023 and 30 June 2024. In addition, the Company supplements its workforce with additional contractors who it hires through third-party employment agencies to fill certain roles, including clerical positions and more senior technical roles. It had 11 and 16 third-party contractors, respectively, as at 31 December 2023 and 30 June 2024.

The Company is not responsible for employment benefits for contractors hired through third-party employment agencies.

The Company believes that human resources are critical to its business and seeks to ensure that staff are given career training and development opportunities to address all present and future workforce needs. These opportunities include graduate training positions and internal recruitment opportunities. The Company also maintains succession planning strategies in line with the growth of its business.

The Company seeks to offer a compelling employee value proposition, including a competitive compensation and benefits package. The value proposition for employees is based on four pillars: reward, growth, wellbeing and culture. Entitlement to certain benefits is based on the Company's business and financial performance, as well as employee performance.

The Company's recruitment team seeks to fill vacant positions based on the skills and expertise required for open jobs, while giving priority to internal talent in a fair manner. All candidates are selected based on capability assessments to ensure the best candidate is appointed.

The Company's short-term commitments within the diversity and inclusion initiatives include increasing youth participation in the workforce and raising the proportion of employees with disabilities to 2 per cent.

As at 31 December 2023 and 30 June 2024, the Company had an Omanisation rate of 81 per cent. and 81 per cent., respectively.

Insurance

The Company maintains insurance coverage that it believes is in line with customary practice in its industry, through OQ's umbrella insurance policies. The Company benefits from OQ's property all risks insurance (against fire, earthquakes, explosions and other potential risks), plant all risks insurance, property damage, inland transit and business interruption insurance, third-party liability insurance, cybersecurity (physical and non-physical damage) insurance, as well as insurance against casualty and personal accidents. In addition, the other insurance policies procured by OQ include motor fleet, fidelity guarantee, directors' and officers' liability, travel and electronic equipment insurance. The Company's employees are covered under OQ's medical, group life and workmen's compensation insurance. The Company's insurance policies are typically concluded for a period of one year and are renewed annually upon their expiry. All insurance policies are subject to certain deductibles. See "*Chapter IV—Risk Factors—Risks relating to the Company and its Business—The Company's insurance and indemnities from its counterparties may not be adequate to cover potential losses from its operations*".

Legal Proceedings

From time to time, the Company is party to governmental, legal, arbitration or other proceedings. The Company does not believe that there are any proceedings that would, if finally determined adversely the Company, have a material adverse effect on the Company's financial position or profitability.

Subsidiaries

The Company's only subsidiary is OQ LPG, which is wholly owned and engaged in the manufacture of liquified or compressed gases.

Material Contracts

LPG Plant Build, Own, Operate and Transfer and Natural Gas Supply Agreement

On 11 June 2017, OQ LPG entered into the LPG Plant BOOT/NGSA with the Government, pursuant to which, the Government, acting through IGC (formerly through the Oman Ministry of Energy and Minerals ("**MEM**"), which was a party to the agreement prior to 1 January 2023, when the agreement was transferred to IGC as a matter of law), supplies rich natural gas to the LPG plant for the extraction of LPG Products at no immediate cost in return for (i) the Company sending the lean natural gas that remains after it extracts its LPG Products back into OQGN's natural gas transmission network and (ii) a share of the revenue from the sale of its LPG Products, after the deduction of certain costs pursuant to a payment waterfall. Pursuant to the payment waterfall, revenue from the sale of the Company's LPG Products is first applied to the payment of any expenses relating to operating expenditure, capital expenditure, financing obligations and shareholder funding of OQ LPG, following which the remaining balance is split between the Government and the Company on an 80 per cent. / 20 per cent. basis.

If IGC fails to deliver the contracted quantity or if the rich natural gas supplied to the LPG plant does not meet the quality specifications set out in the agreement, the Company may be entitled to receive compensation, subject to notice requirements and the Company's decision to accept or reject such rich natural gas in the case of quality failure. The difference in the volume of rich natural gas supplied to the LPG plant and the volume of lean natural gas sent back from the LPG plant (shrinkage) cannot exceed 0.91 MMSCM/day. If shrinkage exceeds 0.91 MMSCM/day, IGC may suspend or reduce rich natural gas supply or continue to supply the gas and seek recovery from the Company of a share of revenue attributable to the sale of LPG Products.

The term of the agreement is 25 years from the date the LPG plant was commissioned, expiring in August 2046, and may be renewed by the Government for an additional 10-year term. The agreement provides that subject to the terms of any security or charge any lenders may have in connection with the financing of the LPG plant, the LPG plant and its related facilities will be transferred back to the Government upon (i) the conclusion of the agreement term, or (ii) the occurrence of an Event of Default by the Company or the Government, provided such default remains unremedied for a period exceeding 120 days. Events of Default of the Company include the Company (i) committing a material breach of the agreement, (ii) intentionally and materially overstating the amount of operating expenditures, and (iii) becoming bankrupt, commencing winding-up or going into administration. Events of Default of the Government include a material breach of the agreement and termination of any agreement relating to utilities, land or access rights required for the LPG plant, such as the lease agreement between the Company and the Salalah Port or the sub-usufruct agreement between the Company and the SFZ. If the agreement is terminated due to an unremedied default of the Company or the Government, the transfer of the LPG plant and facilities to the Government is subject to the Company receiving certain payments from the Government.

Methanol Plant Gas Supply Agreement

On 14 January 2008, the Company entered into a Gas Supply Agreement with the Government, acting through MEM, pursuant to which the Government, acting through IGC, supplies lean natural gas to the methanol plant. The agreement provides for a minimum purchase undertaking on the part of the Company on a take or pay basis. The maximum quantity of lean natural gas to be delivered per day is 150,000 MMBtu. The price of gas is set at a base price of US$1.50 per MMBtu plus an adjustment dependent on the gas quality and the weighted average netback price per tonne of methanol for actual shipments during the invoice month. From the date of commercial production and thereafter on 1 January of each year, the base price is adjusted on a cumulative basis in accordance with the consumer price index published by the U.S. Bureau of Labour Statistics.

The term of the agreement is 25 years from the date of commencement of commercial production of methanol, expiring in 2035, and may be extended upon mutual agreement of the parties. In the event IGC is unable to deliver agreed volumes of gas or if the lean natural gas supplied to the methanol plant does not meet the agreed quality specifications, the agreement sets out certain prioritisation and compensation procedures.

Offtake Agreements

LPG Products

On 1 June 2017, OQ LPG and OQ Trading entered into an LPG and condensate offtake agreement for a period of 15 years from the start of the commercial production of LPG Products and ending in 2037. Under the terms of the agreement, OQ Trading offtakes all the Company's LPG Products other than LPG (cooking gas), less any allocation to downstream businesses in Oman. Pricing for propane and butane is set based on the Saudi Aramco contract price and pricing for condensate is based on the joint review and mutual agreement of the parties, adjusted by a discount or premium based on an assessment of the relevant market's supply and demand characteristics for the next 12-month period. The discount or premium, as well as the volume of product that OQ Trading agrees to offtake for the next 12-month period, is agreed between the Company and OQ Trading in the fourth quarter of each year and takes effect from 1 January of the following year. If OQ Trading fails to offtake the agreed volume of product, the Company may undertake spot sales of the unlifted product and recover the resulting price difference from OQ Trading, subject to certain conditions.

Methanol

On 20 September 2017, the Company and OQ Trading entered into methanol offtake agreement for the offtake of 100 per cent. of the Company's methanol production. The agreement is valid until 31 December 2031 and is expected to be amended by the end of 2024 to be extended until 2042. It automatically renews for additional three-year periods until the repayment of the Company's financing obligations, following which, the agreement will be automatically extended for additional one-year periods, unless one party gives notice to the other party of its intention not to extend the agreement at least one year prior to the scheduled term expiry. Pricing for methanol is set with reference to the relevant market index and adjusted by a discount or premium based on an assessment of the relevant market's supply and demand characteristics for the next 12-month period, as well as freight costs. The discount or premium, as well as the volume of methanol that OQ Trading agrees to offtake for the next 12-month period, is agreed between the Company and OQ Trading in the fourth quarter of each year and takes effect from 1 January of the following year. If OQ Trading fails to offtake the agreed volume of product, the Company may undertake spot sales of the unlifted product and recover the resulting price difference from OQ Trading, subject to certain conditions.

Ammonia

On 11 June 2017, the Company and OQ Trading entered into ammonia offtake agreement for the offtake of 100 per cent. of the Company's ammonia production. The agreement is expected to be amended by the end of 2024. It is valid for a period of ten years from the start of the commercial production of ammonia and automatically renews until the repayment of the Company's financing obligations, following which, the agreement will be automatically extended for additional one-year periods, unless one party gives notice to the other party of its intention not to extend the agreement at least one year prior to the scheduled term expiry. Pricing for ammonia is set with reference to the relevant market index and adjusted by a discount or premium based on an assessment of the relevant market's supply and demand characteristics for the next 12-month period. The discount or premium, as well as the volume of ammonia that OQ Trading agrees to offtake for the next 12-month period, is agreed between the Company and OQ Trading in the fourth quarter of each year and takes effect from 1 January of the following year. If OQ Trading fails to offtake the agreed volume of product, the Company may undertake spot sales of the unlifted product and recover the resulting price difference from OQ Trading, subject to certain conditions.

Trademark Licence Agreement

The Company entered into a trade mark licence agreement with OQ effective 20 October 2024 (the "**Trademark Licence Agreement**"), whereby OQ granted to the Company a non-exclusive, non-transferable licence to use certain OQ trade marks in Oman for an annual fee which is not expected to exceed US$1.5 million. The Trademark Licence Agreement is valid until a termination date that is mutually agreed by the parties and may be terminated by either party for convenience on one month's prior written notice. The Trademark Licence Agreement may also be terminated by OQ immediately on written notice in the event of a change of control of the Company. The Trademark Licence Agreement defines "control" as the possession, directly or indirectly, or the power to direct or cause the direction of the management, business, or policies of the Company, whether through the ownership of shares or the power to elect or appoint at least 50 per cent. of the directors, managers or other individuals exercising similar authority.

Information Sharing Agreement

The Company entered into an information sharing agreement with OQ effective 29 September 2024 (the "**Information Sharing Agreement**"), which sets out guidelines on matters relating to the sharing of material non-public information and insider trading. Pursuant to the agreement, the Company agrees to provide OQ with such information as OQ may require, including, among other things, for the purposes of: (i) satisfying the requirements of law, regulations or the rules and regulations of any regulatory body or international exchange to which it is subject and any obligation relating thereto; (ii) financial and/or non-financial reporting obligations, including producing and verifying the consolidated group accounts of the OQ Group and any related report or obligation; and (iii) providing information as required by Governmental authorities. The Information Sharing Agreement contains certain obligations on both parties to ensure that they are complying with FSA and MSX rules, in particular, regarding the protection of material non-public information. The Information Sharing Agreement is governed by the laws of Oman. The Information Sharing Agreement may be terminated by OQ, or upon the earlier of: (i) the Shares ceasing to be listed on the MSX; and (ii) OQ ceasing to control the Company (where "control" is defined as the possession, directly or indirectly, of the power to direct or cause the direction of the management, business or policies of the Company, whether through the ownership of shares or the power to elect or appoint at least 50 per cent. of the directors, managers or other individuals exercising similar authority).

IDS Services Agreement

The Company entered into a technology services and support agreement with OQ effective 1 January 2024 (the "**IDS Services Agreement**"), whereby OQ provides the Company with, among other things, access to and use of any software owned or licensed by OQ or that may be owned by or licensed to OQ under OQ Group software licensing agreements. Through the IDS Services Agreement, the Company can participate in the benefits of the OQ Group IT licensing arrangements, including preferential OQ Group licensing fees. In addition, pursuant to the IDS Services Agreement, OQ provides the Company with IT support services in several areas, including business integration and applications services (such as SAP functional and technical services), cyber security services, digital transformation services, information management services and IT operational support (such as IT infrastructure and network support).

Pursuant to the IDS Services Agreement, OQ ensures that it will implement ringfencing and data segregation measures to safeguard and protect the integrity and availability of the Company's data and information.

The IDS Services Agreement has an initial term of five years with a renewal option. It is governed by the laws of Oman, and may be terminated by OQ, or upon the earlier of: (i) the Shares ceasing to be listed on the MSX; and (ii) OQ ceasing to control the Company (where "control" is defined as the possession, directly or indirectly, of the power to direct or cause the direction of the management, business or policies of the Company, whether through the ownership of shares or the power to elect or appoint at least 50 per cent. of the directors, managers or other individuals exercising similar authority).

Energy Excellence Services Agreement

The Company entered into an energy excellence services agreement with OQ Alternative Energy effective 25 September 2024 (the "**Energy Excellence Services Agreement**"), pursuant to which OQ Alternative Energy is to provide the Company with certain services related to energy transition projects and decarbonisation. The scope of the services is to be agreed by the parties on an annual basis and may encompass GHG consultancy, including management of GHG emission reporting, identification of GHG emissions reduction and other ESG opportunities, development of decarbonisation roadmaps and forecasts, climate risk management, as well as energy efficiency consultancy and assistance with implementation of energy savings projects. The Company compensates OQ Alternative Energy for the services provided on a monthly basis. The Energy Excellence Services Agreement remains in force until it is terminated in accordance with its terms.

Turnaround and Domestic Sales Services Agreement

The Company entered into a turnaround and domestic sales services agreement with OQ Refineries and Petroleum Industries LLC ("**OQ RPI**") effective 6 October 2024 (the "**Turnaround and Domestic Sales Services Agreement**"), pursuant to which OQ RPI will provide the Company with (i) turnaround services, including planning, scheduling and execution of turnaround work for the Company's plants, (ii) consulting services related to review and improvement of asset reliability, and (iii) domestic sales support related to sales of LPG (cooking gas). The Turnaround and Domestic Sales Services Agreement is valid for a period of three years.

Intra-Group Hedging Transactions

OQ LPG expects to enter into intra-group hedging transactions with OQ in the form of a variable-to-fixed interest rate swap transaction under back-to-back arrangements with OQ to hedge OQ LPG's interest rate exposure under certain borrowings for 2025. The interest rate swap transactions will cover two semi-annual interest periods and will expire by 31 December 2025.

Master Services Agreement

The Company expects to enter into a master services agreement with OQ (the "**Master Services Agreement**") by the end of 2024, pursuant to which OQ will provide the Company with a range of services, including services related to business development and resource management for project execution, human resources, corporate social investment, financial services (including, but not limited to, insurance, treasury and procurement for strategic sourcing), ESG collaboration and performance reporting.

Chapter XIII
Selected Historical Financial Information

The selected historical combined financial information set forth below as at and for the years ended 31 December 2021, 2022 and 2023 and the six months ended 30 June 2023 and 2024 has been derived from the audited Annual Combined Financial Statements, which have been prepared in accordance with IFRS, and the audited Interim Combined Financial Statements, which have been prepared in accordance with IFRS and IAS 34.

Results in the Interim Combined Financial Statements are not necessarily indicative of the results that can be expected for the full year. The selected historical combined financial information should be read in conjunction with "Chapter XIV—Management's Discussion and Analysis of Financial Condition and Results of Operations", and the Combined Financial Statements, including the related notes, included elsewhere in this Prospectus.

Combined Statement of Profit or Loss and Other Comprehensive Income (OMR)

	Year ended 31 December			Six months ended 30 June	
	2021	2022	2023	2023	2024
			(OMR millions)		
Revenue	154.2	215.6	196.2	102.5	104.3
Cost of sales	(102.4)	(136.1)	(125.9)	(67.9)	(77.8)
Gross profit	51.8	79.6	70.3	34.6	26.5
Other income	1.6	3.6	—	—	0.0
Administrative and general expenses	(9.8)	(13.3)	(14.4)	(3.2)	(3.8)
Selling and promotion expenses	(0.5)	(0.0)	(0.0)	(0.0)	—
Impairment loss on trade and other receivables	0.3	—	—	—	—
Related party receivable written off	—	—	—	—	(5.3)
Operating profit	43.4	69.9	55.9	31.4	17.4
Finance income	7.4	9.3	19.4	8.2	3.3
Finance costs	(9.5)	(17.2)	(27.8)	(13.8)	(16.6)
Profit for the period	41.2	61.9	47.5	25.8	4.1
Other comprehensive income for the period	9.1	24.8	(14.0)	(2.8)	(3.2)
Total comprehensive income for the period	50.3	86.7	33.5	23.0	0.9
Profit for the year/period attributable to:					
Equity holders of the reporting entity	41.2	61.9	47.5	25.8	4.1
Total comprehensive income attributable to:					
Equity holders of the reporting entity	50.3	86.7	33.5	23.0	0.9

Combined Statement of Financial Position (OMR)

	As at 31 December			As at 30 June
	2021	2022	2023	2024
		(OMR millions)		
Assets				
Non-current assets				
Property, plant and equipment	599.8	599. 9	580.3	591.1
Intangible assets	0.0	0.0	—	—
Right of use assets	7.6	6.7	6.4	8.6
Due from related parties	25.9	24.0	—	—
Derivatives	9.0	17.1	6.3	3.6
Total non-current assets	642.3	647.8	593.0	603.3
Current assets				
Inventories	10.7	14.7	9.4	13.9
Trade and other receivables	0.6	2.9	16.0	5.4
Due from other parties	22.8	35.8	59.7	22.8
Derivatives	—	14.4	11.3	10.8
Bank deposits	49.3	53.9	84.2	81.9
Cash and cash equivalents	86.6	113.6	24.5	46.6
Total current assets	170.1	235.3	205.1	181.5
Total assets	812.4	883.1	798.1	784.8
Equity and liabilities				
Equity				
Share capital	38.5	38.5	38.5	38.5
Subordinated loans from the shareholders (OQ Methanol)	51.9	51.9	—	—
Legal reserve	12.9	12.9	12.9	12.9
Hedging reserve	7.7	31.5	17.6	14.4
Merger reserve	0.25	0.25	0.25	0.5
Retained earnings	73.3	136.2	183.7	205.2
Equity attributable to owners of the reporting entity	184.6	271.3	252.9	271.5
Total equity	184.6	271.3	252.9	271.5
Non-current liabilities				
Term loan	417.6	371.3	327.5	305.6
Subordinated loans from shareholders (OQ LPG)	90.6	94.0	55.6	—
Lease liabilities	10.9	10.7	11.5	13.3
Provisions for rich gas	7.7	34.6	54.7	82.3
Employees' end of service benefits	2.6	1.8	1.9	1.3
Total non-current liabilities	529.4	512.3	451.3	402.4
Current liabilities				

	As at 31 December			As at 30 June
	2021	2022	2023	2024
	(OMR millions)			
Term loan	38.3	42.4	44.9	44.7
Subordinated loans from shareholders (OQ LPG)	—	—	—	38.2
Trade and other payables	41.2	35.5	47.7	27.1
Due to related parties	16.3	20.2	1.0	0.6
Lease liabilities	1.3	1.3	0.3	0.3
Derivatives	1.3	—	—	—
Total current liabilities	98.4	99.5	93.9	110.9
Total liabilities	627.7	611.8	545.2	513.3
Total equity and liabilities	812.4	883.1	798.1	784.8

Combined Statement of Cash Flows (OMR)[1]

	Year ended 31 December			Six months ended 30 June	
	2021	2022	2023	2023	2024
	(OMR millions)				
Net cash generated from operating activities	62.0	111.6	93.3	60.0	67.8
Net cash (used in)/generated from investing activities	(54.9)	(21.9)	(23.0)	1.8	(12.0)
Net cash generated/(used in) from financing activities	44.0	(62.7)	(159.4)	(28.8)	(33.7)
Net increase/(decrease) in cash and cash equivalents	51.1	27.0	(89.1)	32.9	22.1
Cash and cash equivalents at beginning of the period	35.5	86.6	113.6	113.6	24.5
Cash and cash equivalents at end of the period	86.6	113.6	24.5	146.5	46.6

Note:

(1) The full statements of cash flows for the periods indicated are included in the Combined Financial Statements. See "*Chapter XXVI—Historical Financial Statements*".

Other Financial and Operational Data (OMR)

The following tables set out certain financial and operating data of the Company as at and for the years ended 31 December 2021, 2022 and 2023 and the six months ended 30 June 2023 and 2024:

	Year ended 31 December			Six months ended 30 June	
	2021	2022	2023	2023	2024
	(OMR millions, except percentages)				
Adjusted EBITDA(1)(2)	61.3	92.7	84.6	45.9	39.0
Adjusted EBITDA Margin(1)(2)	39.7%	43.0%	43.1%	44.8%	37.4%
Adjusted EBIT(1)(2)	43.4	69.9	55.9	31.4	22.7
Operating Unlevered Free Cash Flow(1)(3)	12.6	92.5	70.4	56.4	49.7
Adjusted Operating Levered Free Cash Flow(1)(3)	(6.0)	73.8	32.5	39.3	32.2
Cash Conversion(1)(3)	20.5%	99.8%	83.2%	122.7%	127.3%
Capital Expenditure(1)(4)	49.5	18.9	22.7	3.6	17.6
Feedstock Costs(1)	72.8	95.4	78.6	41.9	49.5
Gearing(1)(6)	2.2x	1.3x	1.3x		1.0x
Net Financial Debt(1)(6)	410.6	340.1	319.4		259.9
Leverage(1)(6)	6.7x	3.7x	3.8x		6.7x
Adjusted Operating Expenses (excluding Depreciation and Amortisation)(1)(5)	20.1	27.5	33.0	14.7	15.8
Working Capital(1)(7)	(23.4)	(2.3)	36.4	22.7	14.5
Change in Working Capital(1)(7)	(10.2)	21.0	38.7	(0.9)	(21.9)
Total Net Debt(1)(6)	422.7	352.2	331.2		273.5
Derivative Assets(1)(8)	9.0	31.5	17.6		14.4
Non-cash Items and Other Adjustments(1)(9)	13.7	40.0	47.4	14.9	7.1

Notes:

(1) For the definitions of all Non-IFRS information and other operational data used, see "*Presentation of Financial, Industry and Market Data—Non-IFRS Information and Certain Other Financial and Operational Data*".

(2) The following table sets forth a reconciliation of Adjusted EBITDA, Adjusted EBITDA Margin and EBIT to profit for the year/period for the periods indicated:

	Year ended 31 December			Six months ended 30 June	
	2021	2022	2023	2023	2024
	(OMR millions, except percentages)				
Profit before tax	41.2	61.9	47.5	25.8	4.1

	Year ended 31 December			Six months ended 30 June	
	2021	2022	2023	2023	2024
	(OMR millions, except percentages)				
Finance income	(7.4)	(9.3)	(19.4)	(8.2)	(3.3)
Finance costs	9.5	17.2	27.8	13.8	16.6
Depreciation, depletion and amortisation	17.9	22.8	28.7	14.6	16.3
Write off related party balance	—	—	—	—	5.3
Adjusted EBITDA[(a)]	**61.3**	**92.7**	**84.6**	**45.9**	**39.0**
Revenue[(b)]	154.2	215.6	196.2	102.5	104.3
Adjusted EBITDA Margin [(a over b)]	**39.7%**	**43.0%**	**43.1%**	**44.8%**	**37.4%**
Depreciation, depletion and amortisation	(17.9)	(22.8)	(28.7)	(14.6)	(16.3)
Adjusted EBIT	**43.4**	**69.9**	**55.9**	**31.4**	**22.7**

(3) The following table sets forth a reconciliation of Operating Unlevered Free Cash Flow, Adjusted Operating Levered Free Cash Flow, Cash Conversion to profit for the year/period (referencing Adjusted EBITDA as is reconciled in the table in note 2 above) for the periods indicated:

	Year ended 31 December			Six months ended 30 June	
	2021	2022	2023	2023	2024
	(OMR millions)				
Adjusted EBITDA	61.3	92.7	84.6	45.9	39.0
Adjustments for non-cash items:					
Impairment of receivables	(0.3)	—	—	—	—
(Reversal of) / charge for inventory obsolescence	(0.0)	(0.0)	0.1	—	(0.0)
Charge for provision for rich natural gas	13.7	33.2	27.8	14.8	22.1
Reversal of employees' end of service benefits	—	—	—	—	(0.5)
Accrual for employees' end of service benefits	0.3	0.2	0.1	0.2	0.1
	74.9	**126.2**	**112.6**	**60.9**	**60.6**
Changes in working capital:					
Inventories	(3.2)	(3.5)	5.2	1.1	(4.5)
Trade and other receivables	1.6	(1.0)	(13.1)	(5.3)	10.6
Due from related parties	(12.8)	(11.1)	0.1	17.6	8.7
Trade and other payables	6.6	(2.8)	7.7	(2.9)	(7.1)
Due to related parties	(2.4)	3.9	(19.2)	(11.3)	(0.4)
	(10.2)	**(14.5)**	**(19.3)**	**(0.9)**	**7.4**
Employees' end of service benefits paid	(2.7)	(0.1)	—	—	(0.1)
Acquisitions of property, plant and equipment	(49.5)	(18.9)	(22.7)	(3.6)	(17.6)

	Year ended 31 December			Six months ended 30 June	
	2021	2022	2023	2023	2024
			(OMR millions)		
Acquisitions of intangible assets................	(0.0)	—	—	—	—
Repayment of lease liabilities - principal portion	(0.0)	(0.2)	(0.2)	—	(0.6)
Operating Unlevered Free Cash Flow............	**12.6**	**92.5**	**70.4**	**56.4**	**49.7**
Less:					
Finance Costs	(18.6)	(18.7)	(37.9)	(17.1)	(17.5)
Adjusted Operating Levered Free Cash Flow	**(6.0)**	**73.7**	**32.5**	**39.3**	**32.2**

(4) The following table sets forth a reconciliation of Capital Expenditure to the relevant items in the combined statement of cash flows in the Combined Financial Statements for the periods indicated:

	Year ended 31 December			Six months ended 30 June	
	2021	2022	2023	2023	2024
			(OMR millions)		
Acquisitions of property, plant and equipment...	49.5	18.9	22.7	3.6	17.6
Acquisitions of intangible assets................	0.0	—	—	—	—
Capital Expenditure	**49.5**	**18.9**	**22.7**	**3.6**	**17.6**

(5) The following table sets forth a reconciliation of Adjusted Operating Expenses (excluding Depreciation and Amortisation) to the relevant items in the combined statement of cash flows in the Combined Financial Statements for the periods indicated:

	Year ended 31 December			Six months ended 30 June	
	2021	2022	2023	2023	2024
			(OMR millions)		
Cost of sales	(102.4)	(136.1)	(125.9)	(67.9)	(77.8)
Acquisitions of intangible assets................	(9.8)	(13.3)	(14.4)	(3.2)	(3.8)
Selling and promotion expenses	(0.5)	(0.0)	0.0	(0.0)	—
Impairment charge made / (reversed) on trade receivables	0.3	—	—	—	—
Other income	1.6	3.6	—	—	0.0
	(110.8)	(145.8)	(140.3)	(71.1)	(81.6)
Less:					
Feedstock costs..	72.8	95.4	78.6	41.9	49.5
Depreciation and amortisation	17.9	22.8	28.7	14.6	16.3

	Year ended 31 December			Six months ended 30 June	
	2021	2022	2023	2023	2024
			(OMR millions)		
	90.6	118.2	107.3	56.5	65.8
Adjusted Operating Expenses (excluding Depreciation and Amortisation)	**(20.1)**	**(27.5)**	**(33.0)**	**(14.7)**	**(15.8)**

