

In the Name of Allah, the Merciful, the Compassionate

**Fatwa of Shari'a Supervisory Board of Ahli Islamic
on OQ Gas Networks IPO Shares**

All praise to Allah and May peace and blessings be upon His messenger, his family, his companions.

On Wednesday Safar 28, 1445 AH that corresponds to September 24, 2023, the Shari'a Supervisory Board (SSB) of Ahli Islamic, Ahli Bank SAOG (the "Ahli Islamic/Bank") issued the following pronouncement on OQGN IPO Shares.

The SSB assessed OQ Gas Network SOAG IPO