(6) The following table sets forth a reconciliation of Net Financial Debt, Total Net Debt, Gearing and Leverage (referencing Adjusted EBITDA as is reconciled in the table in note 2 above) to the relevant items in the combined statement of financial position in the Combined Financial Statements for the periods indicated:

	Year ended 31 December			Six months ended 30 June
	2021	2022	2023	2024
		(OMR millions, except percentages)		
Term loan	455.9	413.7	372.5	350.2
Subordinated loan..................................	90.6	94.0	55.6	38.2
Less:				
Cash and cash equivalents	(86.6)	(113.6)	(24.5)	(46.6)
Bank deposits	(49.3)	(53.9)	(84.2)	(81.9)
Net Financial Debt[(a)]	**410.6**	**340.1**	**319.4**	**259.9**
Lease liabilities	12.2	12.0	11.8	13.6
Total Net Debt...	**422.7**	**352.2**	**331.2**	**273.5**
Total equity[(b)]	184.6	271.3	252.9	271.5
Gearing[(a over b)]...	2.2x	1.3x	1.3x	1.0x
Adjusted EBITDA[(c)]	61.3	92.7	84.6	39.0
Leverage [(a over c)]	6.7x	3.7x	3.8x	6.7x

(7) The following table sets forth a reconciliation of Working Capital and Change in Working Capital to the relevant items in the combined statement of cash flows in the Combined Financial Statements for the periods indicated:

	Year ended 31 December			Six months ended 30 June	
	2021	2022	2023	2023	2024
			(OMR millions)		
Inventories..	10.7	14.7	9.4	13.6	13.9
Trade and other receivables.......................	0.6	2.9	16.0	8.2	5.4

	Year ended 31 December			Six months ended 30 June	
	2021	2022	2023	2023	2024
			(OMR millions)		
Due from related parties	22.8	35.8	59.7	42.3	22.9
Trade and other payables	(41.2)	(35.5)	(47.7)	(32.5)	(27.1)
Due to related parties	(16.3)	(20.2)	(1.0)	(8.9)	(0.6)
Working Capital	**(23.4)**	**(2.3)**	**36.4**	**22.7**	**14.5**
Change in Working Capital	**(10.2)**	**21.0**	**38.7**	**(0.9)**	**(21.9)**
Change in Working Capital as per statement of cash flows	(10.2)	(14.5)	(19.3)	(0.9)	7.4
Difference in Change in Working Capital	—	6.5	19.5	—	(14.5)

(8) The following table sets forth a reconciliation of Derivative Assets to the relevant items in the combined statement of financial position in the Combined Financial Statements for the periods indicated:

	Year ended 31 December			Six months ended 30 June
	2021	2022	2023	2024
		(OMR millions)		
Derivatives (non-current)	9.0	17.1	6.3	3.6
Derivatives (current)	—	14.4	11.3	10.8
Derivative assets	**9.0**	**31.5**	**17.6**	**14.4**

(9) The following table sets forth a reconciliation of Non-cash Items and Other Adjustments to the relevant items in the combined statement of cash flows in the Financial Statement for the periods indicated:

	Year ended 31 December			Six months ended 30 June	
	2021	2022	2023	2023	2024
			(OMR millions)		
(Reversal of) / impairment losses – net	(0.3)	—	—	—	—
(Reversal of) / charge for inventory obsolescence	(0.0)	(0.0)	0.1	—	(0.0)
Charge for provision for rich natural gas	13.7	33.2	27.8	14.8	22.1
Reversal of employees' end of service benefits	—	—	—	—	(0.5)
Accrual for employees' end of service benefits	0.3	0.2	0.1	0.2	0.1
Non-cash Items	13.7	33.5	27.9	14.9	21.6

	Year ended 31 December			Six months ended 30 June	
	2021	2022	2023	2023	2024
			(OMR millions)		
Difference in Change in Working Capital	—	(6.5)	(19.5)	—	14.6
Non-cash items and Other Adjustments	**13.7**	**40.0**	**47.4**	**14.9**	**7.0**

Combined Statement of Profit or Loss and Other Comprehensive Income (USD)[(1)]

	Year ended 31 December			Six months ended 30 June	
	2021	2022	2023	2023	2024
			(USD millions)		
Revenue	400.5	560.0	509.5	266.3	271.3
Cost of sales	(266.0)	(353.3)	(326.9)	(176.4)	(202.4)
Gross profit	134.4	206.7	182.6	89.9	68.9
Other income	4.3	9.3	—	—	0.1
Administrative and general expenses	(25.3)	(34.4)	(37.5)	(8.4)	(10.0)
Selling and promotion expenses	(1.4)	(0.0)	0.15	(0.0)	—
Impairment loss on trade and other receivables	0.7	—	—	—	—
Related party receivable written off	—	—	—	—	(13.8)
Operating profit	112.6	181.5	145.1	81.5	45.2
Finance income	19.1	24.0	50.3	21.2	8.7
Finance costs	(24.7)	(44.8)	(72.1)	(35.7)	(43.2)
Profit for the period	107.1	160.7	123.4	67.0	10.7
Other comprehensive income for the period	23.7	64.4	(36.3)	(7.2)	(8.3)
Total comprehensive income for the period	130.7	225.2	87.1	59.8	2.4
Profit for the year/period attributable to:					
Equity holders of the reporting entity	107.1	160.7	123.4	67.0	10.7
Total comprehensive income attributable to:					
Equity holders of the reporting entity	130.7	225.2	87.1	59.8	2.4

Note:

(1) Conversions of amounts between Omani Rials and U.S. Dollars have been made at an exchange rate of US$1.00 = OMR 0.3851 as at and for the years ended 31 December 2021, 2022 and 2023 and the six months ended 30 June 2023 and at an exchange rate of US$1.00 = OMR 0.3845 as at and for the six months ended 30 June 2024.

Combined Statement of Financial Position (USD)(1)

	As at 31 December			As at 30 June
	2021	2022	2023	2024
	(USD millions)			
Assets				
Non-current assets				
Property, plant and equipment	1,557.5	1,557.9	1,506.8	1,537.3
Intangible assets	0.1	0.02	—	—
Right of use assets	19.7	17.4	16.7	22.4
Due from related parties	67.4	62.4	—	—
Derivatives	23.3	44.5	16.3	9.4
Total non-current assets	1,667.9	1,682.2	1,539.9	1,569.2
Current assets				
Inventories	27.7	38.1	24.4	36.2
Trade and other receivables	1.7	7.5	41.6	14.1
Due from related parties	59.3	93.0	155.1	59.3
Derivatives	—	37.3	29.3	28.1
Bank deposits	128.0	140.0	218.6	213.1
Cash and cash equivalents	225.1	295.1	63.7	121.2
Total current assets	441.6	611.1	532.7	472.0
Total assets	2,109.5	2,293.2	2,072.6	2,041.2
Equity and liabilities				
Equity				
Share capital	100.0	100.0	100.0	100.0
Subordinated loans from the shareholders (OQ Methanol)	134.9	134.9	—	—
Legal reserve	33.5	33.5	33.5	33.6
Hedging reserve	20.0	81.8	45.6	37.5
Merger reserve	0.6	0.6	0.6	1.3
Retained earnings	190.4	353.7	477.0	533.6
Equity attributable to owners of the reporting entity	479.4	704.6	656.8	706.1
Total equity	479.4	704.6	656.8	706.1
Non-current liabilities				
Term loan	1,084.4	964.1	850.5	794.7
Subordinated loan from shareholders (OQ LPG)	235.3	244.1	144.5	—
Lease liabilities	28.3	27.8	29.9	34.6
Provisions for rich gas	20.0	89.7	142.1	213.9
Employees' end of service benefits	6.7	4.6	4.8	3.4
Total non-current liabilities	1,374.6	1,330.3	1,171.8	1,046.7
Current liabilities				

	As at 31 December			As at 30 June
	2021	2022	2023	2024
		(USD millions)		
Term loan	99.5	110.2	116.6	116.1
Subordinated loan from shareholders (OQ LPG)	—	—	—	99.5
Trade and other payables	107.0	92.2	123.9	70.6
Due to related parties	42.3	52.5	2.6	1.5
Lease liabilities	3.3	3.5	0.7	0.7
Derivatives	3.3	—	—	—
Total current liabilities	255.5	258.3	243.9	288.4
Total liabilities	1,630.1	1,588.6	1,415.7	1,335.1
Total equity and liabilities	2,109.5	2,293.2	2,072.6	2,041.2

Note:

(1) Conversions of amounts between Omani Rials and U.S. Dollars have been made at an exchange rate of US$1.00 = OMR 0.3851 as at and for the years ended 31 December 2021, 2022 and 2023 and at an exchange rate of US$1.00 = OMR 0.3845 as at and for the six months ended 30 June 2024.

Combined Statement of Cash Flows (USD)(1)(2)

	Year ended 31 December			Six months ended 30 June	
	2021	2022	2023	2023	2024
			(USD millions)		
Net cash generated from operating activities	161.1	289.7	242.2	155.7	176.4
Net cash (used in)/generated from investing activities	(142.6)	(56.8)	(59.8)	4.6	(31.2)
Net cash (used in)/generated from financing activities	114.3	(162.8)	(413.8)	(74.9)	(87.6)
Net (decrease)/increase in cash and cash equivalents	132.8	70.1	(231.4)	85.4	57.6
Cash and cash equivalents at beginning of the period	92.2	225.0	295.1	295.1	63.7
Cash and cash equivalents at end of the period	225.0	295.1	63.7	380.5	121.3

Notes:

(1) The full statements of cash flows for the periods indicated are included in the Combined Financial Statements. See "*Chapter XXVI—Historical Financial Statements*".

(2) Conversions of amounts between Omani Rials and U.S. Dollars have been made at an exchange rate of US$1.00 = OMR 0.3851 as at and for the years ended 31 December 2021, 2022 and 2023 and the six months ended 30 June 2023 and at an exchange rate of US$1.00 = OMR 0.3845 as at and for the six months ended 30 June 2024.

Other Financial and Operational Data (USD)[(1)]

The following tables set out certain financial and operating data of the Company as at and for the years ended 31 December 2021, 2022 and 2023 and the six months ended 30 June 2023 and 2024:

	Year ended 31 December			Six months ended 30 June	
	2021	2022	2023	2023	2024
	(USD millions, except percentages)				
Adjusted EBITDA[(2)(3)]	159.1	240.8	219.7	119.3	101.5
Adjusted EBITDA Margin[(2)(3)]	39.7%	43.0%	43.1%	44.8%	37.4%
Adjusted EBIT[(2)(3)]	112.6	181.5	145.1	81.5	59.0
Operating Unlevered Free Cash Flow[(2)(4)]	32.7	240.3	182.7	146.4	129.2
Adjusted Operating Levered Free Cash Flow[(2)(4)]	(15.7)	191.6	84.5	102.0	83.6
Cash Conversion[(2)(4)]	20.5%	99.8%	83.2%	122.7%	127.3%
Capital Expenditure[(2)(5)]	128.6	49.1	58.9	9.3	45.8
Feedstock Costs[(2)]	189.1	247.9	204.2	108.8	128.7
Gearing[(2)(7)]	2.2x	1.3x	1.3x		1.0x
Net Financial Debt[(2)(7)]	1,066.1	883.3	829.3		676.0
Leverage[(2)(7)]	6.7x	3.7x	3.8x		6.7x
Adjusted Operating Expenses (excluding Depreciation and Amortisation)[(2)(7)]	52.3	71.3	85.8	38.2	41.1
Working Capital[(2)(8)]	(60.6)	(6.0)	94.5	59.0	37.8
Change in Working Capital[(2)(8)]	(26.4)	54.6	100.5	(2.3)	(56.8)
Total Net Debt[(2)(7)]	1,097.7	914.5	860.0		711.4
Derivative Assets[(2)(9)]	23.3	81.8	45.6		37.5
Non-cash Items and Other Adjustments[(2)(10)]	35.5	103.9	123.2	38.8	18.4

Notes:

(1) Conversions of amounts between Omani Rials and U.S. Dollars have been made at an exchange rate of US$1.00 = OMR 0.3851 as at and for the years ended 31 December 2021, 2022 and 2023 and the six months ended 30 June 2023 and at an exchange rate of US$1.00 = OMR 0.3845 as at and for the six months ended 30 June 2024.

(2) For the definitions of all Non-IFRS information and other operational data used, see "*Presentation of Financial, Industry and Market Data—Non-IFRS Information and Certain Other Financial and Operational Data*".

(3) The following table sets forth a reconciliation of Adjusted EBITDA, Adjusted EBITDA Margin and EBIT to profit for the year/period for the periods indicated:

	Year ended 31 December			Six months ended 30 June	
	2021	2022	2023	2023	2024
	(USD millions, except percentages)				
Profit before tax	107.1	160.7	123.4	67.0	10.7
Finance income	(19.1)	(24.0)	(50.3)	(21.2)	(8.7)
Finance costs	24.7	44.8	72.1	35.7	43.2
Depreciation, depletion and amortisation	46.5	59.3	74.5	37.8	42.4
Write off related party balance	—	—	—	—	13.8
Adjusted EBITDA[(a)]	**159.1**	**240.8**	**219.7**	**119.3**	**101.5**
Revenue[(b)]	400.5	560.0	509.5	266.3	271.3
Adjusted EBITDA Margin [(a over b)]	**39.7%**	**43.0%**	**43.1%**	**44.8%**	**37.4%**
Depreciation, depletion and amortisation	(46.5)	(59.3)	(74.5)	(37.8)	(42.4)
Adjusted EBIT	**112.6**	**181.5**	**145.1**	**81.5**	**59.0**

(4) The following table sets forth a reconciliation of Operating Unlevered Free Cash Flow, Adjusted Operating Levered Free Cash Flow, Cash Conversion to profit for the year/period (referencing Adjusted EBITDA as is reconciled in the table in note 2 above) for the periods indicated:

	Year ended 31 December			Six months ended 30 June	
	2021	2022	2023	2023	2024
	(USD millions)				
Adjusted EBITDA	159.1	240.8	219.7	119.3	101.5
Adjustments for non-cash items:					
Impairment of receivables	(0.7)	—	—	—	—
(Reversal of) / charge for inventory obsolescence	(0.0)	(0.0)	0.2	—	(0.1)
Charge for provision for rich natural gas	35.5	86.3	72.2	38.4	57.4
Reversal of employees' end of service benefits	—	—	—	—	(1.4)
Accrual for employees' end of service benefits	0.7	0.6	0.2	0.4	0.2
	194.6	**327.7**	**292.3**	**158.1**	**157.6**
Changes in working capital:					
Inventories	(8.3)	(9.1)	13.6	2.7	(11.7)
Trade and other receivables	4.2	(2.7)	(34.1)	(13.9)	27.6
Due from related parties	(33.2)	(28.7)	0.3	45.6	22.7
Trade and other payables	17.1	(7.3)	20.1	(7.5)	(18.4)
Due to related parties	(6.2)	10.2	(49.9)	(29.3)	(1.0)
	(26.4)	**(37.7)**	**(50.0)**	**(2.3)**	**19.1**
Employees' end of service benefits paid	(6.9)	(0.2)	(0.1)	(0.1)	(0.3)

	Year ended 31 December			Six months ended 30 June	
	2021	2022	2023	2023	2024
			(USD millions)		
Acquisitions of property, plant and equipment	(128.6)	(49.1)	(58.9)	(9.3)	(45.8)
Acquisitions of intangible assets	(0.1)	—	—	—	—
Repayment of lease liabilities - principal portion	(0.1)	(0.6)	(0.6)	—	(1.5)
Operating Unlevered Free Cash Flow	**32.7**	**240.3**	**182.7**	**146.4**	**129.2**
Less:					
Finance Costs	(48.3)	(48.7)	(98.3)	(44.4)	(45.5)
Adjusted Operating Levered Free Cash Flow	**(15.7)**	**191.6**	**84.5**	**102.0**	**83.6**

(5) The following table sets forth a reconciliation of Capital Expenditure to the relevant items in the combined statement of cash flows in the Combined Financial Statements for the periods indicated:

	Year ended 31 December			Six months ended 30 June	
	2021	2022	2023	2023	2024
			(USD millions)		
Acquisitions of property, plant and equipment	128.4	49.1	58.9	9.3	45.8
Acquisitions of intangible assets	0.1	—	—	—	—
Capital Expenditure	**128.6**	**49.1**	**58.9**	**9.3**	**45.8**

(6) The following table sets forth a reconciliation of Adjusted Operating Expenses (excluding Depreciation and Amortisation) to the relevant items in the combined statement of cash flows in the Combined Financial Statements for the periods indicated:

	Year ended 31 December			Six months ended 30 June	
	2021	2022	2023	2023	2024
			(USD millions)		
Cost of sales	(266.0)	(353.3)	(326.9)	(176.4)	(202.4)
Administrative and general expenses	(25.3)	(34.4)	(37.5)	(8.4)	(10.0)
Selling and promotion expenses	(1.4)	(0.0)	0.0	(0.0)	—
Impairment charge made / (reversed) on trade receivables	0.7	—	—	—	—
Other income	4.3	9.3	—	—	0.1
	(287.8)	(378.4)	(364.4)	(184.8)	(212.2)
Less:					

	Year ended 31 December			Six months ended 30 June	
	2021	2022	2023	2023	2024
			(USD millions)		
Feedstock costs	189.1	247.9	204.2	108.8	128.7
Depreciation and amortisation	46.5	59.3	74.6	37.8	42.4
	235.6	307.1	278.8	146.6	171.1
Adjusted Operating Expenses (excluding Depreciation and Amortisation)	**(52.3)**	**(71.3)**	**(85.8)**	**(38.2)**	**(41.1)**

(7) The following table sets forth a reconciliation of Net Financial Debt, Total Net Debt, Gearing and Leverage (referencing Adjusted EBITDA as is reconciled in the table in note 2 above) to the relevant items in the combined statement of financial position in the Combined Financial Statements for the periods indicated:

	Year ended 31 December			Six months ended 30 June
	2021	2022	2023	2024
		(USD millions, except percentages)		
Term loan	1,183.8	1,074.3	967.2	910.8
Subordinated loan	235.3	244.1	144.5	99.5
Less:				
Cash and cash equivalents	(225.0)	(295.1)	(63.7)	(121.2)
Bank deposits	(128.0)	(140.0)	(218.6)	(213.1)
Net Financial Debt[(a)]	**1,066.1**	**883.3**	**829.3**	**676.0**
Lease liabilities	31.6	31.3	30.6	35.3
Total Net Debt	**1,097.7**	**914.5**	**860.0**	**711.4**
Total equity[(b)]	479.4	704.6	656.8	706.1
Gearing[(a over b)]	2.2x	1.3x	1.3x	1.0x
Adjusted EBITDA[(c)]	159.1	240.8	219.7	101.5
Leverage [(a over c)]	6.7x	3.7x	3.8x	6.7x

(8) The following table sets forth a reconciliation of Working Capital and Change in Working Capital to the relevant items in the combined statement of cash flows in the Combined Financial Statements for the periods indicated:

	Year ended 31 December			Six months ended 30 June	
	2021	2022	2023	2023	2024
			(USD millions)		
Inventories	27.7	38.1	24.4	35.4	36.2
Trade and other receivables	1.7	7.5	41.6	21.4	14.1
Due from related parties	59.3	93.0	155.1	109.7	59.5
Trade and other payables	(107.0)	(92.2)	(123.9)	(84.3)	(70.6)
Due to related parties	(42.3)	(52.5)	(2.6)	(23.2)	(1.5)
Working Capital	**(60.6)**	**(6.0)**	**94.5**	**59.0**	**37.8**
Change in Working Capital	**(26.4)**	**54.6**	**100.5**	**(2.3)**	**(56.8)**
Change in Working Capital as per statement of cash flows	(26.4)	(37.7)	(50.0)	(2.3)	19.1
Difference in Change in Working Capital	—	17.0	50.6	—	(37.7)

(9) The following table sets forth a reconciliation of Derivative Assets to the relevant items in the combined statement of financial position for the periods in the Combined Financial Statements indicated:

	Year ended 31 December			Six months ended 30 June
	2021	2022	2023	2024
		(USD millions)		
Derivatives (non-current)	23.3	44.5	16.3	9.4
Derivatives (current)	—	37.3	29.3	28.1
Derivative assets	**23.3**	**81.8**	**45.6**	**37.5**

(10) The following table sets forth a reconciliation of Non-cash Items and Other Adjustments to the relevant items in the combined statement of cash flows for the periods in the Combined Financial Statements indicated:

	Year ended 31 December			Six months ended 30 June	
	2021	2022	2023	2023	2024
			(USD millions)		
(Reversal of) / impairment losses – net	(0.7)	—	—	—	—
(Reversal of) / charge for inventory obsolescence	(0.0)	(0.0)	0.2	—	(0.1)
Charge for provision for rich natural gas	35.5	86.3	72.1	38.4	57.4
Reversal of employees' end of service benefits	—	—	—	—	(1.4)

	Year ended 31 December			Six months ended 30 June	
	2021	**2022**	**2023**	**2023**	**2024**
			(USD millions)		
Accrual for employees' end of service benefits	0.7	0.6	0.2	0.4	0.2
Non-cash Items	35.5	86.9	72.6	38.8	56.1
Difference in Change in Working Capital	—	(17.0)	(50.6)	—	37.7
Non-cash items and Other Adjustments.......	**35.5**	**103.9**	**123.2**	**38.8**	**18.4**

Chapter XIV
Management's Discussion and Analysis of Financial Condition and Results of Operations

The following discussion and analysis of the financial condition and results of operations of the Company should be read in conjunction with the information set out in "Chapter XIII—Selected Historical Financial Information" and the Combined Financial Statements included elsewhere in this Prospectus. For a description of the financial information presented in this Prospectus, please see "Presentation of Financial, Industry and Market Data".

The following discussion contains certain forward-looking statements that reflect the Company's plans, estimates and beliefs and involve risks and uncertainties. Actual results may differ materially from those discussed in these forward-looking statements. Factors that could cause or contribute to those differences include, but are not limited to, those discussed below and elsewhere in this Prospectus, including under "Forward-Looking Statements", "Chapter IV—Risk Factors" and "Chapter XII—Description of the Company and Business Overview".

Overview

The Company is the only integrated producer in Oman of methanol, ammonia and LPG Products, which comprise propane, butane, condensate and LPG (cooking gas). In 2024, the Company (established in 2006), which is as at the date of this Prospectus a wholly-owned subsidiary of OQ, Oman's flagship energy company, acquired OQ LPG, which was previously an independent and wholly owned subsidiary of OQ.

The Company is active throughout the natural gas value chain, operating three advanced plants with a combined nameplate production capacity of 1,816 ktpa. Its plants are located in the SFZ in the south of Oman, near the Port of Salalah, Oman's largest port and a gateway to the MENA, European and Asian markets. The Company's plants process rich and lean natural gas feedstock that is supplied under long-term agreements with IGC through a natural gas transmission network operated by OQGN, a subsidiary of OQ. With the exception of a small portion of LPG sold domestically in the form of LPG (cooking gas), all of the Company's products are sold pursuant to long-term, arm's-length exclusive take-or-pay offtake agreements with OQ Trading for export to end markets, principally in Asia and the MENA region and, to a lesser extent, Europe and Africa.

The Company operates through three strategic divisions, Methanol, Ammonia and LPG Products, and, for financial reporting purposes, through two operating segments, Methanol Plant (which includes the financial results of the ammonia plant) and LPG Plant.

- **Methanol**: Through the Methanol division, the Company operates a 1,095 ktpa nameplate production capacity methanol plant. Methanol is an essential chemical building block for many industrial products and is also used as a cleaner-burning fuel. For the year ended 31 December 2023 and the six months ended 30 June 2024, the Company produced 904 kt and 614 kt of methanol, respectively, and methanol sales accounted for 39.4 per cent. and 50.0 per cent., respectively, of the Company's total revenues. For the twelve months ended 30 June 2024, the Company recorded revenue of OMR 87.5 million from the sale of methanol. All of the Company's methanol is exported.

- **Ammonia**: Through the Ammonia division, the Company operates a 365 ktpa nameplate production capacity ammonia plant. Ammonia is a chemical that is primarily used for downstream nitrogen products, with diverse fertiliser, industrial and energy applications. For the year ended 31 December 2023 and the six months ended 30 June 2024, the Company produced 264 kt and 147 kt of ammonia, respectively, and ammonia sales accounted for 20.0 per cent. and 15.5 per cent., respectively, of the Company's total revenues. For the twelve months ended 30 June 2024, the Company recorded revenue of OMR 32.6 million from the sale of ammonia. All of the Company's ammonia is exported.

- **LPG Products**: Through the LPG Products division, the Company operates a 356 ktpa nameplate production capacity LPG plant, where it produces LPG Products, comprising propane, butane, condensate and LPG (cooking gas). These LPG Products are used for various energy applications. In the year ended 31 December 2023 and the six months ended 30 June 2024, the Company produced 336 kt and 178 kt of LPG Products, respectively, and LPG Product sales accounted for 40.7 per cent. and 34.5 per cent., respectively, of the Company's total revenue. For the twelve months ended 30 June 2024, the Company recorded revenue of OMR 77.9 million from the sale of LPG Products. Approximately 90 per cent. of the Company's LPG Products are exported, with a small portion sold domestically in the form of LPG (cooking gas).

For the year ended 31 December 2023 and the six months ended 30 June 2024, the Company had revenue of OMR 196.2 million and OMR 104.3 million, respectively, Adjusted EBITDA[8] of OMR 84.6 million and OMR 39.0 million, respectively, and profit for the period of OMR 47.5 million and OMR 4.1 million, respectively. For the twelve months ended 30 June 2024, the Company had Adjusted EBITDA of OMR 77.7 million and Operating Unlevered Free Cash Flow[9] of OMR 63.8 million.

Key Factors Affecting the Company's Business and Results of Operations

The most significant factors that have affected and/or are expected to affect the Company's results of operations and financial condition include the following:

Production Volumes

The Company's production volumes are the primary driver of its revenue and, therefore, have a significant impact on its results of operations. The Company's production volumes primarily depend on the utilisation rates achieved by its production plants.

The following table sets out the Company's nameplate production volumes and utilisation for the years ended 31 December 2021, 2022 and 2023 and the six months ended 30 June 2023 and 2024.

	As at and for the year ended 31 December			**As at and for the six months ended 30 June**	
	2021	**2022**	**2023**	**2023**	**2024**
Production volumes (*kt*)	**1,244**	**1,504**	**1,504**	**810**	**939**
of which Methanol (kt)	1,112	1,133	904	497	614
of which Ammonia (kt)		91	264	147	147
of which LPG Products (kt)	132	280	336	167	178
of which:					
Butane (kt)	44	84	103	52	56
Propane (kt)	64	138	155	78	79
Condensate (kt)	10	27	43	20	25
LPG (cooking gas) (kt)	13	32	34	16	18
Utilisation (%)	**92**	**83**	**89**	**90**	**104**

8 For a discussion of how Adjusted EBITDA is calculated, see "*Presentation of Financial, Industry and Market Data—Non-IFRS Information and Certain Other Financial and Operational Data—Non-IFRS Information*" and "*Chapter XIII—Selected Historical Financial, Operating and Other Information—Other Financial and Operational Data*".

9 For a discussion of how Operating Unlevered Free Cash Flow is calculated, see "*Presentation of Financial, Industry and Market Data—Non-IFRS Information and Certain Other Financial and Operational Data—Non-IFRS Information*" and "*Chapter XIII—Selected Historical Financial, Operating and Other Information—Other Financial and Operational Data*".

	As at and for the year ended 31 December			As at and for the six months ended 30 June	
	2021	2022	2023	2023	2024
Methanol plant (%)	105	107	95	94	116
Ammonia plant (%)		60	83	84	97
LPG plant (%)	80	83	89	92	98

A plant's utilisation rate is the actual production achieved by that plant in a given period as a percentage of its nameplate capacity.

The Company's plants' production volumes can exceed their respective nameplate production capacity (*i.e.*, their utilisation rate can be greater than 100 per cent., as illustrated by the Company's methanol plant in the table above) by optimising the way the plant is operated, subject to its design parameters. A higher utilisation rate generally reflects a lower number of unscheduled production outages or unplanned slowdowns, which typically result from unforeseen events such as extreme weather conditions or equipment failures. A higher utilisation rate can also result from the use of lower quality feedstock, which then requires higher plant utilisation to yield the same amount of production volume that would otherwise have resulted from the use of higher quality feedstock (which in turn may result in a lower relative utilisation rate).

In the case of the Company's LPG plant, its utilisation rate depends on the quality of the feedstock (rich natural gas) received from IGC, which determines the amount of products (propane, butane, condensate and LPG (cooking gas)) that can be separated and produced at the LPG plant from the same amount of rich natural gas. After these products are produced by the Company for sale to OQ Trading (in the case of the propane, butane and condensate) and to domestic consumers (in the case of the LPG (cooking gas)), the lean natural gas that remains is transferred via the OQGN gas transmission network for sale by IGC (i) to the methanol plant (which results in the production of methanol and ammonia by the Company) and (ii) to other users of lean natural gas in Oman. As the amount of lean natural gas that can be processed at the methanol plant is limited by its maximum production capacity, which is currently less than the amount of lean natural gas that results from the production of the Company's products at its LPG plant, the LPG plant's utilisation rate and its ability to increase it materially is currently dependent on the level of demand from third party downstream consumers of lean natural gas in the Salalah region. Nevertheless, as more than 50 per cent. of lean natural gas produced by the LPG plant is consumed by the Company's methanol and ammonia plants, the Company can optimise LPG plant utilisation by timing scheduled production outages (as discussed further below) based on expected demand and pricing.

The Company's production volumes can also be impacted by scheduled production outages (including turnarounds) which are used to complete preventative maintenance, debottlenecking and repairs. The Company schedules planned turnarounds every four to five years in accordance with each plant's maintenance cycle. The most recent turnaround of the methanol and ammonia plants was in the third quarter of 2023, and the Company expects the next turnaround to take place in 2028. The Company expects the first turnaround of the LPG plant to take place in 2025. These outages are scheduled for a certain period of time (typically four to six weeks for the methanol and ammonia plants, and four to five weeks for the LPG plant) and therefore result in decreased production levels. If turnaround takes longer than anticipated, the Company's production levels would decrease. Despite 2023 being a turnaround year for the methanol and ammonia plants, the Company achieved a record combined production volume of 1,168 Kt (2022: 1,224 Kt) due to the ramp-up of ammonia production and the high quality of the natural rich gas received at the LPG plant.

Following the turnaround of the methanol plant in the third quarter of 2023, the methanol plant was run initially at its maximum operating rate, resulting in a utilisation rate of 116 per cent. in the first half of 2024. The utilisation rates for the ammonia plant and LPG plant were 97 per cent. and 98 per cent., respectively, reflecting normal operating rates for these plants. In 2023, the utilisation rate of the methanol plant was 95 per cent., compared to 105 per cent. and 107 per cent. in 2021 and 2022, respectively, which was mainly attributable to an unplanned outage in 2022 due to equipment malfunction. The utilisation rates of the ammonia plant and the LPG plant have been increasing consistently as they ramped up since their respective commissioning in 2022 and 2021. In addition to the LPG plant being in the stabilisation phase, its utilisation rates in 2021 and 2022 reflected the lower demand from domestic consumers of lean natural gas and the quality of feedstock. The LPG plant's utilisation improved in the second and third quarters of 2023 due to increased lean natural gas demand due to the stable operation of the ammonia plant. In the fourth quarter of 2023, the LPG plant's utilisation declined due to turnarounds of the methanol and ammonia plants.

Market Prices

Product market prices

The Company is partially exposed to market prices for exported methanol, ammonia and butane, propane and condensate through its long-term offtake agreements with OQ Trading. As the Company's products are commodities, end-customers primarily base purchasing decisions on production needs, price and availability, as there is little (if any) difference between the Company's products and those of its competitors. Pursuant to its offtake agreements with OQ Trading, pricing for each of the Company's products is set by reference to the relevant market index for that product, adjusted by a discount or premium based on an assessment of the relevant market's supply and demand characteristics for the next 12-month period as well as for applicable taxes, inspection costs, port charges, product insurance, and import and customs duties and, with respect to certain products, for, among other things, freight costs, and shipping and handling charges. The discount or premium, as well as the volume of product that OQ Trading agrees to offtake is agreed in the fourth quarter of each year, and takes effect from 1 January of the following year. These market indices can be highly volatile, and prices are dependent on factors such as global supply, production capacity and other factors driving demand for methanol, ammonia and LPG Products, as the case may be. For instance, when the ammonia plant was commissioned in August 2022, ammonia prices were at a high, declining dramatically over the subsequent months and dropping by half by March 2023. See "*Chapter IV—Risk Factors—Risks relating to the Company and its Business—The Company's cashflows and results of operations, which are impacted by the price at which the Company is able to sell its products, could be adversely affected by market conditions*".

The price of LPG (cooking gas), which is sold domestically and comprises butane and propane, is typically slightly higher than the price the Company would have received had the same products been sold to OQ Trading due to the absence of shipping freight costs. The price of LPG (cooking gas) is calculated by combining the benchmark prices for butane and propane on a proportional basis (58 per cent. and 42 per cent., respectively).

In the years ended 31 December 2021, 2022 and 2023 and the six months ended 30 June 2023 and 2024, the Company sold 16 per cent., 12 per cent., 10 per cent., 9 per cent. and 11 per cent., respectively, of its LPG Products in the form of LPG (cooking gas) domestically, with the balance being exported in the form of propane, butane and condensate.

The following table sets out the benchmark prices and Average Realised Net Prices for the Company's products for the years ended 31 December 2021, 2022 and 2023 and the six months ended 30 June 2024.

	For the year ended 31 December			For the six months ended 30 June
	2021	**2022**	**2023**	**2024**
		(USD/t)		
Methanol				
Benchmark Price (China CFR)	333	334	282	295
Freight	(39)	(59)	(65)	(59)
Premia / (Discount)	—	2	(0)	-
Average Realised Net Price	294	273	217	236
Premia / (Discount) to Benchmark Price (%)	*(12)*	*(18)*	*(23)*	*(20)*
Ammonia				
Benchmark Price (Middle East FOB)		951	436	330
Premia / (Discount)		(151)	(55)	(42)
Average Realised Net Price		801	381	288
Premia / (Discount) to Benchmark Price (%)		*(16)*	*(13)*	*(13)*
LPG Products				
Benchmark Price (Saudi CP, Mideast Gulf)(1)	641	735	579	610
Premia / (Discount)	37	(42)	6	(28)
Average Realised Net Price	678	693	585	582
Premia / (Discount) to Benchmark Price (%)	*6*	*(6)*	*1*	*(5)*

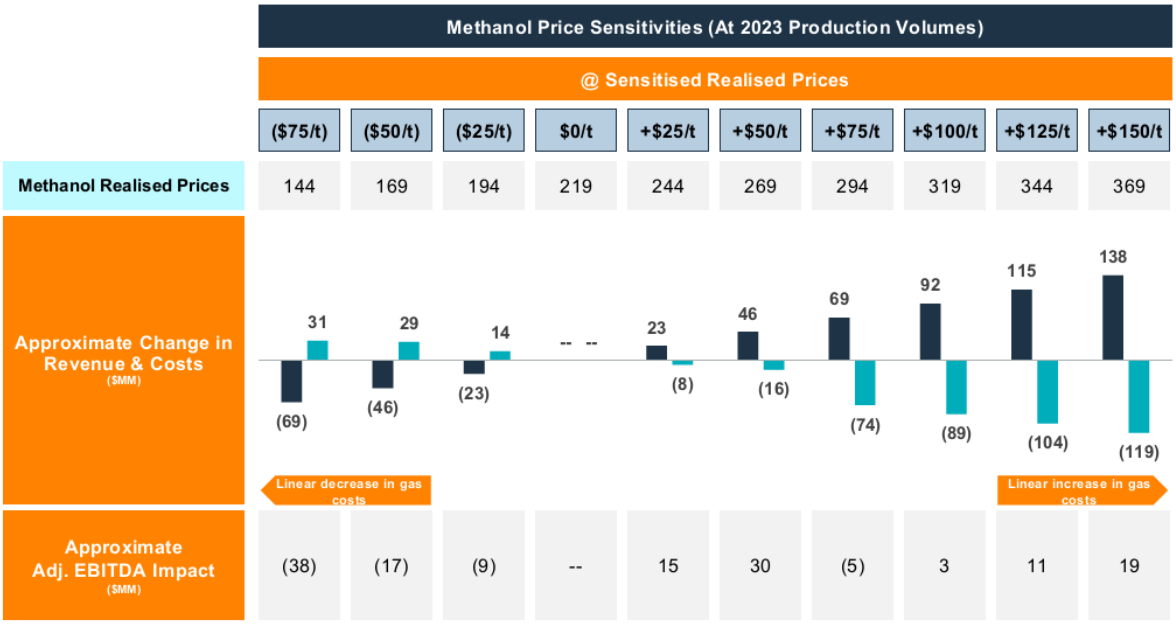
Note:

(1) Calculated as the weighted average price based on the prices and volumes sold for butane, propane, condensate and LPG (cooking gas).

Feedstock prices

The Company uses rich natural gas as the primary feedstock in the production of LPG Products and lean natural gas as the primary feedstock in the production of methanol and ammonia. It sources rich natural gas and lean natural gas under long-term GSAs with IGC. Pursuant to the LPG Plant BOOT/NGSA, IGC supplies rich natural gas to the Company for the extraction of LPG Products at no immediate cost in return for lean natural gas and a share of the proceeds of the sale of LPG Products according to an agreed payment waterfall. Pursuant to the Methanol Plant GSA, IGC supplies lean natural gas to the Company at a price that is set according to an agreed formula and is adjusted annually in accordance with the consumer price index published by the U.S. Bureau of Labor Statistics. The gas pricing formula for methanol and ammonia production is also linked to methanol prices, whereby lower methanol prices result in lower lean natural gas prices, which reduces the impact of sales price volatility. The adjustment factor contained within the gas price formula for methanol and ammonia results in a non-linear relationship between revenue, the cost of lean natural gas and the Adjusted

EBITDA[10] impact, as illustrated below based on 2023 production volumes and average realised prices for methanol.



While the revenue from the sales of methanol would typically increase or decrease in line with changes in methanol benchmark prices, the cost of lean natural gas for methanol and ammonia would increase or decrease at a different pace due to the step changes included in the gas price formula. At low and high methanol prices, as compared to historical average prices, the changes in the cost of lean natural gas for methanol and ammonia become linear.

Accordingly, this contractual hedging results in the cost of feedstock remaining in proportion to the price of methanol, propane, butane and condensate, as applicable, and generally stable profit margins for the Company's products that are independent of natural gas prices available on commodities markets. For further details on the GSAs, see "*Chapter XII—Description of the Company and Business Overview—Material Contracts—LPG Plant Build, Own, Operate and Transfer and Natural Gas Supply Agreement*" and "*—Methanol Plant Gas Supply Agreement*".

Therefore, the Company's feedstock costs include the natural gas consumption cost for methanol and ammonia production and the notional cost of rich gas for LPG Product production (including changes in LPG inventory) ("**Feedstock Costs**"). The notional cost of rich gas is a theoretical non-cash amount which is recognised in the combined statement of profit and loss for accounting purposes only and which does not have any effect on the Company's cash flows. In accordance with IFRS 9 and IFRS 13, the Company estimates the amount payable based on the expected future cash flows from the LPG plant, recognised at present value. The present value of the notional cost of rich gas can fluctuate in line with the fluctuations of the cash flow projection which is updated each quarter based on the LPG plant's performance. Feedstock Costs represented 71.0 per cent., 70.2 per cent., 62.5 per cent., 61.7 per cent. and 63.5 per cent. of the Company's cost of sales in the years ended 31 December 2021, 2022 and 2023 and the six months ended 30 June 2023 and 2024, respectively. Natural gas consumption cost represented 60.9 per cent., 46.0 per cent., 38.3 per cent., 37.5 per cent. and 36.7 per cent. of

[10] For a discussion of how Adjusted EBITDA is calculated, see "*Presentation of Financial, Industry and Market Data—Non-IFRS Information and Certain Other Financial and Operational Data—Non-IFRS Information*" and "*Chapter XIII—Selected Historical Financial, Operating and Other Information—Other Financial and Operational Data*".

the Company's cost of sales in the years ended 31 December 2021, 2022 and 2023 and the six months ended 30 June 2023 and 2024, respectively.

Seasonality

The Company produces LPG (cooking gas) in accordance with the level of demand from its end-customers. In particular, cooking gas production volumes are affected by seasonal fluctuations in demand during summer months (June, July, August and September) when sales of cooking gas increase due to increased tourism in the Salalah region.

Finance costs

Finance costs for future periods will reflect a different capital structure from that reflected in the Combined Financial Statements. During the periods under review, the Company's finance costs reflected, inter alia, interest payable in respect of the Company's Term Loans and the LPG Subordinated Loan (each as defined below). The aggregate finance costs associated with the Term Loans in the years ended 31 December 2021, 2022 and 2023 and the six months ended 30 June 2024 (as reflected in the Combined Financial Statements) were OMR 9.5 million, OMR 17.2 million, OMR 27.8 million and OMR 16.6 million, respectively. During the six months ended 30 June 2024, the interest accrued on the LPG Subordinated Loan up until 1 January 2024, amounting to OMR 17.4 million, was reversed in the Interim Combined Financial Statements. The Company's finance costs in future periods will reflect the terms of, *inter alia*, the Refinancing Facilities and the repayment of the LPG Subordinated Loan. See "*—Liquidity and Capital Resources—Liquidity—Borrowings and Financial Liabilities—The Subordinated Loans*". As a result of the foregoing, finance costs for the periods under review and for future periods will not be directly comparable.

Taxation

The Combined Financial Statements have been prepared based on the current tax laws in Oman. The Company is registered in the SFZ. In accordance with the provisions of Royal Decree Nos. 56/2002 and 62/2006, the entities located in SFZ are exempt from corporate income taxes (typically charged at the rate of 15 per cent.) under the Corporate Income Tax Law for a period of 30 years from the date of commencement of activities. The tax exemption for the Company's methanol and ammonia production is effective until 1 October 2042 and the tax exemption for the LPG Products is effective until 24 May 2031, extendable for another 30 years. Additionally, the Omani Tax Law promulgated by Royal Decree 28/2009 was amended in 2017 by Royal Decree 9/2017 and Royal Decree 188/2020 to expand the scope of withholding tax (which does apply to the Company) to dividends, interest payments and services fees, and the Government may adjust the tax laws from time to time in the future. VAT (charged at 5 per cent.) applies only to the Company's domestic sales of LPG (cooking gas). Changes in tax laws may increase the tax burden for the Company, thereby adversely affecting its financial position, results of operations and dividend distribution capabilities. The transactions with related parties (primarily sales to OQ Trading and the purchase of gas from IGC) which arise in the normal course of business from commercial transactions are at mutually agreed terms. Related party transactions with other Group entities are also on mutually agreed terms, although they are not material to the overall operations of the Company. See "*Chapter IV—Risk Factors—Legal and Regulatory Risks—Changes in Omani tax laws could adversely affect the Company*" and "*Chapter XXIII—Taxation—Oman*".

Recent Developments

Refinancing and OQ Subordinated Loan Conversion

The Company has received binding term sheets and is currently negotiating the documentation for the Refinancing Facilities, comprising a US$440 million facility and a US$485 million facility, which are expected to be used in part to refinance the outstanding balance of the Company's indebtedness. In addition, the OQ Subordinated Loan in the amount of OMR 38.2 million was converted into 956,023,950 new Shares issued to

OQ on 3 November 2024. See "*—Liquidity and Capital Resources— Liquidity—Borrowings and Financial Liabilities—The Refinancing Facilities*" and "*—Liquidity and Capital Resources— Liquidity—Borrowings and Financial Liabilities—The Subordinated Loans*".

Forward-Looking Guidance and Targets

As part of the Company's strategy to position itself for long-term growth, it has set certain medium-term targets. These targets are not a profit forecast and no statement or projection in this Prospectus should be interpreted to mean that financial results for any financial periods would necessarily match or exceed historical financial results or meet the targets set out below. The Company has not defined the terms "short term" and "medium term" by reference to any specific period and, unless otherwise specified, the targets below are not to be read as indicating that the Company is targeting or expecting such metrics in respect of any particular financial year. The Company's ability to meet the medium-term targets depends on a variety of factors, including market conditions and the accuracy of various assumptions involving factors that are beyond the Company's control, and are subject to known and unknown risks, uncertainties and other factors that may result in the Company being unable to implement the strategy and achieve such targets. See "*Forward-Looking Statements*" and "*Chapter IV—Risk Factors—Risks Relating to the Company and its Business—The assumptions made in preparing the financial and operational targets included in this Prospectus may prove incorrect, incomplete or inaccurate, and the Company's results may differ materially from its financial and operational targets*". KPMG have not reviewed the medium-term targets and therefore do not express an opinion thereon.

Capital Structure

The Company expects its leverage levels to remain at approximately 3.5 times Net Debt/Adjusted EBITDA[11] in the short-term, in line with the regional publicly listed local peers. Going forward and over the long term, the Company is targeting a flexible capital structure not exceeding 3.0 times Net Debt/Adjusted EBITDA. To achieve its targets, the Company will have the optionality and balance sheet flexibility to fund its medium- to long-term growth investments through multiple avenues including debt, equity or other relevant capital market instruments.

Sales Volumes

In the medium term, the Company expects the methanol plant's utilisation rate to be 105 per cent. on operational days, with an effective nameplate production capacity of 1,095 ktpa (assuming 97 per cent. availability). For the ammonia plant, the Company expects its utilisation rate to be 92 per cent. on operational days, with a nameplate production capacity of 365 ktpa (assuming 97 per cent. availability). The ammonia plant is expected to shut down for approximately 20-30 days in 2025. With respect to the LPG plant, the Company expects its utilisation rate to reach 97 per cent. on operational days, with the nameplate production capacity of 356 ktpa (assuming 97 per cent. availability). The sales volumes of the LPG Products are estimated to be at approximately 46 per cent. propane, 32 per cent. butane, 11 per cent. condensate and 11 per cent. LPG (cooking gas). The next turnaround of the LPG plant is planned for 2025, with a shutdown of 31 days.

Realised Price Curve

Based on the pricing curve projections of the Market Consultant for the medium term, the Company expects the selling price for its methanol to be at China CFR (22 kt), with a discount of approximately 20 per cent., and for the selling price for its ammonia to be at Middle East FOB, with a discount of approximately 8 to 10 per cent. With respect to the LPG Products, the selling price for propane and butane is expected to be at Saudi

[11] For a discussion of how Net Debt and Adjusted EBITDA are calculated, see "*Presentation of Financial, Industry and Market Data—Non-IFRS Information and Certain Other Financial and Operational Data—Non-IFRS Information*" and "*Chapter XIII—Selected Historical Financial, Operating and Other Information—Other Financial and Operational Data*".

Aramco contract price, with a 4 to 5 per cent. discount, for condensate at Mideast Gulf, with a 7 to 8 per cent. discount, and for LPG (cooking gas) to continue to be based on the selling prices for propane (42 per cent.) and butane (58 per cent.).

Feedstock Costs

The lean natural gas price for methanol and ammonia plants will be based on the pricing formula set out in the Methanol Plant GSA and the Company expects its lean natural gas requirements to remain stable at 36.6 MMBtu/kt for methanol and 24.2 MMBtu/kt for ammonia in the medium term. The notional cost of rich natural gas for the LPG plant is expected to remain at approximately 40 to 50 per cent. of revenue, while continuing to be recognised on the combined statement of profit or loss within cost of sales and having nil impact on the Company's cash flows due to its notional nature.

Operating Expenses

In the medium term, the Company expects its operating expenses (excluding depreciation and amortisation) to be at approximately 18 per cent. of revenue for methanol and ammonia. For LPG Products, the operating expenses (excluding depreciation and amortisation) are expected to grow by approximately 3 per cent.

Depreciation and Amortisation

The Company expects its depreciation and amortisation to average at approximately US$90 million per year in the medium term.

Capital Expenditure

For methanol and ammonia, the Company expects capital expenditures to be at approximately 5 to 8 per cent. of revenue on average, with higher levels during turnaround years which are not planned in the medium term. For LPG Products, capital expenditure is expected to be approximately 12 per cent. of revenue during turnaround years (with the next turnaround planned for the LPG plant in 2025), and approximately 5 per cent. during other years.

Financing Costs

In the medium term, the Company expects its annual interest payments to be in line with commercial terms of the outstanding debt instruments.

Debt Service Reserve Account

In connection with the contemplated refinancing, the Company expects to release approximately US$64 million in respect of the Methanol and Ammonia Facility and approximately US$51 million in respect of the LPG Facility around the end of 2024.

Major Maintenance Reserve Account

For methanol and ammonia, the Company expects to release US$23 million in 2024 and contribute on average US$14 million per year during the years 2025 to 2027. For LPG Products, the Company expects to contribute approximately US$2 million in 2024 and approximately US$4 million per year during the years 2026 to 2027, with a release of US$15 to US$16 million expected in 2025.

Tax Expenses

The tax exemption for the methanol and ammonia production is effective for a period of 30 years from 1 October 2012 and the tax exemption for the LPG Products is effective for a period of ten years from 24 May 2021, extendable for another 30 years.

Working Capital

For methanol and ammonia, the Company expects net working capital to increase approximately US$0.5 to US$1.0 million per year in the medium term. For LPG Products, the Company expects net working capital to decrease approximately US$35 to US$40 million in 2024 due to the normalisation of payment terms and increase approximately US$0.25 to US$0.5 million per year thereafter in the medium term.

Overview of Key Profit or Loss Items

Revenue

The Company derives its revenue primarily from export sales of methanol and LPG products (in the form of butane, propane and condensate), as well as ammonia products, under offtake agreements with OQ Trading, and from the domestic sale of LPG (cooking gas), less certain de minimis discounts, premiums and marketing fees and incentives (as applicable). Revenue related to these products is recognised at the point in time when the performance obligation is completed.

Cost of sales

The Company's cost of sales mainly comprises costs related to natural gas consumption, notional costs of rich gas, and depreciation and amortisation. Natural gas consumption costs are energy costs per MMBtu of lean natural gas used to produce methanol and ammonia. Notional costs of rich gas are allocated energy costs per MMBtu of rich natural gas used to produce propane, butane, condensate and LPG (cooking gas). Depreciation and amortisation expenses are attributable to depreciation and amortisation of plant and machinery, catalysts, capital stores, buildings and civil facilities, right-of-use assets and certain other ancillary assets used in the production process. Other components of cost of sales include staff salaries and related costs, utilities, repair and maintenance and other expenses directly attributable to the production and distribution of products.

Other income

The Company's other income reflects income in relation to shared services provided to OQ Group companies during 2021 and 2022, as well as gains on sales of property, plant and equipment, management fees from related parties and other miscellaneous income.

Administrative and general expenses

The Company's administrative and general expenses consist primarily of staff salaries and related costs, professional fees, advertising and public relations expenses, plant insurance expenses, depreciation and amortisation charges and other related expenses that are not directly attributable to the cost of sales.

Finance income

The Company's finance income consists primarily of interest income earned on the placement of term deposits and the unwinding of the discount on natural rich gas consumption, the latter representing the difference between the present value and the future forecast of expenses in relation to the rich natural gas supplied to the LPG plant.

Finance costs

The Company's finance costs comprise interest on term loans and any related cash flow hedge interest, interest on the subordinated loan from shareholders, interest on lease liabilities, deferred finance costs on term loans, foreign exchange losses and other finance costs.

Results of Operations — Combined Statement of Profit or Loss

The following table sets out the Company's combined statement of profit or loss for the years ended 31 December 2021, 2022 and 2023 and the six months ended 30 June 2023 and 2024.

	Year ended 31 December			Six months ended 30 June	
	2021	**2022**	**2023**	**2023**	**2024**
			(OMR millions)		
Revenue	154.2	215.6	196.2	102.5	104.3
Cost of sales	(102.4)	(136.1)	(125.9)	(67.9)	(77.8)
Gross profit	**51.8**	**79.6**	**70.3**	**34.6**	**26.5**
Other income	1.6	3.6	—	—	0.04
Administrative and general expenses	(9.8)	(13.3)	(14.4)	(3.2)	(3.8)
Selling and promotion expenses	(0.5)	(0.0)	0.0	(0.0)	—
Impairment loss on trade and other receivables	0.3	—	—	—	—
Related party receivable written off	—	—	—	—	(5.3)
Operating profit	**43.4**	**69.9**	**55.9**	**31.4**	**17.4**
Finance income	7.4	9.3	19.4	8.2	3.3
Finance costs	(9.5)	(17.2)	(27.8)	(13.8)	(16.6)
Profit for the period	**41.2**	**61.9**	**47.5**	**25.8**	**4.1**

Revenue

The following table sets forth the breakdown of the Company's revenue for the periods indicated:

	Year ended 31 December			Six months ended 30 June	
	2021	**2022**	**2023**	**2023**	**2024**
			(OMR millions)		
Revenue	**154.2**	**215.6**	**196.2**	**102.5**	**104.3**
of which:					
Methanol	126.3	117.1	77.3	42.0	52.2
Ammonia	—	23.9	39.2	22.7	16.1
Butane	8.7	22.3	22.4	11.5	11.2
Propane	13.6	36.6	34.2	18.2	16.0
Condensate	1.8	6.8	10.3	4.4	4.7
LPG (cooking gas)	3.8	8.9	12.9	3.8	4.2

The Company's revenue increased by OMR 1.8 million, or 1.7 per cent., to OMR 104.3 million for the six months ended 30 June 2024, compared to OMR 102.5 million for the six months ended 30 June 2023. The increase in revenue was primarily due to an OMR 10.2 million, or 24.3 per cent., increase in revenue attributable to the sale of methanol to OMR 52.2 million in 2024 from OMR 42.0 million in 2023, driven by both higher methanol sales volumes of 574,786 mt in 2024 compared to 473,959 mt in 2023 from higher production in the period and higher average sales prices of OMR 90.8/mt in 2024 compared to OMR 88.5/mt in 2023. The increase from methanol was partially offset by an OMR 6.6 million, or 28.9 per cent., decrease in revenue from the sale of ammonia to OMR 16.1 million in 2024 from OMR 22.7 million in 2023, predominantly owing to lower ammonia sales prices of OMR 110.8/mt in 2024 compared to OMR 154.5/mt in 2023 (OMR 6.4 million). The increase in the Company's revenue was also offset in part by an OMR 1.9 million, or 5.0 per cent., decrease in revenue from LPG Products – in particular, propane revenue – to OMR 36.0 million in 2024 from OMR 37.9 million in 2023, as a result of lower sales volumes in 2024 compared to 2023 which included the sale of LPG

Products produced in 2022 (OMR 2.7 million), partially offset by an increase in the sales prices of LPG Products (OMR 0.8 million).

The Company's revenue decreased by OMR 19.4 million, or 9.0 per cent., to OMR 196.2 million for the year ended 31 December 2023, compared to OMR 215.6 million for the year ended 31 December 2022. The decrease in revenue was primarily due to an OMR 39.8 million, or 34.0 per cent., decrease in revenue from the sale of methanol to OMR 77.3 million in 2023 from OMR 117.1 million in 2022, as a result of lower methanol production volumes owing to a planned plant turnaround in 2023. The decrease in the Company's revenue was partially offset by an OMR 15.2 million, or 63.6 per cent., increase in revenue from the sale of ammonia to OMR 39.2 million in 2023 from OMR 23.9 million in 2022, due to higher sales volumes of 266,744 mt in 2023 compared to 77,650 mt in 2022 from higher production in the year, partially offset by lower average sales prices of OMR 146.8/mt in 2023 compared to OMR 308.3/mt in 2022. The decrease in the Company's revenue was also offset in part by an OMR 5.2 million, or 6.9 per cent., increase in revenue from the sale of LPG Products – reflecting in particular, an OMR 4.1 million increase in LPG (cooking gas) revenue and an OMR 3.4 million increase in condensate revenue – to OMR 79.8 million in 2023 from OMR 74.6 million in 2022, as a result of higher sales volumes from higher production of all LPG Products (OMR 19.7 million), partially offset by lower sales prices of LPG (OMR 14.5 million).

The Company's revenue increased by OMR 61.4 million, or 39.8 per cent., to OMR 215.6 million for the year ended 31 December 2022, compared to OMR 154.2 million for the year ended 31 December 2021. The increase in revenue was primarily due to an OMR 46.7 million, or 167.4 per cent., increase in revenue attributable to the sale of LPG Products – reflecting in particular, an OMR 23.0 million increase in propane revenue and an OMR 13.6 million increase in butane revenue – to OMR 74.6 million in 2022 from OMR 27.9 million in 2021, as a result of higher sales volumes (OMR 45.7 million) and a moderate increase in sales prices. The increase in the Company's revenue was also driven by the commencement of production at the ammonia plant in August 2022, which contributed OMR 23.9 million in revenue for the year ended 31 December 2022. The increase in revenue was partially offset by an OMR 9.2 million, or 7.3 per cent., decrease in revenue from the sale of methanol to OMR 117.1 million in 2022 from OMR 126.3 million in 2021, of which OMR 8.8 million was directly attributable to lower methanol sales prices of OMR 105.1/mt in 2022 compared to OMR 113.1/mt in 2021.

Cost of sales

The following table sets forth the breakdown of the Company's cost of sales for the periods indicated:

	Year ended 31 December			Six months ended 30 June	
	2021	2022	2023	2023	2024
			(OMR millions)		
Natural gas consumption	62.4	62.6	48.3	25.5	28.5
Notional cost of rich gas	13.7	33.2	27.8	14.8	22.1
Changes in LPG inventory	(3.3)	(0.4)	2.5	1.6	(1.1)
Depreciation and amortisation	17.3	22.5	28.4	14.4	16.1
Staff salaries and related costs	7.5	8.7	5.5	5.4	5.2
Repair and maintenance	1.8	2.3	3.5	1.0	1.7
Spare parts and tools	0.5	0.7	0.6	0.3	0.5
Process, laboratory chemicals and other materials	0.5	1.1	0.7	0.3	0.2
Utilities cost	0.4	2.8	4.9	0.5	0.4
Hired services cost	0.3	0.6	0.9	0.4	0.6

	Year ended 31 December			Six months ended 30 June	
	2021	2022	2023	2023	2024
			(OMR millions)		
Charge / (reversal) for provision for inventory obsolescence	(0.0)	(0.0)	0.1	—	(0.0)
Other costs	1.5	2.0	2.9	3.7	3.6
Total cost of sales	**102.4**	**136.1**	**125.9**	**67.9**	**77.8**

The Company's cost of sales increased by OMR 9.9 million, or 14.6 per cent., to OMR 77.8 million for the six months ended 30 June 2024, compared to OMR 67.9 million for the six months ended 30 June 2023. The increase in cost of sales was primarily due to an increase in Feedstock Costs attributable to higher production of LPG Products and methanol, namely (i) an increase in the notional cost of rich gas (a theoretical non-cash amount that does not have any effect on the Company's cash flows due to its notional nature) of OMR 7.3 million, or 49.3 per cent., to OMR 22.1 million in 2024 compared to OMR 14.8 million in 2023, and (ii) an increase in natural gas consumption of OMR 3.0 million, or 11.8 per cent., to OMR 28.5 million in 2024 compared to OMR 25.5 million in 2023.

The Company's cost of sales decreased by OMR 10.2 million, or 7.5 per cent., to OMR 125.9 million for the year ended 31 December 2023, compared to OMR 136.1 million for the year ended 31 December 2022. The decrease in cost of sales was predominantly due to a decrease in the natural gas consumption costs of OMR 14.3 million, or 22.9 per cent., to OMR 48.3 million in 2023, compared to OMR 62.6 million in 2022 from a 17.5 per cent. reduction in methanol production. Additionally, the decrease in cost of sales reflected a decrease in the notional cost of rich gas of OMR 5.4 million, or 16.3 per cent., to OMR 27.8 million in 2023 compared to OMR 33.2 million in 2022, due to a lower average production cost for LPG Products owing to a change in the rate used in the calculation of the notional cost of rich gas (a theoretical non-cash amount), which was partially offset by higher production volumes of LPG Products. These decreases in Feedstock Costs gas were partially offset by an increase in depreciation and amortisation costs of OMR 5.9 million, or 26.2 per cent., to OMR 28.4 million in 2023 compared to OMR 22.5 million in 2022, due to the commissioning of the ammonia plant in August 2022.

The Company's cost of sales increased by OMR 33.6 million, or 32.8 per cent., to OMR 136.1 million for the year ended 31 December 2022, compared to OMR 102.4 million for the year ended 31 December 2021. The increase in cost of sales was predominantly due to the increase in the notional cost of rich gas of OMR 19.6 million, or 143.3 per cent., to OMR 33.2 million in 2022 compared to OMR 13.7 million in 2021, reflecting an increase in the production volumes of LPG Products and production costs due to 2022 being the first full year of production for the LPG plant. The increase in cost of sales also reflected an increase in depreciation and amortisation costs of OMR 5.2 million, or 30.2 per cent., to OMR 22.5 million in 2022 compared to OMR 17.3 million in 2021, due to the commissioning of the LPG plant in the second half of 2021 compared to a full year of depreciation charges in 2022.

Other income

The Company's other income increased by OMR 0.04 million, or 100 per cent., to OMR 0.04 million for the six months ended 30 June 2024, compared to nil for the six months ended 30 June 2023. Other income for the first half of 2024 comprised proceeds from an insurance claim.

The Company's other income decreased by OMR 3.6 million, or 100 per cent., to nil for the year ended 31 December 2023, compared to OMR 3.6 million for the year ended 31 December 2022. The decrease in other income was primarily due to no shared services being provided to the OQ Group companies in 2023.

The Company's other income increased by OMR 1.9 million, or 118.0 per cent., to OMR 3.6 million for the year ended 31 December 2022, compared to OMR 1.6 million for the year ended 31 December 2021. The increase in other income was primarily due to the increase in income from shared services provided to the OQ Group companies of OMR 2.0 million, or 237.6 per cent., to OMR 2.8 million in 2022, compared to OMR 0.8 million in 2021, reflecting personnel secondments to the OQ Group companies for various business requirements.

Administrative and general expenses

Administrative and general expenses increased by OMR 0.6 million, or 19.0 per cent., to OMR 3.8 million for the six months ended 30 June 2024, compared to OMR 3.2 million for the six months ended 30 June 2023. The increase in administrative and general expenses was primarily due to an increase in staff salaries of OMR 0.5 million, or 47.1 per cent., to OMR 1.6 million in the first half 2024, compared to OMR 1.1 million in the first half of 2023 reflecting a variable pay in the first half of 2024.

Administrative and general expenses increased by OMR 1.2 million, or 8.9 per cent., to OMR 14.4 million for the year ended 31 December 2023, compared to OMR 13.3 million for the year ended 31 December 2022. The increase in administrative and general expenses was predominantly due to the increase in staff salaries and related costs of OMR 4.6 million, or 144.6 per cent., to OMR 7.8 million in 2023 from OMR 3.2 million in 2022, due to an increase in staff costs associated with the ammonia plant operating at full capacity in 2023. The increase in staff salaries was offset in part by the decrease in costs associated with OQ Group shared services of OMR 7.3 million, to nil in 2023 compared to OMR 7.3 million in 2022, owing to the cessation of the OQ Group shared services arrangement in 2023.

Administrative and general expenses increased by OMR 3.5 million, or 35.9 per cent., to OMR 13.3 million for the year ended 31 December 2022, compared to OMR 9.8 million for the year ended 31 December 2021. The increase in administrative and general expenses was predominantly due to the increase in costs associated with OQ Group shared services of OMR 2.5 million, or 52.2 per cent., to OMR 7.3 million in 2022, compared to OMR 4.8 million in 2021, resulting from personnel secondments to the OQ Group companies for various business requirements.

Finance income

Finance income decreased by OMR 4.8 million, or 59.1 per cent., to OMR 3.3 million for the six months ended 30 June 2024, compared to OMR 8.2 million for the six months ended 30 June 2023. The decrease in finance income was primarily due to a decline in interest income on bank deposits of OMR 2.5 million, or 46.9 per cent., to OMR 2.8 million in 2024 compared to OMR 5.3 million in 2023, which reflected the cumulative receipt of interest income in 2023 in the amount of OMR 1.7 million that was credited to the Company's account by its bank in relation to previous years. In addition, the decrease in finance income reflected the present value unwinding of the discount on rich gas in the six months ended 30 June 2024.

Finance income increased by OMR 10.1 million, or 109.5 per cent., to OMR 19.4 million for the year ended 31 December 2023, compared to OMR 9.3 million for the year ended 31 December 2022. The increase in finance income was predominantly due to an increase in interest income of OMR 10.4 million, or 806.8 per cent., to OMR 11.7 million in 2023 compared to OMR 1.3 million in 2022, which resulted from an increase in the interest income on higher bank deposits balances and the cumulative receipt of OMR 1.7 million in interest income in 2023 that related to previous years.

Finance income increased by OMR 1.9 million, or 25.7 per cent., to OMR 9.3 million for the year ended 31 December 2022, compared to OMR 7.4 million for the year ended 31 December 2021. The increase in finance income was predominantly due to the OMR 1.5 million increase in other finance income to OMR 1.6 million in 2022 compared to OMR 0.1 million in 2021 reflecting higher interest on bank deposits.

Finance costs

Finance costs for the six months ended 30 June 2024 increased by OMR 2.8 million, or 20.7 per cent., to OMR 16.6 million, compared to OMR 13.8 million for the six months ended 30 June 2023. The increase in finance costs reflected the impact of unwinding of the discount on rich gas which resulted in finance costs of OMR 5.5 million in 2024, compared to nil in 2023 when it resulted in finance income. The increase in finance costs was partially offset by a decrease in interest on the LPG Subordinated Loan (as defined below) to nil in 2024, compared to OMR 3.0 million in 2023, due to a waiver of interest.

Finance costs increased by OMR 10.5 million, or 61.0 per cent., to OMR 27.8 million for the year ended 31 December 2023, compared to OMR 17.2 million for the year ended 31 December 2022. The increase in finance costs was predominantly due to an increase in interest expense on the term loans of OMR 20.4 million, or 139.1 per cent., to OMR 35.1 million in 2023 compared to OMR 14.7 million in 2022, reflecting the Company's full drawdown of the term loan associated with the ammonia plant. The increase in finance costs from term loans was partially offset by an OMR 12.5 million movement in the carrying value of the cash flow hedge, reducing finance costs by OMR 15.4 million in 2023 compared to OMR 2.9 million in 2022.

Finance costs increased by OMR 7.7 million, or 81.4 per cent., to OMR 17.2 million for the year ended 31 December 2022, compared to OMR 9.5 million for the year ended 31 December 2021. The increase in finance costs was predominantly due to an increase in interest expense on the term loans of OMR 8.6 million, or 140.1 per cent., to OMR 14.7 million in 2022 compared to OMR 6.1 million in 2021, reflecting the additional financing provided for the construction of the ammonia plant between 2021 and 2022. The increase in finance costs from term loans was partially offset by an OMR 4.6 million movement in the carrying value of the cash flow hedge, reducing finance costs by OMR 2.9 million in 2022 compared to an increase in finance costs of OMR 1.6 million in 2021.

Profit for the year/period

As a result of the foregoing factors, profit for the six months ended 30 June 2024 decreased by OMR 21.7 million, or 84.1 per cent., to OMR 4.1 million, compared to OMR 25.8 million for the six months ended 30 June 2023. The decrease in profit for the period was primarily due to an increase in non-cash expenditures that did not have any effect on the Company's cash flows. The notional cost of rich gas increased by OMR 7.3 million, or 49.3 per cent., to OMR 22.1 million in 2024 compared to OMR 14.8 million in 2023, while the Company had a write-off of an OMR 5.3 million related party receivable in 2024 compared to nil in 2023. Additionally, the unwinding of the discount on rich gas decreased profit for the period by OMR 8.3 million in 2024, as a result of finance income decreasing by OMR 4.8 million and finance costs increasing by OMR 2.8 million in 2024.

The Company's profit for the year ended 31 December 2023 decreased by OMR 14.4 million, or 23.3 per cent., to OMR 47.5 million, compared to OMR 61.9 million for the year ended 31 December 2022, whereas profit for the year ended 31 December 2022 increased by OMR 20.7 million, or 50.2 per cent., to OMR 61.9 million compared to OMR 41.2 million for the year ended 31 December 2021.

Liquidity and Capital Resources

Liquidity

The Company's financing strategy is to maintain sufficient funding liquidity and flexibility to support its committed capital expenditure and other business requirements largely through diversification of financing sources, including bank loan facilities with local and international financial institutions. The Company's primary sources of liquidity are the cash flows generated from its operations, retained cash balances, third-party loans and the Subordinated Loans (as defined below).

Borrowings and Financial Liabilities

As at 30 June 2024, the Company had outstanding borrowings of OMR 388.5 million, of which OMR 82.9 million was due for repayment within 12 months. All of the Company's borrowings were denominated in U.S. Dollars.

The following table sets forth the Company's borrowings as at 31 December 2021, 2022 and 2023 and 30 June 2024:

	As at 31 December			As at 30 June
	2021	2022	2023	2024
	(OMR millions)			
Current				
Term Loans	38.3	42.4	44.9	44.7
Non-current				
Term Loans	417.6	371.3	327.5	305.6
LPG Subordinated Loan	90.6	94.0	55.6	38.2
Total	**546.5**	**507.7**	**428.1**	**388.5**

Term Loans

The Company has syndicated long-term loan facilities with various financial institutions for an aggregate amount of OMR 513.2 million, comprising (i) a long-term facility in the principal amount of OMR 266.8 million (the "**Methanol and Ammonia Facility**"), and (ii) a long-term facility in the principal amount of OMR 246.4 million (the "**LPG Facility**" and, together with the Methanol and Ammonia Facility, the "**Term Loans**"). As at 30 June 2024, the Term Loans had been fully utilised. The Term Loans bear interest at U.S. Dollar Term SOFR plus variable margins. The Methanol and Ammonia Facility is secured by legal and commercial mortgages on all assets of the Company and the LPG Facility is secured by legal and commercial mortgages on all assets of OQ LPG. For further information on the Term Loans, see Note 22 to the Interim Combined Financial Statements. The Methanol and Ammonia Facility is expected to be repaid in early 2025 through a drawdown under the Refinancing Facilities and the LPG Facility is expected to be refinanced as part of the Refinancing Facilities around the end of 2024.

The Subordinated Loans

- OQ LPG is a party to loan arrangements with Oman Oil Facilities and Development Company LLC ("**OOFDC**"), its former shareholder, in the aggregate principal amount of OMR 38.2 million (the "**LPG Subordinated Loan**"), which is subordinated and repayable under the payment waterfall arrangements pursuant to the LPG Plant BOOT/NGSA.

  During the six months ended 30 June 2024, OOFDC agreed to waive the interest previously charged and paid on the LPG Subordinated Loan. As part of this agreement, the interest accrued up until 1 January 2024, amounting to OMR 17.4 million, was reversed in the Interim Combined Financial Statements.

  In November 2024, OOFDC novated the LPG Subordinated Loan to the Company (as the lender) and a loan from OQ to OOFDC in the amount of OMR 38.2 million (the "**OQ Subordinated Loan**") was novated by OOFDC to the Company (as borrower). As a result, prior to Admission, OQ LPG owed the Company OMR 38.2 million under the LPG Subordinated Loan and the Company owed OQ OMR

38.2 million under the OQ Subordinated Loan. In order to settle the outstanding obligations under these arrangements, the Company has converted the OQ Subordinated Loan to capital through the issuance of 956,023,950 new Shares to OQ and OQ LPG is expected to repay the LPG Subordinated Loan to the Company with cash generated by the business and cash on hand by the end of 2024. For further information on the LPG Subordinated Loan, see Notes 23 and 36 to the Interim Combined Financial Statements.

- The Company was a party to non-interest-bearing loan arrangements with the Selling Shareholders in the aggregate principal amount of OMR 51.9 million (the "**Methanol Subordinated Loan**" and, together with the LPG Subordinated Loan, the "**Subordinated Loans**"), which were subordinated and repayable only at the discretion of the Company. As such, they were classified as equity in the Combined Financial Statements. The Company fully repaid the balance of the Methanol Subordinated Loan in December 2023. For further information on the Methanol Subordinated Loan, see Note 20 to the 2023 Annual Combined Financial Statements.

The Refinancing Facilities

The Company has received binding term sheets and is currently negotiating documentation for two term financing facilities (the "**Refinancing Facilities**") which it expects to enter into around the end of 2024, one of which will be used in part to repay the Methanol and Ammonia Facility and one of which will be used to refinance the LPG Facility. The anticipated terms of these facilities are currently expected to include:

(a) a US$440 million Islamic (Wakalah) facility for a term of 12 years with a syndicate of commercial banks, with a floating rate of interest set by reference to U.S. Dollar Term SOFR plus 140 basis points and an upfront fee of 80 basis points, repayable in annual instalments commencing in the first half of 2025, with a 45 per cent. balloon amortisation. This facility will be used to repay the Methanol and Ammonia Facility and is expected to assume approximately 3 to 4 per cent. principal amortisation per year during the first five years of the term, and 5 to 8 per cent. amortisation thereafter; and

(b) an up to US$485 million facility maturing in 2032 with a syndicate of commercial banks, with a floating rate of interest set by reference to U.S. Dollar Term SOFR plus 115 basis points and an upfront fee of 65 basis points, repayable in semi-annual instalments commencing in the first half of 2025. This facility will be used to refinance the LPG Facility and is expected to assume the amortisation schedule of the LPG Facility.

Each of the Refinancing Facilities is expected to be unsecured and will not be guaranteed. See "*Chapter IV—Risk Factors—Risks Relating to the Company and its Business—The Company's debt agreements may contain restrictions that limit its flexibility in operating its business and it will continue to have material funding requirements*".

Combined Statement of Cash flows

The table below presents a summary of the Company's cash flows for the years ended 31 December 2021, 2022 and 2023 and the six months ended 30 June 2023 and 2024.

	For the year ended 31 December			**For the six months ended 30 June**	
	2021	**2022**	**2023**	**2023**	**2024**
			(OMR millions)		
Net cash generated from operating activities ...	62.0	111.6	93.3	60.0	67.8
Net cash (used in)/generated from investing activities...	(54.9)	(21.9)	(23.0)	1.8	(12.0)

	For the year ended 31 December			For the six months ended 30 June	
	2021	2022	2023	2023	2024
			(OMR millions)		
Net cash (used in)/generated from financing activities	44.0	(62.7)	(159.4)	(28.8)	(33.7)
Net (decrease)/increase in cash and cash equivalents	51.1	27.0	(89.1)	32.9	22.1
Cash and cash equivalents at the beginning of the period	35.5	86.6	113.6	113.6	24.5
Cash and cash equivalents at the end of period	**86.6**	**113.6**	**24.5**	**146.5**	**46.6**

Net cash generated from operating activities

Net cash generated from operating activities increased by OMR 7.9 million, or 13.1 per cent., to OMR 67.8 million for the six months ended 30 June 2024, compared to OMR 60.0 million for the six months ended 30 June 2023. The increase in net cash generated from operating activities was primarily due to the increase in working capital of OMR 7.4 million in 2024 compared to a decrease in working capital of OMR 0.9 million in 2023. The increase in working capital in 2024 was principally due to a decrease in trade and other receivables and amounts due from related parties, partially offset by an increase in inventory and a decrease in trade and other payables.

Net cash generated from operating activities decreased by OMR 18.3 million, or 16.4 per cent., to OMR 93.3 million for the year ended 31 December 2023, compared to OMR 111.6 million for the year ended 31 December 2022. The decrease in net cash generated from operating activities was primarily due to the decrease in profit for the period of OMR 14.4 million and changes in working capital. While profit for the year ended 31 December 2023 was OMR 47.5 million compared to OMR 61.9 million for the year ended 31 December 2022, the lower profit in 2023 was also affected by a decrease in working capital of OMR 19.3 million compared to a decrease of OMR 14.5 million in 2022. The decrease in working capital in 2023 was principally due to an increase in trade and other receivables and a decrease in amounts due to related parties, partially offset by a decrease in the inventory, a decrease in amounts from related parties and higher trade and other payables.

Net cash generated from operating activities increased by OMR 49.6 million, or 79.9 per cent., to OMR 111.6 million for the year ended 31 December 2022, compared to OMR 62.0 million for the year ended 31 December 2021. The increase in net cash generated from operating activities was primarily due to the increase in profit for the period of OMR 20.7 million and changes in working capital. While profit for the year was OMR 61.9 million for the year ended 31 December 2022 compared to OMR 41.2 million for the year ended 31 December 2021, the increase in profit for the period was further exacerbated by higher adjustments for finance costs and provisional charges for rich gas in 2022 relative to 2021. Additionally, the higher profit in 2022 was affected by a decrease in working capital of OMR 14.5 million compared to a decrease of OMR 10.2 million in 2021. The decrease in working capital in 2022 was primarily due to an increase in amounts due from related parties.

Net cash (used in)/generated from investing activities

Net cash from investing activities changed by OMR 13.8 million, or 780.5 per cent., to net cash used in investing activities of OMR 12.0 million for the six months ended 30 June 2024, compared to net cash generated from investing activities of OMR 1.8 million for the six months ended 30 June 2023. The change in net cash from investing activities was primarily due to the higher capital spending on property, plant and equipment.

Net cash used in investing activities increased by OMR 1.1 million, or 5.1 per cent., to OMR 23.0 million for the year ended 31 December 2023, compared to OMR 21.9 million for the year ended 31 December 2022. Additional net cash used in investing activities in 2023 was primarily due to greater fixed-term deposit investments placed with commercial banks. The higher cash used was partially offset by sales proceeds from the disposition of LPG plant equipment and higher interest income.

Net cash used in investing activities decreased by OMR 33.0 million, or 60.1 per cent., to OMR 21.9 million for the year ended 31 December 2022, compared to OMR 54.9 million for the year ended 31 December 2021. The decrease in net cash used in investing activities was primarily due to a decrease in capital expenditure related to the construction of the ammonia plant completed in 2022.

Net cash (used in)/generated from financing activities

Net cash used in financing activities increased by OMR 4.9 million, or 17.1 per cent., to OMR 33.7 million for the six months ended 30 June 2024, compared to OMR 28.8 million for the six months ended 30 June 2023. The increase in net cash used in financing activities was primarily due to lower proceeds from term loans.

Net cash used in financing activities increased by OMR 96.7 million, or 154.2 per cent., to OMR 159.4 million for the year ended 31 December 2023, compared to OMR 62.7 million for the year ended 31 December 2022. The increase in net cash used in financing activities was primarily due to higher interest payments and the repayment of the Subordinated Loans.

Net cash used in financing activities changed by OMR 106.7 million, or 242.5 per cent., to net cash used in financing activities of OMR 62.7 million for the year ended 31 December 2022, compared to net cash generated in financing activities of OMR 44.0 million for the year ended 31 December 2021. The change in net cash used in financing activities in 2022 was primarily due to nil proceeds received from term loans and the LPG Subordinated Loan, compared to OMR 85.5 million received in 2021 and higher repayments on term loans of OMR 43.8 million in 2022 compared to OMR 22.8 million in 2021.

Off-Balance Sheet Arrangements

As at 30 June 2024, the Company had no off-balance sheet arrangements.

Commitments and Contingencies

The Company has various contractual obligations and commercial commitments to make future payments, primarily commitments pertaining to capital expenditure and long-term gas purchases. As at 30 June 2024, the Company had commitments of OMR 12.5 million. As at 31 December 2021, 2022 and 2023, the Company had commitments relating to its capital projects under construction of OMR 10.5 million, OMR 4.3 million and OMR 4.7 million, respectively. The commitments represent the unspent amounts for ongoing projects, which are expected to be paid within the next year or two, depending on the status of the project. See Note 33 of the Interim Combined Financial Statements, Note 31 of the 2023 Annual Combined Financial Statements and Note 31 of the 2022 Annual Combined Financial Statements for further information.

The following table sets out capital commitments related to construction work in progress, such as open purchase orders for capital expenditure projects, for the Company's plants as at 31 December 2021, 2022 and 2023 and 30 June 2024.

	As at 31 December			As at 30 June
	2021	2022	2023	2024
		(OMR millions)		
Methanol and ammonia plants	10.5	3.7	3.7	11.3
LPG plant	—	0.6	1.0	1.2
Total	**10.5**	**4.3**	**4.7**	**12.5**

The following table sets out contractual maturities for the Company's financial liabilities with agreed repayment periods, including minimum future payments under the Methanol Plant GSA, as at 30 June 2024:

	Up to 1 year	Between 2 to 5 years	Above 5 years
		(OMR millions)	
Methanol Plant GSA	23.7	94.6	151.1
Term Loans	74.5	286.9	79.9
LPG Subordinated Loan(1)	38.2	—	—
Lease liabilities	1.3	4.1	31.8
Due to related parties	0.6	—	—
Trade and other payables (excluding accruals)	0.8	—	—
Total	139.3	385.6	262.7

Note:

(1) The LPG Subordinated Loan is expected to be repaid by the end of 2024. See "*—Liquidity and Capital Resources—Liquidity—Borrowings and Financial Liabilities—The Subordinated Loans*".

Capital Expenditure

The table below shows the Company's capital expenditure for the years ended 31 December 2021, 2022 and 2023 and the six months ended 30 June 2023 and 2024.

	For the year ended 31 December			For the six months ended 30 June	
	2021	2022	2023	2023	2024
			(OMR millions)		
Methanol and ammonia plants	33.9	21.0	25.9	3.0	2.5
LPG plant	29.7	2.0	1.0	0.2	24.4
Total	**63.6**	**23.1**	**26.9**	**3.1**	**26.9**

Capital expenditure during the periods under review principally comprised the construction of the ammonia plant completed in 2022 and the performance of major turnaround commitments for the methanol plant in 2023 as per its planned shutdown.

Capital expenditure increased by OMR 23.8 million, or 767.7 per cent., to OMR 26.9 million for the six months ended 30 June 2024, compared to OMR 3.1 million for the six months ended 30 June 2023. The increase in capital expenditure was primarily due to the capitalisation of pipe rack assets of OMR 23.1 million and various improvements projects for the ammonia plant, as well as planned maintenance of a malfunctioning steam heater at the ammonia plant.

Capital expenditure increased by OMR 3.8 million, or 16.5 per cent., to OMR 26.9 million for the year ended 31 December 2023, compared to OMR 23.1 million for the year ended 31 December 2022. The increase in capital expenditure was primarily due to turnaround costs at the methanol and ammonia plants that were capitalised in 2023. The increase in capital expenditure was partially offset by a decline in capital expenditure committed for the construction of the ammonia plant which was completed in 2022.

Capital expenditure decreased by OMR 40.5 million, or 63.7 per cent., to OMR 23.1 million for the year ended 31 December 2022, compared to OMR 63.6 million the year ended 31 December 2021. The decrease in capital expenditure was primarily due to the capitalisation of the LPG plant in 2021 and a decline in capital expenditure committed for the construction of the ammonia plant in 2022.

For further information on capital expenditure guidance, see also "*—Forward-Looking Guidance and Targets*".

Quantitative and Qualitative Disclosures about Market Risk

The principal categories of financial risk to which the Company is exposed are credit risk, liquidity risk and market risk (including interest rate risk and foreign currency risk). For a description of the Company's management of these risks, see Note 32 of the 2023 Annual Combined Financial Statements.

Critical Accounting Judgements, Estimates and Sources of Uncertainty

The Combined Financial Statements have been prepared in accordance with IFRS. For a discussion of the critical accounting policies applied by the Company, see Note 4 to the 2023 Annual Combined Financial Statements.

In the application of the Company's accounting policies, Management is required to make judgments, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods. The estimates pertain to assessment of the contractual arrangements, taxes and impairment of assets. Set out below are the critical judgments and estimations that Management has made in the process of applying the Company's accounting policies and have the most significant effect on the amounts recognised in the Combined Financial Statements. For further information, see Note 5 to the 2023 Annual Combined Financial Statements and Note 5 to the Interim Combined Financial Statements.

Provision for rich gas

The Company recognises the cost of rich natural gas received (inventory) from IGC by forecasting production, sales and expenses based on its operating model and agreements, determining the net cash flow payable to IGC over the 25-year agreement. The price of gas is derived by dividing IGC's total revenue share pursuant to the LPG Plant BOOT/NGSA by the total quantity of rich gas supplied. The financial liability to IGC is measured at fair value through profit or loss, with future payments discounted to present value using the rate described below. The estimation process involves significant judgment and the use of assumptions, which are reviewed annually.

Provision for rich gas represents accrued payables in relation to the rich gas supplied to the LPG plant, offset by the cash payments made to IGC during the period. The amount of provision recognised is estimated based on the future projections for the revenue from the sales of LPG Products, after deducting relevant expenditures during the period.

The amount of provision estimated is recognised within cost of sales as a notional charge or in the carrying value of inventories and discounted to the present value using discount rate 6.47 per cent. in the six months ended 30 June 2024 (31 December 2023: 6.38 per cent.). The difference between the present value and future forecast is recognised in profit or loss account as finance income. The outflow of resources from the settlement of provision is expected to occur from 2024.

Chapter XV
Dividend Policy

As per the Articles, the Offer Shares rank equally with all other Shares for any rights to dividends that may be declared and paid in respect of the financial year of the Company ending 2024 on a *pari passu* basis, and any subsequent years. Following completion of the IPO, the Shareholders' register of the Company maintained by the MCDC will be amended to reflect public ownership of the Offer Shares and new Shareholders will have *pari passu* rights to receive dividends or other distributions declared by the Company.

Dividend Policy

The Company intends to maintain a robust dividend policy designed to return to Shareholders substantially all of its distributable free cash flow after providing for growth opportunities and subject to credit rating considerations. The Company's ability to pay dividends is dependent on a number of factors, including the availability of distributable reserves, its capital expenditure plans and other cash requirements in future periods, and there is no assurance that the Company will pay dividends or, if a dividend is paid, what the amount of such dividend will be. See "*Chapter IV—Risk Factors—Risks Relating to the Offer and to the Shares—The Company may not pay dividends or declare dividends in the future*." Any level or payment of dividends will depend on, among other things, the future profits and the business plan of the Company, at the discretion of the Board and will be subject to the approval of the OGM.

Furthermore, the Company's dividend policy is subject to restrictions contained in the CCL, and covenants of facility agreements. These are summarised as follows:

- In accordance with Article 132 of the CCL, the Board must deduct 10 per cent. from the net profits of each financial year, after the deduction of taxes, to form a legal reserve until the legal reserve reaches at least one-third of the Company's capital. Such reserve may be used to cover the Company's losses and to increase its capital by issuing shares. Such reserve, however, may not be distributed as dividends to shareholders except where the Company reduces its capital, provided the legal reserve shall not be less than one third of the capital after the capital reduction.
- Distribution of dividends may be made only from retained earnings / net profits after the deduction of all the necessary costs and setting aside required depreciation and amortisations, allocations and reserves including allocations made by the Company from the profits to increase its capital, pursuant to Article 131 of the CCL.
- The remaining profit thereafter may be distributed as an additional dividend to Shareholders or be carried forward to the following year on the Board's recommendation and the approval of the Shareholders through an OGM.

Subject to the foregoing, the Company adopted a semi-annual dividend distribution policy to pay dividends in cash. By January 2025, the Company expects to pay a first dividend distribution for the nine months ended 30 September 2024 of approximately OMR 24.5 million, which represents 75 per cent. of the annual dividend distribution for the fiscal year ending 31 December 2024. By April 2025, the Company expects to pay a second dividend distribution for the last three months of 2024 of approximately OMR 8.2 million, which represents 25 per cent. of the annual dividend distribution for the fiscal year ending 31 December 2024. This would indicatively equate to an annualised dividend payment of OMR 32.7 million for the fiscal year ending 31 December 2024, representing 100 per cent. of the annual dividend distribution for the fiscal year ending 31 December 2024.

The Company currently intends to distribute dividends for the fiscal years ended 31 December 2025 and 2026 as follows:

- for the fiscal year ended 31 December 2025, the dividend is expected to be based on a 5 per cent. minimum escalation to the dividend paid for the fiscal year ended 31 December 2024, which indicatively equates to a minimum of OMR 34.3 million; and
- for the fiscal year ended 31 December 2026, the dividend is expected to be based on a 5 per cent. minimum escalation to the dividend paid for the fiscal year ended 31 December 2025.

During 2025 and 2026, the Company expects to pay dividends for the first six months of the year by October of that year and for the last six months of the year by April of the following year.

For the fiscal year ended 31 December 2027 and onwards, the Company expects to distribute any cash not specifically reserved for general corporate purposes, growth investment or M&A activity.

This dividend policy is designed to reflect the Company's expectation of strong cash flow and expected long term earnings potential while allowing the Company to retain sufficient capital to fund ongoing operating requirements and continued investment for long term growth. This dividend policy is subject to the consideration of the Board in relation to the cash management requirements of the Company's business for operating expenses, financing expenses and anticipated capital expenditures. In addition, the Company expects that the Board will also consider market conditions, the then current operating environment in the markets in which the Company operates, the Company's capital structure, cash generation profile, any other approvals required and the Board's outlook for the Company's business.

In respect of the years ended 31 December 2021, 2022 and 2023, the Company did not distribute any dividends.

Chapter XVI
Related Party Transactions and Material Contracts

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 Selling Shareholders and members of the OQ Group, members of the board, management 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 ordinary course of business from commercial transactions at mutually agreed terms comparable to those with other entities that are not related to the Government and/or Government controlled entities. Outstanding balances at year end are unsecured and settlement occurs in cash.

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 in the Combined Financial Statements to meet the disclosure requirements of IAS 24.

During the periods covered by the Combined Financial Statements, the Company entered, and continues to enter, into transactions with Government- and / or OQ Group-related entities. These transactions include:

- sales and purchases of goods;
- rendering and receiving services;
- use of public utilities;
- the purchase of natural gas from IGC;
- the purchase of LPG Products other than LPG (cooking gas), methanol and ammonia by OQ Trading;
- the Shareholder Loan; and
- ordinary course transactions with key management personnel, including compensation and benefits.

For details on the impact of related party transactions on the Company's financial position and financial results, please refer to Note 29 of the 2023 Annual Combined Financial Statements, Note 29 of the 2022 Annual Combined Financial Statements and Note 29 of the Interim Combined Financial Statements, in each case included elsewhere in this Prospectus.

Material Contracts with Related Parties

The Company has entered or is expected to enter into material contracts with related parties, which are discussed in detail in "*Chapter XII—Description of the Company and Business Overview—Material Contracts*". The related party contracts described in that section include the *Trademark License Agreement*, *Information Sharing Agreement*, *IDS Services Agreement*, *Offtake Agreements*, *Energy Excellence Services Agreement*, *Turnaround and Domestic Sales Services Agreement, Intra-Group Hedging Transactions* and *Master Services Agreement*.

Chapter XVII
Corporate Governance

Certain sections of this Chapter summarise the issues relating to the corporate governance of the Company based on the Articles, the CCL and the rules and regulations issued by the FSA, in particular, the Code and the SAOG Executive Regulations. The description provided in this Chapter is only a summary and does not purport to give a complete overview of the Articles, of the relevant provisions of the CCL, the Code, SAOG Executive Regulations or the FSA rules and regulations.

Overview

This section details the composition of the Board, various Board committees and Management. It also highlights the corporate governance practices that the Company has or will have in place prior to listing.

Board

Current Board Composition

The current Board was elected by the Selling Shareholders at the OGM held on 28 October 2024 and its members' term of office will remain in force for a period of three years and until the third AGM, which follows this date. In the event that the date on which the third AGM is held is more than three years following the date on which the current Board was elected, then the term of the Board shall be extended up to the date of the relevant AGM.

The current composition of the Board, in accordance with Articles is as follows:

S/N	Name	Position	Independent[(1)]/ Non-Independent
1	Ali Al Lawati	Chairman	Non-Independent
2	Saleh Al Mahthuri	Deputy Chairman	Independent
3	Ghalib Al Maamari	Board Member	Non-Independent
4	Pieter (Petrus) Steyn	Board Member	Non-Independent
5	Hamed Al Rumhi	Board Member	Independent

Note:

(1) A director is deemed independent pursuant to FSA rules and regulations.

Biographical Information of the Members of the Board

Ali Al Lawati (Chairman)

Ali Al Lawati has 20 years of experience and over 8 years of international experience, currently serving as the Chief People & Technology Officer of OQ. Ali focuses on portfolio diversification, in-country value creation through industry localisation, attracting investments, local SME development, job and diversity creation and local talent development. In his previous role as the Global Human Resources Director – Corporate at Schlumberger, Ali oversaw Technology, HR, Legal, HSE, OS/IT, Finance, Strategy and Sustainability, New Energy, Mergers & Acquisitions functions, and corporate offices in Paris, London and Houston. Prior to this, as the Regional Managing Director at Schlumberger, Ali led the largest oilfield service company in Oman, Pakistan and Pakistan overseeing over 3,000 employees. He played a key role in securing strategic partnerships, including establishing an anchor investor relationship with Abraj, which helped create the largest integrated operational base in Oman. In addition, he spearheaded initiatives in the new energy sector, such as evaluating geothermal applications and promoting advanced technologies in sustainable energy to support the Sultanate's goals.

Ali holds a Bachelor's Degree in Petroleum Engineering and Natural Gas from Sultan Qaboos University (Oman).

Saleh Al Mahthuri (Deputy Chairman)

Saleh Al Mahthuri has 20 years of experience in finance, accounting and auditing. He is the General Manager of the Internal Audit of Port of Salalah. Previously, he served as Chief Internal Auditor for Nama Electricity Supply Company and held positions at Oman Oil Exploration & Production, Daleel Petroleum LLC and Occidental Petroleum Corporation.

Saleh holds a bachelor's degree in accounting from Sultan Qaboos University (Oman) and a Master's in Management Information Technology (MIT) and Governance from Canadian University Dubai (UAE). He is a Certified Internal Auditor from the Institute of Internal Auditors (IIA), a Lecturer and a board member of the Education Committee of the IIA Oman Chapter.

Ghalib Al Maamari (Member)

Ghalib Al Maamari has over 19 years of experience in commercial and business development, financial planning and analysis, digital transformation and project management. He is the Chief Business Development at OQ Alternative Energy in charge of business development opportunities within OQ Alternative Energy which includes renewables, low carbon molecules and energy efficiency. Previously, he served as the Vice President of Information & Digital Solutions of OQ where he spearheaded the company's digital transformation journey. He also held positions at Takamul Investment Company, Occidental Petroleum Corporation and Oman Shipping Company. Ghalib was the Vice Chairman of Vale Oman Pelletizing Company LLC and served on the boards of Sohar Aluminium Company LLC, Muscat Gases SAOG, Majis Industrial Services LLC, Salalah Methanol Company LLC and Takatuf Oman LLC.

He holds a Bachelor's degree in Electronic Commerce and a Master's in Business Information Systems from the University of Queensland (Australia) and is a graduate of the National CEO Program sponsored by the Diwan of Royal Court in partnership with the International Institute for Management Development (IMD).

Pieter (Petrus) Steyn (Member)

Pieter (Petrus) Steyn has over 25 years of experience in the oil and gas, petrochemical and energy industries in both in-house legal counsel and commercial management roles. With a pragmatic, commercial and solution driven mindset, he has been instrumental in successes in the development, implementation and financing of many complex international mega projects spanning across the globe in countries such as the United States, China, India, Mozambique, Namibia, Qatar, Uzbekistan, Nigeria and more recently since 2019, in Oman when he joined the OQ Group. Petrus joined OQ8 (Duqm Refinery) in 2019 as Commercial Lead and then moved to OQ in 2020. Presently he leads the Downstream & Commercial legal team as Vice President Legal of OQ RPI.

Petrus holds a Diploma and a Bachelor's degree in Law, as well as a Master's Degree in Business Leadership from the University of South Africa (South Africa). He is also an admitted Attorney of the High Court of South Africa.

Hamed Al Rumhi (Member)

Hamed Al Rumhi has over 14 years of experience in leadership, human capital management and organisational development. He is the Consulting Services Director at Takatuf Oman LLC. Previously, Hamed served as a Managing Consultant at Takatuf Oman LLC and as the Organisation Development and Learning Manager at Shell Development Oman, he served as the Human Capital Manager at OQ Exploration and Production SAOG (July 2016 – October 2019). He also held positions of HR & Support Services Manager at Takatuf Oman LLC, the HR Manager at RAY International Oil & Gas and the Omanisation & Planning Specialist at Occidental Oman.

Hamed holds a Bachelor of Commerce and Economics degree from Sultan Qaboos University (Oman).

Compliance with Applicable Laws

The Company was incorporated as an LLC, converted to an SAOC, and is under transformation into an SAOG. It has appointed a Board that complies with all applicable FSA and CCL requirements, including the requirement for Independent Directors, who represent the interests of all Shareholders. Two out of five of the Company's directors are Independent Directors in accordance with the description of "Independent Directors" contained in principle 8 of the Code.

Appointment of the Board

The Board will be elected by the relevant OGM by direct secret ballot. Each Shareholder shall have a number of votes equal to that of the Shares held by it. A Shareholder shall have the right to use the entirety of its votes in support of one nominee or divide its Shares among other nominees of its choice through the voting card. Accordingly, the total number of votes given to the nominees by one Shareholder must not exceed the total number of Shares owned by it. The proposed directors who receive the most votes in the ballot shall be declared elected.

Subject to the CCL and the Code and without prejudice to the Articles, Article 115 of the SAOG Executive Regulations provides that nominees to the membership of the Board must:

- be a natural person;
- be of good conduct and sound reputation;
- be at least 25 years old;
- have a registered shareholder number with MCDC;
- not be unable to settle his indebtedness to the company;
- not be convicted of a felony or dishonourable crime or be adjudicated as bankrupt or insolvent unless rehabilitated;
- not have caused bankruptcy of a company by his sole act or as joint liability of directors;
- present, if nominating himself as an Independent Director, a declaration to that effect and that he will lose his membership if he loses his independence capacity;
- not be a member or a representative of a juristic person in more than four (4) SAOG companies based in Oman;
- not be chairman of more than two (2) SAOG companies with their principal place of business in Oman; and

- not be an employee or a member of the board of directors of a public or closed joint stock company which is carrying out similar objectives to that of the company which he intends to nominate himself to the membership of its board.

Without any prejudice to the regulations of the CCL mentioned above, the following conditions will be fulfilled while forming the Board:

- the Board will comprise all non-executive directors; and
- a minimum of one-third of the total Board (subject to a minimum of two) will be composed of Independent Directors in accordance with the rules and conditions issued by the FSA as have been set out in the Code and the SAOG Executive Regulations.

In accordance with Article 188 of the CCL, if a Board member is no longer qualified to remain on the board of a joint stock company, then his/her membership will cease to be valid by virtue of law. The concerned Board member, upon becoming aware of his/her status of being disqualified, must promptly inform the Board of the loss of his qualification and any resolutions in which such Board member may have participated in voting on after ceasing to be qualified to remain on the Board will be invalid unless such resolutions were passed by a percentage of votes required for their validity excluding the vote of any member who lost his/her right to remain on the Board.

The vacant seat arising after disqualification of the relevant director of the Company may be filled by the remaining Board members in accordance with Article 7 of the Articles whereby if the office of the director of the Company becomes vacant in the period between two OGMs, the Board may appoint an interim director who satisfies the requirements of membership to assume the vacant office until the next OGM. If the number of vacant positions or the members to be appointed by the Board amounts to more than half the number of elected Board members, the Board must then convene an OGM within sixty (60) days from the date on which the last vacancy on the Board arose to elect the new members to fill the vacant positions. However, in all cases the interim director(s) of the Company shall assume this (these) position(s) for the remaining term of the outgoing Board members.

The Board will elect a Chairman and a deputy chairman from amongst its members. The deputy chairman will officiate as Chairman when the Chairman is absent. The Chairman must implement the resolutions of the Board and the regular business of the Company shall be conducted under the supervision of the Board in accordance with the authority specified in the Articles and internal regulations of the Company.

Role of the Board

The primary role of the Board is to supervise and monitor the management of the Company within a framework of prudent and effective controls that enables risk to be properly assessed and managed and to fulfil its statutory and regulatory obligations under applicable law and regulations.

Powers of the Board

The Board has full authority to perform all acts required to manage the Company in accordance with its objectives and with the primary objective of creating value for the Shareholders. This authority is not limited or restricted except as provided by applicable law, the Articles or a resolution of the Shareholders. The day-to-day management of the Company is performed by the Management, as described in subsequent paragraphs contained in this Chapter.

Article 122 of the SAOG Executive Regulations provides that the Board shall be responsible for:

(i) appointing the chief executive officer or the like and the staff which report to any of them pursuant to the organisational structure of the Company and to specify their rights and duties;

(ii) constituting subcommittees to carry out certain tasks and for the constitution decision to contain the names of members, their duties, rights and obligations;

(iii) appraising the performance of the employees mentioned in clause (i) above, and to assess the work carried out by the subcommittees;

(iv) including in the annual report presented to the AGM the reasons to justify the ability of the company to pursue its specified activities and the achievement of its objectives;

(v) appointing a secretary to the Board in its first meeting;

(vi) including in the governance report a full statement on all amounts which a director might have received during the course of the year;

(vii) ensuring that any decision taken satisfies the legal requirements before being disclosed to the public; and

(viii) specifying the fees for obtaining a true copy of the Articles at not more than OMR 20.

In accordance with Article 185 of the CCL, the Board must not perform the following acts unless expressly authorised to do so by the Articles or by a resolution of the Shareholders at a general meeting:

- make donations, except donations required by the business wherever they are small and customary amounts;
- pledge or mortgage the assets of the Company, except to secure debts of the Company incurred in the ordinary course of the Company’s business; and
- guarantee debts of third parties, except guarantees made in the ordinary course of business for the sake of achieving the Company’s objectives.

In accordance with Article 176 of the CCL, a resolution passed by an EGM is required to sell all or a substantial part of the fixed assets of the Company, the value of which amounts to 25 per cent. or more of the net asset value of the assets of the Company, amend the Articles or transform, merge, dissolve and liquidate the Company.

The Company will be bound by all acts performed by its Board, its Chairman and the Management, as long as they act in the name of the Company and within the scope of their powers.

In accordance with Article 193 of the CCL, the Board may, in the circumstances and subject to the rules specified by the SAOG Executive Regulations, adopt any of its resolutions through circular resolutions. In such case, the secretary of the Board shall record the resolutions that have been adopted by circulation, in the minutes of the meeting of the Board following the adoption thereof.

Pursuant to Article 202 of the CCL, any member of the Board or executive management shall not take advantage of his/her post for obtaining benefits to himself/herself or to any other person. Article 203 of the CCL provides that a member of the board of directors of a company shall not participate in the management of any other company which carries out similar business. The Article further provides that members of the board of directors and the executive management of a company shall not perform for their benefit or for the benefit of third parties any business similar to the company’s business or to use assets or funds of the company for their benefit or for the benefit of third parties without the prior approval of the ordinary general meeting of such company.

The CML Executive Regulations also contain regulations relating to “Insider Trading”, which:

- define who an insider is (as any person who is in a position to have access to undisclosed material information and includes directors of a company, its executive management and any person who may have obtained such information as a consequence of his employment or family relationships or otherwise); and
- impose reporting obligations on issuers with respect to the list of directors, executive management and their spouses and relatives of the first degree and any amendments in such list.

Insider trading is punishable by fines and imprisonment under the CCL and the CML Executive Regulations. A member of the Board or senior management or other related party of the Company must not have any direct or indirect interest in the transactions or contracts concluded by the Company for its account, except those concluded in accordance with the rules and regulations of the FSA.

The members of the Board will be liable to the Company, the Shareholders and third parties for damages caused by their acts in violation of applicable law and their acts which fall beyond the scope of their powers, or by any fraud or negligence in the performance of their duties or by their failure to act prudently under the given circumstances.

As per Article 18 of the CCL, the shareholders of a company may institute legal proceedings against its board members, auditors, or liquidators of the company or against heirs or successors of any of the above, on account of their acts during the exercise of their duties, within five years commencing from the latest among the following dates:

- date of registration of the company;
- date of act or omission, which is the basis of the action; or
- date of approval of partners or of the general meeting of the company on which the board of directors presented an account of the company's operations for the period covering the act or omission, which is the cause of the action against the managers or board of directors or any of its members.

Remuneration of the Board

The OGM will determine the annual remuneration and sitting fees of the Chairman and the members of the Board in accordance with the regulations on such matters issued by the FSA in accordance with Article 197 of the CCL. The specific rules are set out in Section II Third of the SAOG Regulations which provide that the remuneration of a company's board of directors shall be separated into "*Remuneration*" and "*Sitting Fees*". Sitting fees are paid to members of the Board based on the number of Board and committee meetings they attend during the Financial Year, with Article 129 of the SAOG Executive Regulations providing that these will not amount to more than OMR 10,000 per director of the Company per year.

Articles 130 to 133 of the SAOG Executive Regulations set out the rules for the calculation of remuneration and provide that the directors of the Company's remunerations shall be from the net profits after deduction of taxes, legal and optional reserves and the funds allocated from the profits for capitalisation and dividends.

The general meeting of a company shall determine its directors' remuneration which shall not:

1. exceed OMR 300,000 for an SAOG that realised net profits equal to or exceeding the profits realised in the previous financial year and does not have accumulated losses or losses in its capital; or

2. exceed OMR 150,000 for an SAOG that realised net profits less than the profits realised in the previous financial year and does not have losses in the capital.

The remuneration will be distributed amongst the members of the Board in such proportions and manner as they, by agreement, may determine, failing which the remuneration will be divided equally among the Board members. A member of the Board will be eligible for compensation for his/her services if he/she is assigned a job or travels or does something related to the Company's affairs.

Board Committees

In order to assist the Board in performing its obligations, the Board may form committees to advise it and make recommendations on certain matters. In accordance with Article 196 of the CCL, the Code and the SAOG Executive Regulations the Board has constituted an Audit and Risk Committee and Nomination and Remuneration Committee, each comprising three directors. The Board may establish other committees from time to time. Each of the said committees shall be established in accordance with the provisions of the Code.

Audit and Risk Committee

The members of Audit and Risk Committee are:

- Saleh Al Mahthuri (Chairman);
- Hamed Al Rumhi; and
- Pieter (Petrus) Steyn.

The role of the Audit and Risk Committee involves:

- considering the aspects relating to the appointment of external auditors including their fees and terms of engagement;
- reviewing the details of the audit plan of the audit firms and the results of the audit process as to whether or not the auditors have had full access to all relevant documents to perform their job;
- ensuring there are in place adequate procedures to detect and prevent any cases of financial fraud or forgery, to ensure adoption of appropriate accounting policies and principles in accordance with international accounting standards that demonstrate the real financial position of the Company;
- oversight of the internal audit function through an approved audit plan, considering the reports of the internal auditor, ensuring the internal auditor has full access to the relevant documents and reviewing the efficiency of internal audit function regularly;
- reviewing the risk management policy of the Company and the adequacy of internal control systems through the regular reports of internal and external auditors or the appointment of external consultants in this field;
- reviewing the annual and quarterly financial statements before issue, reviewing the reservations of the external auditor on the draft financial statements, if any, and ensuring compliance with international accounting standards and disclosure requirements prescribed by the FSA;
- serving as a channel of communication between the Board and the external auditor and internal auditor;
- reviewing the proposed transactions with related parties to make suitable recommendations to the Board;
- reviewing the reports of the external valuer and the internal auditor and submitting them to the Board together with their recommendations and disclosing the summary of the results of the valuation process as part of the governance report; and

- proposing wages and remunerations and financial and in-kind benefits for the employees of the internal audit unit.

In compliance with the Code, the majority members of the Audit and Risk Committee are Independent Directors. In all cases, the chairman of the Audit and Risk Committee shall be from amongst the Independent Directors. At least one of the members should have financial and accounting expertise. The Audit and Risk Committee will also be responsible for recommending the appointment and remuneration of a suitably qualified and experienced person for the position of the internal audit manager of the Company. Such person will be charged with responsibility for the following:

- developing the internal audit strategy for the Company;
- auditing operations and financial statements of the Company;
- ensuring the Company's compliance with laws and regulations applicable to the Company; and
- preparing periodic reports to the Board with respect to the adequacy and effectiveness of the Company's system of internal administrative, accounting and financing controls and on other issues on which the internal audit manager is requested to report by the Audit and Risk Committee of the Board.

Nomination and Remuneration Committee

The members of the Nomination and Remuneration Committee are:

- Ali Al Lawati (Chairman);
- Hamed Al Rumhi; and
- Ghalib Al Maamari.

The role of the Nomination and Remuneration Committee involves:

- assisting the Shareholders, while electing the Board at a general meeting in the nomination of proficient directors and the election of the most fit for the purpose;
- assisting the Board in selecting the appropriate and necessary executives for the executive management of the Company;
- assisting the Company in formulating clear, credible and accessible policies to inform shareholders about directors' and executives' remuneration and the rules of remuneration and sitting fees for directors of SAOGs;
- developing and deploying additional performance-based criteria to determine the bonus and remuneration of the chief executive officer and senior executive management of the Company;
- providing succession planning for the executive management;
- developing a succession policy or plan for the Board or at least the chairperson;
- preparing detailed job descriptions of the role and responsibilities for directors including the chairperson;
- identifying and nominating qualified persons to act as interim directors on the Board in the event a seat becomes vacant;
- nominating qualified persons to assume senior executive positions, as required or directed by the Board;
- preparing a bonus, allowances and incentive policy for the executive management; and

- reviewing such policies periodically, taking into account market conditions and company performance.

Senior Management Team

The current composition of the Management is as follows:

Name	Position
Khalid Al Asmi	Chief Executive Officer
Ihsan Al Jandal	Chief Operating Officer
Ahmed Al Baraami	Chief Financial Officer
Ahmed Muqaibal	Chief People and Technology Officer
Umaima Al Wahaibi	General Counsel and Board Secretary

Biographical Information of the Senior Management Team

Khalid Al Asmi (Chief Executive Officer)

Khalid Al Asmi has over 20 years of extensive experience in the oil and energy industry. Prior to his current position, Khalid held various senior roles at OQ, including Vice President of Downstream Technical Services, Vice President of Downstream Maintenance and Operations General Manager of the Aromatics Complex for OQ RPI, as well as Chairman of Major Tender Board, Chairman of Minor Tender Board, Member of Downstream Talent Board, Chairman of OQ Logistics LLC and Quick Wins Lead for the Integration Management Office. He has also previously served as board member of Bharat Oman Refinery Limited and Operations Manager Area-1 of Sohar Refinery for Oman Oil Refineries and Petroleum Industries Company. Khalid started his career at Sohar Refinery Company and PDO.

Khalid holds a Bachelor of Science (BSc) degree and a Master of Science (MSc) in Chemical Engineering from the University of Nottingham (UK). He holds a CMI Level 5 Certificate in Operations and Maintenance.

Ihsan Al Jandal (Chief Operating Officer)

Ihsan Al Jandal has over 20 years of diverse experience in the petrochemical and energy industries. Prior to his current role, Ihsan served as Vice President of Operations at OQ and Director of Maintenance & Engineering, Maintenance Manager and Head of the Mechanical Department at the Company. He also worked as a mechanical engineer at Oman India Fertiliser Company SAOC and a field services engineer at GE Oil & Gas.

Ihsan holds a Bachelor of Engineering (BEng) in Mechanical Engineering from Loughborough University (UK).

Ahmed Al Baraami (Chief Financial Officer)

Ahmed Al Baraami has over 20 years of extensive experience in leading financial operations, strategic planning and corporate governance mainly in the petrochemical and oil and gas sectors. Prior to his current position, Ahmed served as Vice President of Finance & Contracts at the Company and previously held the role of Finance Manager overseeing the finance function at the Company. He has also served as Managing Director at Safayn Shipping Company and was the Director of Strategic Planning at Gulf Energy SAOC. Additionally, Ahmed has held various positions in prominent Middle Eastern oil and gas companies such as Schlumberger, where he began his career abroad spanning the U.S., Qatar and the UAE, focusing on internal auditing and financial management, leading audit teams and implementing cost-saving strategies across international operations.

Ahmed holds a Master of Business Administration (MBA) from the University of Houston-Clear Lake (USA) and a Bachelor of Science in Accounting from University of Jordan (Jordan).

Ahmed Muqaibal (Chief People and Technology Officer)

Ahmed Muqaibal has over 20 years of extensive experience with a diverse background spanning over two decades. Ahmed has held various leadership roles like Head of Assurance People & Culture and Director of Support Services at the Company, as well as General Manager of Support Services at Oman Tank Terminal Company LLC. Prior to joining the OQ Group, Ahmed worked as Procurement Manager (Network & IT) for Oreedoo and Contracts Engineer & Supply Chain analyst for PDO and Occidental Petroleum Corp. Early in his career, Ahmed had gained valuable experience in the logistic field as a Procurement and In-Country Value manager at various oil and gas and telecom companies. He brings a wealth of expertise in people management, technology integration and cultural enhancement. He holds a proven track record of driving organisational excellence and fostering innovation across various domains.

Ahmed holds a Bachelor's degree in Business Administration and Management Information Systems from University of Arizona (USA) and a Chartered Institute of Procurement and Supply (CIPS) certification.

Umaima Al Wahaibi (General Counsel and Board Secretary)

Umaima Al Wahaibi has over 11 years of experience in both private legal practice and in house. Prior to joining the Company, she held positions at OQ Group and Dentons, an international law firm.

Umaima holds a Bachelor of Laws from the London School of Economics and Political Science (UK), has completed a Postgraduate Legal Practice Course (LPC) at the University of Law (UK) and is a qualified Solicitor in the Senior Courts of England and Wales.

Internal Regulations

In accordance with the provisions set out in Article 117 of the CCL, the Company is required to adopt internal regulations for regulating its management, business and personnel affairs through its Board. Accordingly, the Company has implemented corporate governance processes that meet the FSA's requirements for an SAOG as required by the CCL and by the FSA's regulations, which cover the following:

- organisational structure of the Company, including the responsibilities related to the various posts within the Company and the reporting structure/procedures;
- specifying the extent of expense approval authority vested in each post;
- specifying the allowance for meetings, remuneration and other privileges as prescribed in respect of the members of the Board and Board committees, and the basis for their calculation;
- policies related to procurement and other transactions concerning the Company (works and procurement manual) and service contracts;
- authorities, duties and responsibilities relevant to executive management and Board committees;
- policies related to human resources, including salaries, appointment, development, training, promotions and termination of services;
- investment policies;
- the terms of reference with respect to the Audit and Risk Committees;
- Nomination and Remuneration Committee policy and terms of reference;
- rules related to related party transactions;
- Board communication policy;

- the minimum level of information required to be submitted to the Board;
- policies and measures for submission of material information in a transparent manner to the FSA and the MSX within the specified time including a definition of “material information”; and
- any other regulations that the Board may deem necessary to add for achieving an adequate level of corporate governance.

Chapter XVIII
Rights and Liabilities of Shareholders

Shareholders' liabilities

The liability of a Shareholder for the debts of the Company will be limited to payment of the value of the Shares for which the Shareholder has subscribed. The Shareholder will not be liable for the debts of the Company except to the limit of the value of the Shares subscribed.

Shareholders' rights

All the Shares enjoy equal and inherent rights in accordance with the CCL. These rights include the following:

- the right to receive dividends declared by the general meeting of the Shareholders;
- preferential rights to subscribe for any new Shares;
- the right to share in the distribution of the proceeds of the Company's surplus assets on liquidation;
- the right to transfer Shares in accordance with applicable law;
- the right to access the Company's balance sheet, profit and loss account and Shareholders' register;
- the right to be invited to attend the general meeting and vote in such meetings personally or by proxy (each Shareholder will have one vote for each Share owned);
- the right to apply for annulment of any resolution adopted by a general meeting of the Company or Board if it is in breach and violation of applicable laws or the Articles in accordance with applicable law;
- the right to institute legal proceedings on behalf of the Shareholders or the Company against the Board or the auditors of the Company in accordance with applicable law; and
- the right (of Shareholders who individually or collectively hold at least 5 per cent. of the Company's shares) to apply for annulment of any resolution made by the general meeting or the Board, if such resolution(s) are detrimental to Shareholders or favour a certain category of Shareholders or bring a special benefit to the members of the Board, otherwise contrary to applicable law, or the Articles, or the internal regulations of the Company, in accordance with Articles 174 and 207 of the CCL.

Reports and statements

The Board shall prepare unaudited quarterly financial statements for the first, second and third quarter of each Financial Year. It shall also prepare an annual report within 60 days from the end of each Financial Year, comprising the audited balance sheet, profit and loss statement, cash flow statement, changes in Shareholders' equity, report of the Board, report on the discussions held by the Board and their analysis and report on the organisation and management of the Company. These statements should be disclosed at least 15 days prior to the relevant AGM through the electronic dissemination system on the MSX website.

The unaudited quarterly financial statements of the Company shall be forwarded to the Information Centre within 30 days from the end of each quarter or any other legal period prescribed by the disclosure rules and conditions issued by the FSA though the private electronic dissemination system of the Information Centre. The said Information Centre shall also be provided with two copies duly endorsed by the Board. The Company shall also have it published within the aforementioned period.

Under Articles 279 and 280 of the CML Executive Regulations, all SAOGs are required to disclose their unaudited quarterly financials within 30 days from the end of each quarter, on the basis of such results being approved by the Board.

Ordinary General Meeting and Annual General Meeting

The Company's annual general meeting ("**AGM**") must be held within 90 days following the end of the relevant Financial Year, in accordance with Article 172 of the CCL. The AGM will be held at such venue, day and time as provided for in the notice of the meeting. OGM's may be called at any time through a given year as determined by the Board or otherwise convened in accordance with the CCL.

In accordance with Article 172 of the CCL, the AGM shall be responsible for the following corporate matters:

(i) to consider and approve the report of the Board on the activities of the Company and its financial status during the previous Financial Year;

(ii) to consider and approve the report of the Board on the organisation and management of the Company during the previous Financial Year;

(iii) to consider and approve the auditor's report on the audited financial statements of the Company during the previous financial year and approve the balance sheet and profit and loss statement of the Company;

(iv) to elect and remove members of the Board;

(v) to consider and approve the proposed distribution of dividends to the Shareholders;

(vi) to consider and approve payment of the remuneration and sitting fees to the members of the Board; and

(vii) to appoint an auditor for the new Financial Year and determine its fees.

The Board shall prepare the agenda of the AGM and OGM. If an AGM or OGM is convened by the auditors, the agenda shall be prepared by them. The Board, or the auditors, if necessary, shall include in the agenda any proposal put forward by Shareholders who represent more than 5 per cent. of the Issued Share Capital provided that such proposal is submitted for inclusion in the agenda at least 20 days before the date of the applicable meeting.

The resolutions of the AGM and OGM shall not be valid unless the meeting is attended by Shareholders or their proxies who represent at least half of the Share Capital of the Company. If such a quorum is not present, a second meeting shall be called to consider the same agenda. The proposed date for the second AGM or OGM shall be listed in the Shareholders' invitation notice for the first AGM/OGM, provided that the date for the second meeting shall be no later than a maximum of seven days following the date of the first AGM/OGM. The resolution of the second AGM/OGM shall be valid regardless of the number of shares represented at the applicable meeting, provided that such meeting is held within seven days from the date of the first meeting. The resolutions of the AGM and OGM shall be adopted by the simple majority of votes cast.

Extraordinary General Meetings

In accordance with Article 176 of the CCL, an EGM will be convened to decide on issues such as:

- disposal of the fixed assets of the Company or any part thereof valued at 25 per cent. or more of the net value of the Company's assets;
- an amendment to the Articles; or
- the transformation, merger, dissolution or liquidation of the Company.

An EGM shall also be convened to decide on all other matters which such meeting is specifically authorised to settle in accordance with the CCL or the Articles.

Resolutions passed at an EGM shall not be valid unless the meeting is attended by Shareholders or proxies representing at least 75 per cent. of the Issued Share Capital. Failing such a quorum, a second meeting shall be convened to consider the same agenda. The Shareholders' invitation notice for the first EGM shall specify a proposed date for the second EGM, provided the date for the second meeting shall be no later than a maximum of seven days from the date of the first EGM.

The resolutions of the second EGM shall be valid if the meeting is attended by Shareholders or proxies representing more than half of the Issued Share Capital, provided such meeting is held within seven days of the date of the first EGM.

The resolutions of the EGM shall be adopted by a majority of 75 per cent. of the votes cast in respect of a resolution, provided such resolution must always receive votes in favour representing more than 50 per cent. of the Issued Share Capital. Provided, however, that such resolutions shall only be valid if approved by the FSA and appropriately registered.

Recourse to the Omani Authorities in case of Shareholder Resolutions

The FSA may, upon the application of Shareholders who own at least five per cent. (5 per cent.) of the Shares, issue a decision suspending resolutions adopted at an AGM, OGM or EGM of the Company which are detrimental to such Shareholders or adopted in favour of a certain category of Shareholders, or for providing a special benefit for the members of the Board, or others, if it is convinced that the application is justified.

The request to suspend the implementation of the resolutions adopted by the general meeting shall not be accepted after the lapse of five working days from the date of adoption of such resolutions.

Any stakeholder may institute an action with the competent court to seek nullification of the aforementioned resolutions and furnish the competent authority with a copy thereof, within five working days from the date on which a court decision on the suspension of the resolutions adopted by the general meeting is issued, otherwise the suspension shall be deemed null and void.

The court shall consider any action on the nullification of the resolutions adopted by the general meeting. The court may summarily order the suspension of the competent authority's decision at the request of the litigant, until the action is adjudicated.

Additionally, any Shareholder or any interested party may refer to the Primary Commercial Court within five days from the date on which the meeting was held to decide on nullification of any decision, if that decision is taken during a general meeting in violation of the CCL, the provisions of the Articles or the Company's internal regulations, or through deceit or misuse of authority.

Lock-up Period – Exemption from the applicability of Article 127 of the CCL

Article 127 of the CCL restricts the founders of an SAOG from disposing of their shares in such company, before it has published two balance sheets for two consecutive financial years, starting from the date of its registration on the Commercial Register. This shall not apply to cases of transfer of shares owned by the state or assignment of shares among shareholders themselves, inheritance or to a public joint stock company set up through the transformation of an existing company, provided it has completed at least two years before the date of transformation. As the Company has been in existence since 2006, Article 127 of the CCL does not restrict the founders from disposing off their Shares after the IPO.

General restrictions on transfer of ownership of the Shares

Shareholders and acquirers of Shares must abide by the FSA's regimes concerning: disclosure of material shareholding interests in SAOGs; and acquisition of direct and indirect significant shareholding interests in SAOGs covered in the Securities Law and Takeover Code.

The ownership of Shares shall be transferred by recordation in the register of shareholders maintained by the MCDC and the Company shall not consider a Shareholder's ownership of a Share unless such ownership is recorded in its register of shareholders.

The shareholding of each Selling Shareholder may not exceed the maximum limit prescribed and provided for in the Articles and the CCL respectively, unless the necessary approvals are secured. Article 100 of the CCL provides that founders of a public joint stock company shall subscribe for a percentage of at least 30 per cent. and not exceeding 60 per cent. of the share capital of a company save where the public joint stock company has been converted from an existing form of company, in which case, the selling shareholder(s) may retain up to 75 per cent. of the company's share capital. The selling shareholder(s) may exceed the above-specified threshold with the approval of the FSA.

Article 100 of the CCL further provides that a single founder shareholder of a public joint stock company shall not own more than 20 per cent. of the share capital whether in his/her name or in the names of his/her minor children who are less than eighteen (18) years of age, except in the case of conversion, in which case the founders may retain their contribution if such contribution exceeds the percentage prescribed for each founder. In addition, companies fully owned by the Government and holding companies are exempt from the prescribed percentages under Article 100.

No single person or related person up to the second degree may hold or purchase 25 per cent. or more of the shares of an SAOG, save in accordance with the rules issued by the FSA on the subject.

Additionally, if any one shareholder, or group of shareholders, were to sell their shares to another shareholder this may trigger the Takeover Code. A "Take Over" is defined within the Take Over Code as the acquisition of 25 per cent. or more of the issued share capital of an SAOG. Where this occurs, the purchasing entity would be required to comply with the Takeover Code, obtain the FSA's approval to the acquisition and make a mandatory takeover offer to the other shareholders of the SAOG.

Chapter XIX
Subscription Conditions and Procedures

Offer Structure

	Category I Offer (For Local/ Regional/International Institutions)	**Anchor Investors**	**Category II Offer (small retail) (For Individual Applicants)**	**Category II Offer (large retail) (For Individual Applicants)**
Offer Size	508,545,155 Offer Shares	508,545,156 Offer Shares	339,030,103 Offer Shares	339,030,103 Offer Shares
Percentage of Offer Size	30%	30%	20%	20%
Basis of Allotment	Proportionate for Category I Local Applicants. For Category I Non-Local Applicants determined by the Selling Shareholders in consultation with the Joint Global Coordinators. See section "**Basis of Allotment**" for more details.	Allotment confirmed by the Selling Shareholders before the commencement of the Offer Subscription. See "*Chapter XX—Subscription and Sale*" for more details	Proportionate. See section "**Basis of Allotment**" for more details. The FSA may decide that a minimum number of Category II Offer Shares be distributed equally among Category II Applicants (small retail only) and the remaining Category II Offer Shares shall be allocated on a pro-rata basis.	Proportionate. See section "**Basis of Allotment**" for more details. Category II Applicants (large retail) Offer Shares shall be allocated on a pro-rata basis.
Minimum Subscription	200,000 Offer Shares and thereafter in multiples of 100 Offer Shares	N/A	1,000 Offer Shares and thereafter in multiples of 100 Offer Shares	90,100 Offer Shares and thereafter in multiples of 100 Offer Shares
Maximum Subscription	No maximum subscription size	508,545,156 Offer Shares (30% of the Offer Size)	90,000 Offer Shares	No maximum subscription size

Terms of Payment	Applicant must make payment to the designated bank account of one of the Joint Bookrunners or one of the Collection Agents and the Joint Bookrunners and Collection Agents will transfer the subscription amount due against the Offer Shares allotted, at least one Oman business day prior to the Settlement Date to the designated bank account of the Issue Manager. For Category I Applicants placing orders through the Joint Global Coordinators, see section "**Terms of Payment for Category I Offer**" for details on terms of payment	Anchor Investors must make payment to the designated bank account of the Collection Agents and the Collection Agents will transfer the subscription amount due against the Offer Shares allotted, at least one Oman business day prior to the Settlement Date to the designated bank account of the Issue Manager.	100% of the Category II (small retail) Application Money to be paid at the time of submission of the Application	100% of the Category II Application (large retail) Money to be paid at the time of submission of the Application
Offer Subscription Period	24 November 2024 to 1 December 2024	N/A	24 November 2024 to 28 November 2024	24 November 2024 to 28 November 2024

For additional details on the circumstances under which the allocations between Category I Applicants and Category II Applicants could change, see "—*Basis of Allotment*".

The Offer

Based on the Price Range, this Offer is being offered to Category I Applicants through a bookbuild offering (as described in more detail in the "*Chapter XXI—Bookbuilding Process*") and to Category II Applicants at the Maximum Price. The Offer Price is the final price at which Offer Shares will be issued and allotted pursuant to the terms of this Prospectus. The Offer Price will be decided by the Selling Shareholders in consultation with the Joint Global Coordinators and the FSA on the Pricing Date.

Eligibility for the Subscription of Category I Offer Shares

The Category I Offer will be open in Oman to Category I Applicants only who have their accounts with MCDC.

Eligibility for the Subscription of Category II Offer Shares

The Category II Offer will be open in Oman to Omani Individual Applicants and Non-Omani Individual Applicants who have their accounts with MCDC.

The Applicants need to consider the Minimum Subscription and Maximum Subscription applicable to them when making an Application. No Applicant may be allotted more than 10 per cent. of the Offer (169,515,052 Offer Shares) without the approval of the FSA.

Prohibitions with Regard to the Applications for Subscription

The following persons shall not be permitted to subscribe to the Offer:

(i) Sole proprietorship establishments – The owners of sole proprietorship establishments may only submit Applications in their personal names.

(ii) Trust accounts – Applicants registered under trust accounts may only submit Applications in their personal names (except as detailed below).

(iii) Multiple Applications – An Applicant may not submit more than one Application.

(iv) Joint Applications – Applicants may not submit applications in the name of more than one individual (including on behalf of legal heirs).

(v) Selling Shareholders – The selling shareholders of the Company may not submit an Application.

(vi) Related Parties – The related parties of the Company cannot participate in the Category I Offer except where such relationship is due to common shareholding or control exercised by units of the administrative apparatus of the Government or their primary activity is investment related.

Any Applications not complying with the above criteria may be rejected without contacting the relevant prospective investor, although Applications by trust accounts may be accepted in the Offer, at the discretion of the Joint Bookrunners or the Collection Agents (as applicable), if they are satisfied that none of the underlying subscribers applying through such trust accounts have also applied using their individual names or their sole proprietorship establishments. The Joint Bookrunners or Collection Agents (as applicable) may reject such Application if they become aware that there are multiple applications from such investors applying through trust accounts.

The acceptance by the Joint Bookrunners or Collection Agent(s) (as applicable) of Applications made by trust accounts will require issuance of an undertaking signed by the concerned investor providing further details of the underlying investors/beneficiaries on whose behalf the Application has been made. The Joint Bookrunners or Collection Agents (as applicable) will clearly communicate to each investor that in case of multiple Applications through a trust account and its underlying investor(s) in their own names or their sole proprietorship establishment’s name, and all such Applications may be rejected at the discretion of the Joint Bookrunners or Collection Agent(s) (as applicable).

Subscription on Behalf of Minor Children (for Category II Offer)

For the purpose of this Offer, any person under 18 years of age on the date of submission of an Application will be defined as a minor.

Only a father may subscribe on behalf of his minor children.

If an Application is made on behalf of a minor by any person other than the minor’s father, the person submitting the Application will be required to attach a valid Sharia (Legal) Power of Attorney issued by the competent authorities in Oman authorising him or her to deal in the funds of the minor through sale, purchase and investment.

Applicant’s Number with MCDC

Any Applicant who subscribes for the Offer Shares must have an account and Investor Number with the MCDC. Any Applicant may apply to obtain an Investor Number and open an account by completing the “MCDC

Application". This may be obtained from the MCDC's Head Office or its website at *www.mcd.om*, Oman Stocks application or from brokerage companies licensed by the FSA. The completed form may be submitted by an Applicant through any of the following channels:

(i) at the head office of the MCDC, at P.O. Box 952, Postal Code 112, Ruwi, Muscat, Sultanate of Oman;

(ii) at the office of any brokerage company licensed by the FSA;

(iii) by sending a facsimile to MCDC at +968 24817491; and/or

(iv) by opening an account through the MCDC website at *www.mcd.om*.

In order to open an account with the MCDC, a juristic person will be required to furnish a copy of its constitutional documents, in the form prescribed by the MCDC, along with a completed MCDC Application in order to open an account and receive an Investor Number. Foreign individuals and juristic persons may be subject to additional account opening formalities and authentication requirements determined by the MCDC.

Applicants who already hold accounts with the MCDC are advised, before the Offer, to confirm their details as noted in the Application. Applicants may update their particulars through any of the channels mentioned above.

All correspondence including allocation notices, refunds and dividend payments will be sent as per the Applicant's details recorded at MCDC. Applicants should ensure that their details as provided to the MCDC are correct and kept up to date.

Each Applicant should secure from the MCDC its Investor Number as the Investor Number will be required in order to complete the Application. Each Applicant is responsible for ensuring that the Investor Number set out in their Application is correct. Applications not bearing the correct Investor Number may be rejected without contacting the Applicant.

For more information on these procedures, Applicants should contact the MCDC:

Muscat Clearing & Depository Co. SAOC
P.O. Box 952, Postal Code 112, Ruwi, Muscat, Sultanate of Oman
Tel: +968 2482 2222
www.mcd.om

Minimum and Maximum Limit of Subscription

For Category I Applicants

The minimum subscription is 200,000 Offer Shares and there is no maximum limit on the number of Offer Shares that may be subscribed pursuant to an Application for Category I Applicants. No Applicant may be allotted more than 10 per cent. of the Offer (169,515,052 Offer Shares) except with the approval of the FSA.

For Anchor Investors

There is no minimum subscription requirement, while maximum number of Offer Shares that may be subscribed by Anchor Investors in aggregate is equivalent to 30 per cent. of the Offer, (i.e., equivalent to 508,545,156 Offer Shares). No Anchor Investor may subscribe for more than 508,545,156 Offer Shares.

For Category II Applicants
(Small Retail)

The minimum subscription is 1,000 Offer Shares and the maximum limit on number of Offer Shares that may be subscribed pursuant to an Application for Category II Applicants (small retail) is equivalent to no more than 90,000 Offer Shares.

(Large Retail)

The minimum subscription is 90,100 Offer Shares and there is no maximum limit on the number of Offer Shares that may be subscribed pursuant to an Application for Category II Applicants (large retail).

No Applicant may be allotted more than 10 per cent. of the Offer (169,515,052 Offer Shares) except with the approval of the FSA.

Price Range

The Price Range has been fixed at Bzs 106 to Bzs 111 per Share, with Bzs 106 being the minimum price and Bzs 111 being the maximum price.

Offer Period

The Category I Offer Period will commence on 24 November 2024 and end on 1 December 2024. The Category II Offer Period will commence on 24 November 2024 and end on 28 November 2024.

Category I Offer

15 per cent. of Offer Shares (i.e., 254,272,578 Offer Shares) shall be reserved for subscription by Category I Local Applicants and 15 per cent. of Offer Shares (i.e., 254,272,577 Offer Shares) shall be reserved for subscription by Category I Non-Local Applicants. For this purpose, Category I Local Applicants would comprise of juristic persons registered in Oman. Category I Non-Local Applicants would include eligible Category I Applicants who are registered outside of Oman.

Subscription and Application Process for Category I Applicants

Category I Applicants may place Applications with any of the Joint Bookrunners, or with any of the Collection Agents during official banking hours prior to or on the Category I Offer Closing Date. Applications, once submitted, are binding and can only be modified once by submitting an Application Revision Form for a higher quantity of Shares, a higher price or both, on or before the Category I Offer Closing Date.

Applications shall contain a maximum of three price and quantity combinations (bids). Category I Application Money means the highest Bid Amount from all the bids in the Application for Category I Offer. Each Collection Agent shall be responsible for verifying if the Application complies with the instructions set out in this Prospectus.

Payment for the Offer Shares subscribed by Category I Applicants shall be made in Omani Rials. Category I Applicants will be required to make full payment for the Offer Shares allotted to them to the designated bank account of one of the Joint Bookrunners or one of the Collection Agents, and the Joint Bookrunners or Collection Agents will transfer the subscription proceeds, at least one Oman business day prior to the Settlement Date to the designated bank account of the Issue Manager in accordance with the provisions of "Terms of Payment for Category I Applicants".

All Applicants placing orders through the Joint Bookrunners would be required to fund the designated bank account of one of the Joint Bookrunners at least two Oman business days prior to the Settlement Date.

In the event of a failure to make timely payment, Category I Applicants may incur significant charges and/or enforcement action against them.

Indicative Illustration of the Bids

The following table sets out an indicative illustration of certain bids by Category I Applicants that are and are not allowed.

Investor Name	Investor A	Investor B
No. of Offer Shares at each Bid Price	10,000,000 at Bzs 111	5,000,000 at Bzs 111
	5,000,000 at Bzs 106	10,000,000 at Bzs 108
		15,000,000 at Bzs 106

In the example above, two Applications have been received in the Category I Offer. Each Investor has placed different bids. For Investor A, the bid at Bzs 106 should have been greater than 10,000,000 Offer Shares as Investor A is already willing to buy 10,000,000 Offer Shares at Bzs 111. As a result, the bid of 5,000,000 at Bzs 106 for Investor A will be rejected. Investor B has made valid bids, as the quantity of Offer Shares demanded at every lower price point is higher. Furthermore, if the cut-off price is determined as Bzs 108, then Investor B will receive allotment based on only the bid of 10,000,000 Offer Shares at Bzs 108 and the bid of 5,000,000 Offer Shares at Bzs 111 will not be considered.

Indicative Illustration of the Bids in an Application

Bid	Bid Price (Bzs) (A)	Total Offer Shares demanded at the price (B)	Bid Amount (OMR) (C) = (A*B)/1,000	Amount Payable (D) = Maximum of (C)
Bid 1	111	2,000,000	222,000	265,000
Bid 2	108	2,200,000	237,600	
Bid 3	106	2,500,000	265,000	

Price Discovery and Determination of Offer Price and Allocation

After the Category I Offer Closing Date, and once all Applications have been submitted to the Issue Managers by the Joint Bookrunners and Collection Agents, the Selling Shareholders in consultation with the Joint Global Coordinators will determine the Offer Price, which will be within the Price Range.

The allocation of Offer Shares to Category I Local Applicants shall be completed on a pro-rata basis relative to the Applicant's application bid amount.

The allocation of Offer Shares to Category I Non-Local Applicants will be determined by the Selling Shareholders in consultation with the Joint Global Coordinators which shall be based on certain criteria and an allocation mechanism. The criteria to be considered by the Joint Global Coordinators and Selling Shareholders will include: (i) investor type, including investment profile and investment interest in the Company's sector; (ii) investor size, including assets under management; (iii) qualitative insights on investor behaviour, including participation in previous offerings and holding patterns in previous offerings; (iv) investor participation and engagement in the marketing process of the Offer; and (v) potential for creating post-Offer trading liquidity. The above criteria, as well as the level of demand in the Category I Offer, may impact the percentage of allocation of the total orders of the Category I Applicants.

If there is undersubscription in the Category II Offer (such that it comprises less than 40 per cent. of the Offer) and provided that there is oversubscription in the Category I Offer, the Selling Shareholders will make any unsubscribed Offer Shares of the Category II Offer available for allocation to the Category I Local Applicants and Non-Local Applicants in the respective proportions outlined above.

If the Category I Applicants do not take up all of such unsubscribed Offer Shares during the bookbuilding process, the Issue Manager will offer these shares for a second round within 15 days from the end of the Category I Offer period, for a discounted price, in accordance with Article (25) of the Rules for Pricing Mechanism in Public Offering of Shares, as the case may be, to the extent their oversubscription has not been satisfied. In case the Offer size is not subscribed fully even in the second round, the Offer will be considered as failed and the Company must withdraw the Offer and file a fresh application if it desires to pursue the Offer again.

Immediately after receiving FSA approval of the proposed allotment, (i) the Offer Price will be announced by the Company on the MSX and (ii) the Issue Managers will send the investor allocation details to the MCDC and the Joint Global Coordinators. The Joint Bookrunners will notify Category I Applicants of their allocations.

Terms of Payment for Category I Offer

Each Collection Agent will open an escrow account entitled the "OQBI IPO Collection Agent" account for the collection of the Category I Application Money.

The Issue Manager will open an escrow account entitled the "OQ Base Industries IPO – Category I" account to receive the subscription proceeds from the Collection Agents at least one Oman business day prior to the Settlement Date. This account will be managed by the Issue Managers for the Category I Offer. After deduction of all applicable fees, expenses and VAT determined until that date, the Issue Manager for the Category I Offer will transfer the net proceeds in such account to the escrow account of the MCDC on the Settlement Date.

Each Category I Applicant shall be required to make full payment for the Offer Shares allotted to them to the designated bank account of one of the Joint Bookrunners or one of the Collection Agents. However, at the time of accepting the Application, the Collection Agent may block the Category I Applicant's account maintained by the respective Collection Agent for an amount equal to the Category I Application Money.

The Collection Agents will transfer the subscription proceeds at least one Oman business day prior to the Settlement Date, to the designated bank account of the Issue Manager. In the event of failure by a Category I Applicant to make timely payment, the concerned Category I Applicant may incur significant charges and/or enforcement action against it. Prospective investors can pay for their subscription by drawing a demand draft issued by a bank in Oman or by instructing an account transfer for the amount payable at the time stated above.

All Applicants placing orders through the Joint Bookrunners would be required to fund one of the Joint Bookrunners at least two Oman business days prior to the Settlement Date, who will then fund the escrow account entitled "OQ Base Industries IPO – Category I" of the Issue Managers no later than one Oman business day prior to the Settlement Date.

Delivery of the Offer Shares is expected to be made on the Settlement Date to the accounts of the Category I investors through the book-entry facilities operated by the MCDC.

Particulars of the Bank Account of the Category I Applicants submitting via a Collecting Agent

Each Category I Applicant is required to furnish the particulars of its bank account (registered in the name of the Applicant). The Applicant must not use the bank account number of any other person or legal entity.

If the bank account of an Applicant is registered with a bank other than one of the Collection Agents, the Applicant will be required to submit a document to confirm the details of the bank account particulars as provided in the Application. This can be done by submitting any document from the bank of the Applicant that states the account number and name of the account holder. Documents that may be accepted include account statements or a letter or any document issued by the bank confirming this information. The Applicant is responsible for ensuring that the evidence submitted is legible and contains the required information. The Applicant is not obliged to submit any evidence with regard to the accuracy of its bank account if it is subscribing through a Collection Agent where it maintains its account. In this case, the Collection Agent will be required to verify and confirm the correctness of the Applicant's account through its own system and procedures or through the evidence submitted to it by the Applicant.

The Application containing the bank account number of a person or legal entity other than the Applicant may be rejected.

Category II Offer

40 per cent. of the Offer (678,060,206 Offer Shares) will be available for subscription by and allocation to Category II Applicants, split equally between the Category II Applicants (large retail) and Category II Applicants (small retail) subcategories. Whether an applicant is considered in the Category II Applicants (large retail) or Category II Applicants (small retail) subcategory will be automatically determined by the number of Shares being subscribed. Should the subscribed Shares be up to (and including) 90,000 Offer Shares, the Category II Applicant will be considered as Category II Applicants (small retail). For any subscribed Shares of 90,100 Offer Shares or greater, the Category II Applicant will be considered to be part of Category II Applicants (large retail).

An Applicant cannot submit more than one application and will only be categorised as part of the Category II Applicants (small retail) or Category II Applicants (large retail), but not both.

Subscription Process for Category II Applicants

Mode of Application: The Category II Offer process will be conducted through the E-IPO Mechanism.

Collection Agent E-IPO Platform

Applicants will be able to submit Applications to the Collection Agents during official banking working hours on or before the Category II Offer Closing Date. Prospective investors will need to contact a Collection Agent for further guidance on the E-IPO channel provided by the respective Collection Agent.

The Applicant will be required, before completing the Application through E-IPO, to carefully read this Prospectus, including the conditions and procedures governing the E-IPO Application. Copies of this Prospectus will be available to the Applicants through the Collection Agents, on the Company's IPO microsite or can be downloaded from the websites of the FSA and MSX, as follows: www.FSA.gov.om and www.msx.om, respectively.

The Category II Application Money will be paid by the Investor as per the terms of the E-IPO Mechanism used by each Collection Agent.

MCDC E-IPO Platform

Applicants can provide their particulars in the E-IPO Platform on the MCDC website (www.mcd.om).

After verifying all the particulars, the Applicant will need to print the E-IPO Application. The Applicant needs to submit the E-IPO Application along with supporting documents and Category II Application Money to one of the Collection Agents. The Applicant will need to contact its respective Collection Agent for further guidance on the E-IPO channel provided by the respective Collection Agent. The Category II Application Money will be paid by the Applicant as per the terms of the E-IPO collection process utilised by each Collection Agent. The Collection Agent will, after verifying the supporting documents and confirming the receipt of the Category II Application Money, validate the E-IPO Application in the E-IPO Platform and share a copy of the acknowledgement of the E-IPO Application with each Applicant. The Applicant needs to ensure that they receive a copy of the acknowledgement from the Collection Agent as a valid proof of their Application.

Applications

The Application must be completed in full in accordance with the instructions contained in this Prospectus. Incomplete Applications may be rejected.

Each Applicant is eligible to submit only one Application. Applications once submitted cannot be cancelled by the Applicant. Submission of a second Application to either the same or to another Collection Agent will be treated as such investor having submitted multiple applications and may result in all Applications submitted by the investor being rejected at any point in time prior to the allotment of Shares in the Offer.

Documentation Required

A copy of a valid power of attorney duly endorsed by the competent legal authorities is required if the subscription is on behalf of another person (with the exception of a subscription made by a father on behalf of his minor children).

Application Money

Along with submission of the Application, all Category II Applicants must make a payment of 100 per cent. of the subscription amount calculated as the total number of Offer Shares applied for multiplied by Bzs 111 per Offer Share (the "**Category II Application Money**").

Terms of Payment for Category II

The Collection Agents will open an escrow account for the collection of the Category II Application Money.

This account will be managed by each Collection Agent, who will within the next one Oman business day after the receipt of Category II Application Money transfer the collection proceeds to the common escrow account maintained by the MCDC.

Each Category II Applicant can pay by cash, drawing a demand draft issued by a bank in Oman or instruct an account transfer for the amount payable at the time of submission of the Application.

Refunds

Category II Applicants will be allotted Offer Shares at the Offer Price. The Offer Price will be determined by the outcome of the bookbuilding offering to Category I Applicants. Any refunds due to a Category II Applicant will be calculated based on the difference between (i) the Category II Application Money paid by such Category II Applicant, and (ii) the number of Offer Shares allotted to such Category II Applicant multiplied by the Offer Price.

Particulars of the Bank Account of the Category II Applicants

The details of the Applicant's bank account listed in the records of the MCDC will be used for transferring any refund. However, if an Applicant takes a leverage facility for the IPO from a Collection Agent, the refund will be made into the Applicant's loan account with the respective Collection Agent.

Basis of Allotment

Applications received from Category II Applicants (large retail) and Category II Applications (small retail) will be grouped together to determine the total demand under Category II Offer. The allotment to all Category II Applicants will made at the Offer Price. If the aggregate demand in the Category II Offer is less than or equal to 40 per cent. of the Category II Offer (678,060,206 Offer Shares), the full allotment will be made to the Category II Applicants up to the number of Offer Shares in their valid applications. If there is oversubscription in the Category I Offer and the aggregate demand in Category II is less than 40 per cent. of the Offer, then after full allocation to the Category II Applicants, the balance of the Offer Shares shall be made available to Category I Applicants for allocation at the Offer Price.

If the aggregate demand in Category II is greater than 40 per cent. of the Offer Shares, the Offer Shares will be allocated on a proportionate basis, and the FSA may decide that a minimum number of Category II Offer Shares be distributed equally among Category II Applicants (small retail), and the remainder of Category II Offer Shares shall be allocated on a pro-rata basis.

Allotment Confirmation and Refund of Money for Category II

The MCDC will send an SMS to investors who have been allotted Offer Shares to their mobile number registered with the MCDC after the end of the Category II Offer Period following receipt of the approval of the FSA on the proposed allotments. The MCDC is also expected to commence refunds of any excess money to eligible investors within three Oman business days after receiving the approval of the FSA on the proposed allotments.

Collection Agents Receiving the Applications

- Ahli Bank SAOG;
- Ahli Islamic Bank;
- Bank Dhofar SAOG;
- Bank Muscat SAOG;
- Bank Nizwa SAOG;
- Dhofar Islamic;
- Horizons Capital Markets SAOC;
- Jabal Asset Management LLC;
- Meethaq Islamic Banking – Bank Muscat SAOG;
- National Bank of Oman SAOG;
- Oman Arab Bank SAOG;
- Sohar International SAOG;
- Sohar Islamic;
- Ubhar Capital SAOC;
- United Securities LLC; and
- Vision Securities LLC.

Acceptance of the Applications

The Issue Managers or the Collection Agents may not accept an Application if:

- the Application does not bear the signature of the Applicant;
- the Application Money is not paid by the Applicant in accordance with the conditions set out in this Prospectus;
- the Application does not include the Applicant's Investor Number registered with the MCDC;
- the Application is submitted in joint names;

- the Applicant is a sole proprietorship or trust account;
- the Investor Number furnished in the Application is incorrect;
- the Applicant submits more than one Application in the same name, in which case all of them may be rejected;
- the supporting documents are not enclosed with the Application;
- the Application does not contain all the particulars of the bank account of the Applicant;
- the particulars of the bank account provided for in the Application are found to be incorrect or not relevant to the Applicant, with the exception of Applications submitted in the names of minor children, who are allowed to make use of the particulars of the bank accounts held by their father;
- the power of attorney is not attached to the Application in respect of an Applicant who subscribes on behalf of another person (with the exception of the fathers who subscribe on behalf of their minor children); or
- the Application does not comply with the legal requirements as provided for in this Prospectus.

If any of the Issue Managers or a Collection Agent receives an Application that does not comply with the procedures set out in this Prospectus, reasonable effort will be taken to contact the investor so that the mistake may be corrected. If the investor does not rectify the Application within a specified period, the Issue Managers or the respective Collection Agent will return the Application together with the Application Money to the prospective investor.

Refusal of Applications

The Issue Managers may reject any Application under any of the conditions referred to above, subject to securing the approval of the FSA and submission of a comprehensive report furnishing the details of the Applications that are rejected and the reasons behind the rejections.

Enquiries and Complaints

Investors who intend to seek clarification or file complaints with regard to issues related to the allotment of Shares or rejected Applications or refunds, may contact the Collection Agent through which the subscription was made. The contact details of the Collection Agents are below:

Collection Agent	Contact Names	Postal Address	Contact Details
Ahli Bank SAOG	Mohamed Al Abri Amin Al Balushi	PO Box 545, Postal Code 116, Mina Al Fahal, Muscat, Sultanate of Oman	mohammedg.alabri@ahlibank.om; +968 2465 3180 amin.albalushi@ahlibank.om; +968 2457 7830
Ahli Islamic Bank	Mohamed Al Abri Amin Al Balushi	PO Box 545, Postal Code 116, Mina Al Fahal, Muscat, Sultanate of Oman	mohammedg.alabri@ahlibank.om; +968 2465 3180 amin.albalushi@ahlibank.om; +968 2457 7830

Bank Dhofar SAOG	Hamid Said Hashmat Parag Mathur	PO Box 1507, Postal Code 112, Ruwi, Muscat, Sultanate of Oman	InvestmentBackOffice @bankdhofar.com; +968 97027773 p.mathur@bankdhofar. com
Bank Muscat SAOG	Sarah Kalbani Al Muaiyad Al Sabti	PO Box 134, Postal Code 112, Muscat, Sultanate of Oman	BrokerageBackOffice @bankmuscat.com; +968 2476 8044 +968 2480 1065
Bank Nizwa SAOG	Ismail Al Suqri	PO Box 1423, Postal Code 133, Al Khuwair, Muscat, Sultanate of Oman	ismail.alsuqri@bankni zwa.om; +968 2465 5530 +968 9329 1608
Dhofar Islamic	Hamid Said Hashmat Mohammed Qassim Al Lawati	PO Box 1507, Postal Code 112, Ruwi, Muscat, Sultanate of Oman	InvestmentBackOffice @bankdhofar.com; +968 97027773 DI-BranchOperations@dh ofarislamicbank.com; +968 22653045
Horizons Capital Markets SAOC	Hamed Al Salti Lubna Al Lawati	PO Box 856, Postal Code 115, Muscat, Sultanate of Oman	hamed.mo@hcmoman. com; +968 24826053 lubna@hcmoman.com; +968 24826036
Jabal Asset Management LLC		PO Box 2209, Postal Code 133, North Alkhuwair, Bousher, Muscat, Sultanate of Oman	brokerage.products@ja bal.om; +968 21027811 +968 21027821
Meethaq Islamic Banking – Bank Muscat SAOG	Maryam Abdallah Al Balushi	PO Box 134, Postal Code 112, Muscat, Sultanate of Oman	mib@bankmuscat.com ; +968 24801937
National Bank of Oman SAOG	Salim Al Musallami Wadhah Al Hooti	PO Box 751, Postal Code 112, Ruwi, Muscat, Sultanate of Oman	nbobackoffice@nbo.o m; +968 2477 8075 +968 2477 8662
Oman Arab Bank SAOG	Saqar Al Harrasi Ghada Al Raisi	PO Box 2240, Postal Code 130, Al Ghubrah North, Sultanate of Oman	Saker.Al-Harasi@oman-arabbank.com; +968 2475 4526 Ghada.AlRaisi@oman -arabbank.com; +968 2475 4653

Sohar International SAOG	Hussain Al Lawati Amina Al Busaidi Mohammed Al Sharji	PO Box 44, Hai Al Mina, Postal Code 114, Muscat, Sultanate of Oman	Hussain.AlLawati@soharinternational.com; +9682473 0125 InvestmentSettlementOps@soharinternational.com; +968 2473 0372
Sohar Islamic	Hussain Al Lawati Amina Al Busaidi Mohammed Al Sharji	PO Box 44, Postal Code 114, Ruwi, Muscat, Sultanate of Oman	Hussain.AlLawati@soharinternational.com; +9682473 0125 InvestmentSettlementOps@soharinternational.com; +968 2473 0372
Ubhar Capital SAOC	Ibrahim Nasser AL-Hasani Ahmed AlAjmi	PO Box 1137, Postal Code 111, Muscat, Sultanate of Oman	i.al-hasani@u-capital.net; +968 24949004 ahmed.alajmi@u-capital.net; +968 024949006
United Securities LLC	Ayman Al Lawati Osama Shihab	PO Box 2566, Postal Code 112, Sultanate of Oman	Ayman@usoman.com; +968 2476 3337 Osama@usoman.com; +968 2476 3329
Vision Securities LLC	Mohammad Gouda Mohammed Mehrezi	PO Box 712, Postal Code 131, Muscat, Sultanate of Oman	mohd.gouda@visioncapital.om; +968 2476 0017 mohammed.m@visioncapital.om; +968 2476 0015

If the Collection Agent does not respond, the Applicants may contact the Issue Managers whose details are set out below:

Bank Dhofar SAOG
Ms. Maram Abdullah Nasser Al Hadhrami
PO Box 1507, Postal Code 112, Ruwi, Muscat, Sultanate of Oman
Email: m.alhadhrami@bankdhofar.com
Phone: +968 22652583

Bank Muscat SAOG
Ms. Iman Yaseen Ali Al Lawati
PO Box 134, Postal Code 112, Ruwi, Muscat, Sultanate of Oman
Email: imanya@bankmuscat.com
Phone: +968 2476 7032

Proposed Timetable

The following table shows the expected timetable for completion of the subscription procedures:

Procedure	Date
Category I Offer Opening Date	24 November 2024
Category II Offer Opening Date	24 November 2024
Category I Offer Closing Date	1 December 2024
Category II Offer Closing Date	28 November 2024
Due date for the Issue Managers to receive the subscription data and final registers from the Collection Agent	2 December 2024
Finalisation of the Offer Price and notification to the FSA of the outcome of the subscription and the proposed allotments	3 December 2024
Approval of the FSA on the proposed allotment	3 December 2024
Announcement of Offer Price on the MSX and notification of investor allotments / Pricing Date	3 December 2024
Commencement of refund for Category II Applicants / Collection Agents to process refunds for Category I Local Applicants	8-9 December 2024
Due date for Issue Managers to receive Category I subscription amounts from Collection Agents	10 December 2024
Settlement Date	11 December 2024
Listing Date	12 December 2024

Listing and Trading of the Offer Shares

The Offer Shares will be listed on the MSX in accordance with the laws and procedures in force on the date the application is made for the listing and registration. The Listing Date is an estimated date and the exact date will be published on the MSX website.

Responsibilities and Obligations

The Issue Managers, the Collection Agents and the MCDC must abide by the responsibilities and obligations set out under applicable law and by the directives and regulations issued by the FSA.

The parties concerned will be required to take remedial measures with regard to the damages arising from any negligence committed in the performance of the functions and responsibilities assigned to them. The Issue Managers and the Collection Agents will be the bodies who are responsible before the regulatory authorities for taking suitable steps and making good such damages.

Eligible Investors

Other than in Oman, no action has been taken or will be taken in any jurisdiction that would permit a public offering of the Offer Shares or the possession, circulation or distribution of this Prospectus or any other material relating to the Company or the Shares, in any country or jurisdiction where action for that purpose is required. Accordingly, the Offer Shares may not be offered or sold, directly or indirectly, nor may this Prospectus or any other offering material or advertisement or other document or information in connection with the Offer Shares be distributed or published, in or from any country or jurisdiction except under circumstances that will result in compliance with any applicable rules and regulations of any such country or jurisdiction. See "*Selling Restrictions*".

As referenced above, the Offer Shares have not been, and will not be, registered under the Securities Act or with any security regulatory authority of any state of the United States and may not be offered or sold in the United States except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act. All offers and sales of the Offer Shares will be made outside the United States in compliance with Regulation S under the Securities Act and in accordance with applicable law.

Each investor in the Offer Shares will be deemed to have represented, agreed and acknowledged that it has received a copy of this Prospectus and such other information as it deems necessary to make an investment decision and that:

(a) the investor is authorised to consummate the purchase of the Offer Shares in compliance with all applicable laws and regulations;

(b) the investor acknowledges that the Offer Shares have not been, and will not be, registered under the Securities Act or with any securities regulatory authority of any state, territory or other jurisdiction of the United States, and, subject to certain exceptions, may not be offered or sold within the United States;

(c) the investor and the person, if any, for whose account or benefit the purchaser is acquiring the Offer Shares, was located outside the United States at the time the buy order for such Offer Shares was originated and continues to be located outside the United States;

(d) the purchaser is not an affiliate of the Company or a person acting on behalf of an affiliate;

(e) the Offer Shares have not been offered to the purchaser by means of any "directed selling efforts" as defined in Regulation S under the Securities Act;

(f) if the investor is acquiring any Offer Shares as a fiduciary or agent for one or more accounts, the purchaser represents that the purchaser has sole investment discretion with respect to each such account and that the purchaser has full power to make, and does make, the foregoing acknowledgements, representations and agreements on behalf of each such account;

(g) the investor understands that any offer, sale, pledge or other transfer of the Offer Shares made other than in compliance with the above-stated restrictions may not be recognised by the Company; and

(h) the investor acknowledges that the Company, the Selling Shareholders, the Joint Bookrunners, the Issue Managers, the Collection Agents and their respective affiliates will rely upon the truth and accuracy of the foregoing acknowledgements, representations and agreements.

Chapter XX
Subscription and Sale

The Company, the Selling Shareholders, the Joint Bookrunners and the Collection Agents have entered into an institutional settlement agreement dated 18 November 2024 with respect to the Offer Shares (the "**Institutional Settlement Agreement**"). Subject to the satisfaction of certain conditions set out in the Institutional Settlement Agreement, including the execution of the Pricing Memorandum (as defined below), each Joint Bookrunner and Collection Agent has agreed, severally but not jointly, to procure purchasers, or failing which to purchase, the Offer Shares in the Category I Offer on terms specified in the Institutional Settlement Agreement and the Pricing Memorandum. The number of Offer Shares will be determined on the Pricing Date and set out in the Pricing Memorandum. Such number of Shares will also be communicated in a press release to be issued by the Company.

The Price Range is Bzs 106 to Bzs 111 per Share.

The Company will apply for the listing of the Shares on the MSX under the symbol "OQBI".

All commissions to the Joint Bookrunners and the Collection Agents will be paid by the Selling Shareholders. The expenses of the Offer will be borne by the Selling Shareholders.

Institutional Settlement Agreement

In the Institutional Settlement Agreement, the Company and the Selling Shareholders have made certain representations and warranties and the Company has agreed to indemnify the several Joint Bookrunners and the Collection Agents against certain liabilities, including liability under the Securities Act. The Joint Bookrunners and the Collection Agents are offering the Offer Shares on behalf of the Selling Shareholders when, as and if delivered to and accepted by them, subject to approval of legal matters by their counsel, including the validity of the Offer Shares, and other conditions contained in the Institutional Settlement Agreement, such as the receipt by the Joint Bookrunners and the Collection Agents of officers' certificates and legal opinions.

The several commitments of the Joint Bookrunners and the Collection Agents to procure investors, or failing which to invest, the Offer Shares in the Category I Offer will be subject to certain conditions precedent, including among others, the execution of a pricing memorandum to the Institutional Settlement Agreement (the "**Pricing Memorandum**") by the Company, the Selling Shareholders and the Joint Bookrunners setting forth the Offer Price for the Offer Shares and the final number of Offer Shares offered in the Offer. The Pricing Memorandum is expected to be executed on the Pricing Date. The Joint Bookrunners may terminate the Institutional Settlement Agreement prior to the Settlement Date under certain specified conditions that are typical for an agreement of this nature. If any of such conditions are not satisfied or waived, or the Institutional Settlement Agreement is terminated prior to the Settlement Date, then the Offer will lapse. The Institutional Settlement Agreement shall automatically terminate if Admission does not become effective within seven calendar days of the proposed Listing Date. Should this occur, then: (i) the Offer shall automatically terminate; (ii) the Selling Shareholders shall refund all monies received from investors; and (iii) applicants who purchased Offer Shares in the Offer will be required to return the Offer Shares they have purchased to the Selling Shareholders. For further details, see "*Chapter IV—Risk Factors—Risks Relating to the Offer and to the Shares —Settlement will occur up to seven calendar days prior to listing and the application for listing of the Shares on the MSX may not be successful.*"

Pricing of the Offer

Prior to the Offer, there has been no public market for the Offer Shares. No assurance can be given as to the liquidity of the trading market for the Offer Shares. The Price Range was determined by the Selling Shareholders and the Company, in consultation with the Joint Global Coordinators.

Lock-up Arrangements

Pursuant to the Institutional Settlement Agreement, the Company and each Selling Shareholders has contractually agreed, for a period of 180 calendar days after the Listing Date, not to: (i) directly or indirectly issue, offer, pledge, sell, contract to sell, sell or grant any option, right, warrant, or contract to purchase, exercise any option to sell, purchase any option or contract to sell, or lend or otherwise transfer or dispose of, directly or indirectly, any Shares or other shares of the Company, or securities convertible or exchangeable into or exercisable for any Shares or warrants or other rights to purchase Shares or any security or financial product whose value is determined, directly or indirectly, by reference to the price of the Offer Shares; (ii) enter into any swap, or any other agreement or any transaction that transfers, in whole or in part, directly or indirectly, the economic consequence of ownership of the Shares, in each case, whether any such transaction is to be settled by delivery of Shares or other securities, in cash or otherwise; or (iii) announce publicly such an intention to effect any such transaction, in each case, without the prior written consent of the Joint Global Coordinators.

In respect of the Selling Shareholders only, the foregoing restriction will not apply to:

(i) the sale of the Offer Shares to be sold pursuant to the Offer;

(ii) any inter-company transfers of Shares by a Selling Shareholder in favour of its affiliates ("**Transferees**"), provided that: (a) prior to the making of any such transfer, the Transferee shall agree to be bound by the lock-up obligations of the Selling Shareholder; (b) any such intercompany transfers of Shares shall be performed on terms and conditions that do not conflict with the Offer; and (c) in the event that a Transferee ceases to be an affiliate of a Selling Shareholder, the Shares transferred to such Transferee shall, prior to such cessation, be transferred back to such Selling Shareholder;

(iii) accepting a general offer made to all holders of Shares then in issue (other than Shares held by the person making the offer or its affiliates) on terms which treat all holders of Shares alike, or executing and delivering an irrevocable commitment or undertaking to accept such a general offer (without any further agreement to transfer or dispose of any Shares or any interest therein);

(iv) taking up any rights granted in respect of a pre-emptive share offering by the Company in order to sell a sufficient number of its rights in order to acquire the balance of its rights;

(v) selling or otherwise disposing of Shares pursuant to any offer by the Company to purchase its own Shares which is made on identical terms to all holders of Shares in the Company;

(vi) any disposal by and/or allotment and issue of shares to a Selling Shareholder pursuant to any capital reorganisation in respect of any Shares beneficially owned, held or controlled by such Selling Shareholder, provided that any shares issued to or otherwise acquired by such Selling Shareholder pursuant to such capital reorganisation shall be subject to the lock-up restrictions; or

(vii) transferring or otherwise disposing of Shares pursuant to a compromise or arrangement between the Company and its creditors or any class of them or between the Company and its members of any class of them which is agreed to by the creditor or members and (where required) sanctioned by any applicable authority.

Anchor Investors

Each of the Anchor Investors has entered into an Anchor Investment Agreement with the Company and OQ (together, the "**Anchor Investment Agreements**" and each an "**Anchor Investment Agreement**").

The Company has received irrevocable commitments from the Anchor Investors, subject to the terms and conditions contained within the Anchor Investment Agreements, to subscribe to the Offer. The following table provides details regarding such subscriptions:

Name of Anchor Investor (Listed in Alphabetical Order)	Number of Offer Shares Subscribed	Subscription Amount at the Maximum Price (OMR)	% of Offer
Falcon Investments LLC[(1)]	127,136,289	14,112,128	7.5%
Gulf Investment Corporation G.S.C.[(2)]	127,136,289	14,112,128	7.5%
Saudi Omani Investment Company[(3)]	127,136,289	14,112,128	7.5%
Social Protection Fund[(4)]	127,136,289	14,112,128	7.5%
Total	**508,545,156**	**56,448,512**	**30%**

Notes:

(1) Falcon Investments LLC is a subsidiary of Qatar Investment Authority, the sovereign wealth fund of the State of Qatar.

(2) Gulf Investment Corporation G.S.C. ("**GIC**") is a leading financial institution focused on developing private enterprise and fostering economic growth in the GCC region. Established in 1983 and owned equally by the six GCC governments, Bahrain, Kuwait, Oman, Qatar, Saudi Arabia and the United Arab Emirates, GIC successfully invests in strategic projects across a range of industry sectors including financial services, telecommunications, petrochemicals, metal and electricity. GIC is rated A2 by Moody's and had total assets of US$3.7 billion and shareholders' equity of US$2.8 billion as of 31 December 2023.

The organisation's two main business segments in the region are Principal Investing which focuses on direct investment in private companies and Global Markets which focuses on investing in both international and regional capital markets. The Principal Investing team plays an important role at GIC by actively investing in viable new and existing business ventures that take advantage of local resources. The team's business objective is to identify and invest in enterprises with the potential to generate adequate return and add value to the local economies. GIC Global Markets team focuses on investments in both regional and international capital markets with an emphasis on GCC equities and fixed income investments.

(3) Saudi Omani Investment Company is a wholly owned entity of the Public Investment Fund of the Kingdom of Saudi Arabia.

(4) The Social Protection Fund is an independent financial and administrative entity, established by Royal Decree No. 33/2021, with its regulations issued by Royal Decree No. 50/2023. Its mission is to implement the provisions of the Social Protection Law and related legislation.

The Social Protection Fund is considered one of the largest investment entities in Oman. The Fund actively invests in regional and international markets and is a key investor in the local market, in both stocks and bonds. Additionally, the fund is a major participant in local projects and real estate developments. The fund also invests in international assets, including alternative investments and infrastructure.

The Anchor Investment Agreements are subject to certain customary conditions precedent being satisfied, including execution of the Institutional Settlement Agreement by the parties thereto, approval of the Prospectus by the FSA and publication of the Prospectus by the Company. The Anchor Investment Agreements will terminate automatically if the Institutional Settlement Agreement is terminated pursuant to its terms, and the Anchor Investment Agreements may be terminated if there is a material breach of a fundamental term thereof, by mutual consent of the parties thereto or if the conditions have not been fulfilled or waived on or before 31 December 2024 or such other date as may be agreed between the Company, OQ and the Anchor Investors. The Offer Shares to be acquired by the Anchor Investors will rank *pari passu* with all other Offer Shares sold in the Offer.

Pursuant to the terms of the Anchor Investment Agreements, each Anchor Investor has agreed, *inter alia*, that it shall not for the period from the date of its Anchor Investment Agreement until the date falling 90 days following the Listing Date, offer, sell or contract to sell, transfer or otherwise dispose of, directly or indirectly, or announce an offer of any Shares it has acquired under its Anchor Investment Agreement (or any interest therein in respect thereof) or enter into any transaction with the same economic effect as any of the foregoing. The Offer Shares purchased in the Offer by an Anchor Investor will be held in such Anchor Investor's account with the MCDC and shall be locked and not tradeable for the duration of the 90 day lock-up period commencing from the Listing Date.

Other Relationships

In connection with the Offer, each of the Joint Bookrunners and the Collection Agents and any affiliate, may take up Offer Shares in the Offer as a principal position and in that capacity may retain, purchase or sell for its own account such Offer Shares and any related investments and may offer or sell such Offer Shares or other investments otherwise than in connection with the Offer. Accordingly, references in this Prospectus to the Offer Shares being offered or placed should be read as including any offering or placement of Offer Shares to the Joint Bookrunners and the Collection Agents and any affiliate acting as an investor for its own account. In addition, certain of the Joint Bookrunners and the Collection Agents or their affiliates may enter into financing arrangements (including swaps, warrants or contracts for differences) with investors in connection with which the Joint Bookrunners and the Collection Agents (or their affiliates) may from time to time acquire, hold or dispose of Shares. None of the Joint Bookrunners and the Collection Agents intend to disclose the extent of any such investment or transactions otherwise than in accordance with any legal or regulatory obligation to do so.

Moreover, in the course of their business with the Company and with parties affiliated with the Company (including the Selling Shareholders), the Joint Bookrunners and the Collection Agents and/or their respective affiliates may have from time to time been engaged, and may in the future engage, in commercial banking, lending, trading, hedging, investment banking and financial advisory and ancillary activities, for which they have received, and may in the future receive, customary compensation. In respect of the aforementioned, the sharing of information is generally restricted for reasons of confidentiality, by internal procedures or by rules and regulations. As a result of any such transactions, any Joint Bookrunner or Collection Agent may have interests that may not be aligned, or could potentially conflict, with the interests of holders of Offer Shares or with the interests of the Company or the Selling Shareholders.

Chapter XXI
Bookbuilding Process

Background

The Offer has been structured into two parts: a bookbuild portion, targeting Category I Applicants, and a fixed price offering, targeting Category II Applicants. The Category I Offer Period will commence on 24 November 2024 and end on 1 December 2024. The Category II Offer Period will commence on 24 November 2024 and end on 28 November 2024.

Bookbuilding is a method used to determine the share price of an offering, based on actual demand. It is an interactive mechanism by which institutional investors relay indications of demand and price preference to the bookrunners. Unlike "fixed price" offerings where there is only one price for the shares offered, it is important to note that this Offer was launched with a Price Range (i.e., a maximum and minimum price per Offer Share), which will be used to determine the Offer Price through the bookbuild process. Bookbuilding is used extensively in other international markets, and has been used within Oman for certain offerings.

The Joint Bookrunners gathered feedback from potential Category I Applicants on their views on the positioning of the Company, its strengths and weaknesses and the valuation of the Company. The Selling Shareholders evaluated the information collected during this stage with the Joint Global Coordinators to determine the Price Range.

During the Category I Offer, the Selling Shareholders, in consultation with the Joint Global Coordinators, will use the information received from Category I Applicants to determine the Offer Price, thus balancing demand and price and taking into account market conditions and the Category I Applicants' assessment of the Company's valuation. On the closing of the Category I Offer Period, the Joint Global Coordinators and the Selling Shareholders will meet to examine the Application book, including the aggregate demand and the number of Offer Shares demanded at each price within the Price Range and agree on the Offer Price, which may be at or below the price where the aggregate demand exceeds the number of Offer Shares in the Offering.

The Category II Offer will follow the usual subscription process for a fixed price offering, except that:

- Category II Applicants will place their Applications with the Collection Agents based on a fixed price; such fixed price will be Bzs 111 per Offer Share.
- Any refunds due to a Category II Applicant will be calculated based on the difference between (i) the Category II Application Money paid by such Category II Applicant, and (ii) the number of Offer Shares allotted to such Category II Applicant multiplied by the Offer Price.

Allocation process

The allocation of Offer Shares to Category I Local Applicants shall be completed on a pro-rata basis relative to the Applicant's application bid amount. The allocation of Offer Shares to Category I Non-Local Applicants is expected to be determined by the Selling Shareholders in consultation with the Joint Global Coordinators which shall be based on certain criteria and an allocation mechanism. The criteria to be considered by the Joint Global Coordinators and Selling Shareholders will include: (i) investor type, including investment profile and investment interest in the Company's sector; (ii) investor size, including assets under management; (iii) qualitative insights on investor behaviour, including participation in previous offerings and holding patterns in previous offerings; (iv) investor participation and engagement in the marketing process of the Offer; and (v) potential for creating post-Offer trading liquidity. The above criteria, as well as the level of demand in the Category I Offer, may impact the percentage of allocation of the total orders of the Category I Applicants.

Refer to Basis of Allotment in "*Chapter XIX—Subscription Conditions and Procedures*" for further detail on the allocation procedure for the Category II Offer.

Chapter XXII
Valuation Methodologies

Offer Price

The Company and the Selling Shareholders, in consultation with the Joint Global Coordinators, have determined that the Price Range will be Bzs 106 to Bzs 111 per Offer Share.

An investor education and marketing process with a select group of potential institutional investors based in Oman and internationally was undertaken by the Company in order to solicit feedback that has informed the determination of the Price Range for the Offer, along with other factors including the objectives of the Company and the Selling Shareholders. In providing this feedback, these potential institutional investors have taken into account current market conditions and a range of valuation methodologies that they believe to be appropriate in assessing the fair valuation of the Company and/or the valuation at which they would be willing to subscribe in the Offer.

Valuation Methodologies

There are various valuation methodologies that can be used by potential investors. A non-exhaustive description of potential methodologies that investors could consider are described below.

Discounted Cash Flow Analysis ("DCF")

DCF is a valuation method that estimates the current value of a company by using investors' own views on expected future cash flows and discount rate. Future estimated cash flows are discounted using this assumed discount rate to calculate the present value of the company today. Investors are responsible for estimating their own assumptions of the future cash flows of the Company and for their own discount rates in assessing the value of the Company. For periods beyond their own assessment of the forecast cash flow period, investors may opt to value this using a comparable peer multiple or terminal growth rate.

Investors may opt to use DCF because:

- It appraises an intrinsic value of the company and is capable of reflecting company specific factors;
- It is a forward-looking analysis based on cashflow and is accordingly capable of taking into account expected future growth in the Company and / or any expected changes in the Company's future performance; and
- It is less influenced by prevailing market conditions at a single point in time.

Investors should be aware of certain risks with a DCF, which include but are not limited to:

- Valuation is highly sensitive to underlying assumptions on key revenue drivers, cash flow, terminal value and discount rate;
- Valuation depends on long term projections which may not be estimated accurately or which may not be available from broker research analysts at a particular point in time. Projections are also subject to future changes in macroeconomic, technical, regulatory or company specific factors; and
- Terminal value can represent a significant portion of total DCF value, increasing the sensitivity of assumptions taken to generate the terminal value.

Comparable Companies Analysis ("CCA")

CCA is a relative valuation methodology that utilises the current trading metrics of public listed companies that are deemed to be comparable to determine the valuation of a company. This approach can be taken on, amongst others, price to earnings multiples, enterprise value to EBITDA multiples, etc. This approach can be used to benchmark both a company's historical performance and future estimated performance against such identified potential comparable companies (e.g. applying the comparable companies' 2025 multiple (based on 2025 financial estimates for the comparable companies by one or more broker research analysts) to the investors own estimate of a company's 2025 financial performance)

Investors may opt to use CCA because it:

- Is a simpler approach utilising publicly available information;
- Relies on market efficiency theory (with trading valuation expected to reflect all publicly available information on the comparable companies); and
- Takes into account prevailing market conditions.

Investors should be aware of certain risks with a CCA, which include, but are not limited to:

- It may not be possible to find an accurate list of comparable companies;
- The financial performance of any individual company will reflect, inter alia, the maturity of its assets and the fiscal terms under which it operates, which may be materially different from an existing publicly listed company;
- Current trading multiples of a company may be influenced by stock specific factors or through inaccurate current trading prices due to low liquidity, small market capitalisation, limited research coverage and 2025 estimates, etc.;
- It may not factor in future growth prospects (whether organic, inorganic or M&A) for comparable companies; and
- Investors may need to make adjustments for differences in accounting standards and / or policies, corporate tax environment, etc. across comparable companies.

Dividend yield

Dividend yield is a subset of the CCA methodology where an investor considers the available or expected dividend yield that the company will generate. This can be compared to the dividend yield available from other listed companies or compared to listed instruments or other interest generating investment opportunities. Dividend yield may be more typically used for companies which have an explicit dividend policy and/or are expected to pay dividends on a regular basis in the future.

Investors may opt to use dividend yield because it:

- Offers a simpler approach when a clear dividend policy is provided by the company; and
- May also allow a simpler comparison across both other listed public companies and other return-generating instruments.

Investors should be aware of certain risks associated with dividend yield methodology, which include, but are not limited to:

- Dividend payments in the future are not guaranteed and may increase or decrease versus the expectations or guidance from the company based on prevailing market or company specific factors;
- It may not fully factor in expected growth in the company which represents incremental value on top of the dividend payout;

- Dividend yield may be impacted by external factors, including the current return available from other yielding investment opportunities; and
- Dividend policies and associated pay-out ratios are often bespoke to individual companies and hence may not be comparable.

Important Notice

Every investor is responsible for obtaining his, her or its own independent professional advice on an investment in the Offer Shares and for conducting an independent valuation of the information and assumptions contained herein using appropriate analysis. All equity investments carry market risks to varying degrees. The value of any security can fall as well as rise depending on the market conditions.

In making an investment decision, prospective investors must rely upon their own examination, analysis and enquiry of the Company, the terms of this Prospectus and the Offer, including the merits and risks involved in making an investment.

Chapter XXIII
Taxation

Prospective investors are advised to consult their tax advisers as to the consequences, under the tax laws of the countries of their respective citizenship, residence, ordinary residence or domicile, of an investment in the Company and the Shares. This summary is based upon the law as in effect on the date of this Prospectus and is subject to any changes in law that might take effect after such date.

Oman

The statements herein regarding taxation are based on the tax laws (specially the Oman Income Tax Law (promulgated by Royal Decree 28/2009) (the "**Oman Income Tax Law**") (as amended by Royal Decree 09/2017 and by Royal Decree 118/2020, the "**Tax Amendments**") and the Executive Regulation on the Oman Income Tax Law issued by the Ministerial Decision No. 30/2012 ("**Executive Tax Regulations**")) in effect in Oman as at the date of this Prospectus and are subject to any changes of law occurring after such date. The following is a summary only of the material Omani tax consequences of ownership of the Shares by potential investors who are not Oman Tax Residents (as defined below).

The following summary does not purport to be a comprehensive description of all the tax considerations and is not intended to reflect the individual tax position of any owner, which may be relevant to a decision to purchase, own or dispose of the Shares and does not purport to deal with the tax consequences applicable to all categories of investors, some of which may be subject to special rules. This summary is based upon laws, regulations, rulings and decisions now in effect, all of which are subject to change. Prospective purchasers of the Shares are advised to consult their own tax advisers concerning the overall tax consequences of their acquiring, holding and disposing of the Shares, including in particular the effect of any local laws.

Withholding Taxes in Oman

Pursuant to Article 52 of the Oman Income Tax, withholding tax is payable on the following categories of income earned in Oman:

(a) royalties;

(b) consideration for conducting research and development;

(c) consideration for using or the right to use computer programmes;

(d) fees in consideration for management or performance of services; and

(e) payment of dividends on shares or interest.

Royal Decree 9/2017 amended the Oman Income Tax Law to include payments to non-resident persons towards "provision for services" as part of the specified payments that are subject to withholding tax. On 1 March 2018, the tax authority clarified that withholding tax on services is applicable, irrespective of whether the services are performed in Oman or abroad.

The Tax Decision amending the Executive Regulation clarified some of the above provisions. The amended Executive Regulations define the term "realised in Oman" to mean "whenever the source of such funds is from Oman", which could possibly mean that the payer happens to be a taxpayer in Oman. Further, the Executive Regulations have excluded the following seven categories of payments from "payment in considerations of rendering services", for withholding tax purposes:

- conferences, seminars or exhibitions;

- training;
- transport and shipping of goods and insurance thereupon;
- airline tickets and cost of staying abroad;
- board meetings;
- payments for re-insurance; and
- services rendered in relation to any activity or property located outside Oman.

In view of the above exclusions, it would be implied that all other services except the above exclusions, irrespective of the place of rendition, are now subject to withholding tax in Oman.

Withholding tax shall not be levied on the gross amount of the aforementioned categories of income paid or credited to the account of any Oman-based "tax residents", as such term is defined under Article 18 (bis) of the Oman Income Tax Law as being: "*...(1) a natural person residing in Oman during a fiscal year, provided that they have been present within Oman for a period for 183 consecutive or non-consecutive days during the fiscal year, (2) a corporate person residing in Oman during the fiscal year, provided that it meets any of the following criteria: (a) that it has been established in Oman as per the laws and Royal Decrees in force therein, or (b) that its main or actual headquarters is located in Oman*" ("**Oman Tax Residents**"). However, withholding tax shall be levied on the gross amount of the aforementioned categories of income paid or credited to the account of any persons who are not Oman Tax Residents in the cases specified in Article 40, read with Article 53, of the Oman Income Tax Law if such persons do not have a permanent establishment in Oman.

Additionally, the Tax Amendments extend the requirement to deduct withholding tax payable pursuant to Article 53bis to any Ministry, authority, public institution or other public juristic person or unit of the administrative apparatus of Oman. The applicable tax rate is 10 per cent. of the gross amount paid or credited to the account of the persons specified above.

Oman-registered institutional investors are Oman Tax Residents and, therefore, will not be subject to Omani withholding tax. However, offshore institutional investors who are not Oman Tax Residents shall be subject to withholding tax, regardless of whether or not they are owned by Oman Tax Residents.

The FSA on 15 May 2019 announced that, on the basis of a Royal directive, withholding tax applicable to dividends and interest on foreign borrowings was to be suspended for a period of three years effective from 6 May 2019 (the "**2019 Tax Suspension**"). The Secretariat General for Taxation (currently, the Oman Tax Authority) subsequently issued an open letter to Ernst and Young on 11 June 2019 confirming the 2019 Tax Suspension. No copy of the aforementioned Royal directive has been available for public inspection.

The 2019 Tax Suspension was extended under the Economic Stimulus Plan ("**ESP**") approved by Oman's Council of Ministers presided by His Majesty Sultan Haitham bin Tarek on 9 March 2021. While this extension was not published by way of a Royal Decree in the Official Gazette of Oman, Omani media outlets reported on 9 March 2021 that the ESP suspension of the application of the withholding tax on dividend distributions and interest amounts had been extended for a period of five years with effect from 2020 (the "**2021 Tax Suspension**"). On 11 January 2023, His Majesty Sultan Haitham bin Tarek issued a further Royal directive under which it was announced that withholding tax would no longer apply to dividend distributions and interest amounts (the "**2023 Royal Directive**", and together with the 2019 Tax Suspension and the 2021 Tax Suspension, the "**Tax Suspensions**"). While there has been no official confirmation in the form of a Royal Decree of the 2023 Directive, details were published online by the Omani Ministry of Interior.

As a result of the Tax Suspensions, no withholding tax will be applicable to dividend payments made by the Company to holders of the Shares who are not Oman Tax Residents for as long as the withholding tax suspension under the 2023 Royal Directive is effective.

It is not clear whether fees in consideration for management or performance of services would include any arrangement fee, commitment fee or agency fee. Further, it is also not clear whether these fees would be considered as a service for the purposes of withholding tax. In a case where these fees are regarded as a management fee or fee for performance of services, the suspension of the withholding tax on interest would not apply to these fees and hence the same would be subject to withholding tax.

Corporate Income Tax

Tax in Oman is governed by the Oman Income Tax Law and various other Royal Decrees and Ministerial decisions.

Tax is charged on business establishments owned by individuals, companies incorporated in Oman and permanent establishments (registered/unregistered branches) of foreign persons.

Every taxable entity is required to file a final return of income for every tax year together with the audited financial statements which should be prepared in accordance with the International Financial Reporting Standards.

Oman has entered into a comprehensive double taxation treaty with 35 countries (effective treaties) which include the United Kingdom, France and Spain, among others.

Given that the Company operates in the SFZ, it is exempt from all corporate tax.

Capital Gains Taxes in Oman

Under the Oman Income Tax Law, gains on the sale or redemption of the Shares by shareholders who are residents or are deemed to have a permanent establishment in Oman will be subject to a tax of 15 per cent. of their annual taxable gain from such sale or redemption, if such income: (i) forms part of such shareholder’s business profits which are realised in Oman and are recorded as having been realised as such in its financial statements; and (ii) such shareholders are not otherwise exempted under the Oman Income Tax Law. Consequently, any profit or gain realised by a shareholder as a result of the sale of the Shares shall constitute part of the shareholder’s taxable income in Oman only where such proceeds are attributable to the shareholder’s permanent establishment in Oman and are recorded as such in its financial statements. A shareholder who is neither resident in nor deemed to have permanent establishment in Oman will not be liable for such tax. For the avoidance of doubt, a shareholder will not be deemed to have a permanent establishment in Oman on the sole basis of its ownership of the Shares.

Value Added Tax in Oman

On 12 October 2020, His Majesty Sultan Haitham bin Tarek Al Said issued Royal Decree 121/2020 promulgating the law on value added tax (the “**VAT Law**”). The VAT Law was published in the Official Gazette of Oman on 18 October 2020 and came into effect on 16 April 2021. The VAT Law imposes a value added tax at a base rate of 5 per cent. on most goods and services exported to or imported from Oman. On 4 January 2021, the Oman Tax Authority issued three decisions in relation to the VAT Law, the first of which determines the monetary thresholds for mandatory and voluntary registration, the second provides a list of food items that are zero rated and the third determines a schedule for mandatory tax registration for taxable persons. On 10 March 2021, the Oman Tax Authority issued the executive regulations to the VAT Law. Between March and April 2021, two further decisions (No. 59/2021 and No. 65/2021) were issued in relation to VAT, providing a list of further food items and medical supplies that are zero rated. On 7 July 2021, Royal Decree 50/2021 was issued to ratify the Unified Agreement for Value Added Tax for the States of the Cooperation Council for the Arab States of the Gulf, dated 27 November 2016.

All sales made by the Company within Oman are subject to VAT while its exports to other countries (comprising on average approximately 95 per cent. of its sales) are exempt from VAT.

Chapter XXIV
Legal Matters

Certain legal matters with respect to the Offer will be passed upon for the Company by Linklaters LLP and Al Maamary, Al Abri & Co. Certain legal matters with respect to the Offer will be passed upon for the Joint Bookrunners and Collection Agents by Allen Overy Shearman Sterling LLP and Trowers and Hamlins.

Chapter XXV
Independent Auditors

The combined financial statements of the Company as at and for the years ended 31 December 2023 (which include the comparative combined financial information as at and for the year ended 31 December 2022) and 31 December 2022 (which include the comparative combined financial information as at and for the year ended 31 December 2021), which have been prepared in accordance with IFRS, and for the six months ended 30 June 2024 (which include the comparative combined financial information as at and for the six months ended 30 June 2023), which have been prepared in accordance with IFRS and IAS 34, included in this Prospectus, have been audited by KPMG LLC, independent auditors, as stated in their reports appearing herein.

Chapter XXVI
Historical Financial Statements

Audited interim combined financial statements as at and for the six months ended 30 June 2024

Audited combined financial statements as at and for the year ended 31 December 2023

Audited combined financial statements as at and for the year ended 31 December 2022

Chapter XXVII
Undertakings

(1) OQ Base Industries (SFZ) SAOG (under transformation)

The Board of Directors of the Company jointly and severally hereby confirm that:

- The information provided in this Prospectus is true and complete.
- Due diligence has been taken to ensure that no material information has been omitted, the omission of which would render this Prospectus misleading.
- All the provisions set out in the Securities Law, the CCL and the rules and regulations issued pursuant to them have been complied with.

On behalf of the Board of Directors (Authorised Signatories):

Name	Signature
Ali Al Lawati	
Ghalib Al Maamari	

(2) Issue Managers

Pursuant to our responsibilities under the CCL and the SAOG Executive Regulations, we have reviewed all the relevant documents and other material required for the preparation of this Prospectus pertaining to the issue of the shares of the Company.

The Board of Directors of the Company will bear the responsibility with regard to the correctness of the information provided for in this Prospectus, and they have confirmed that they have not omitted any material information from it, the omission of which would render this Prospectus misleading.

We confirm that we have undertaken the due diligence required by our profession with regard to this Prospectus, which was prepared under our supervision and, based on the reviews and discussions with the Company, its directors, officers and other related parties, we confirm the following:

- We have undertaken reasonable due diligence to ensure the information given to us by the Company and included in this Prospectus conforms with the facts in the documents and other material of the Offer.
- To the best of our knowledge and from the information available from the Company, it has not omitted any material information, the omission of which would render this Prospectus misleading.
- This Prospectus and the Offer to which it relates conform with all the rules and terms of disclosure stipulated for in the Securities Law, the CML Executive Regulations of the Securities Law, the prospectus models applied by the FSA, the CCL, the SAOG Executive Regulations and the directives and decisions issued in this regard.

- The information contained in this Prospectus in the Arabic language (and the unofficial translation into the English language) is true, sound and adequate to assist the investor to take the decision as to whether or not to invest in the securities offered.

Issue Managers

For Bank Dhofar SAOG	For Bank Muscat SAOG
Ahmed Said Al Ibrahim	Khalifa Abdullah Al Hatmi
Chief Corporate Services Officer	DGM, Investment Banking & Capital Markets

(3) Legal Adviser to OQ Base Industries (SFZ) SAOG (under transformation)

The legal adviser whose name appears below, hereby confirms that all the procedures taken for the Offer of the securities as described in this Prospectus are in line with the laws and legislations related to the business of the Company and the CCL, the Securities Law and the CML Executive Regulations and directives issued pursuant to them, the requirements and rules for the issue of shares issued by the FSA, the Articles of the Company and the resolutions of the general meeting and Board of Directors of the Company. The Company has obtained all the consents and approvals of the official authorities required to carry out the activities described in this Prospectus.

Legal Adviser to OQ Base Industries (SFZ) SAOG (under transformation)

Al Maamary, Al Abri & Co.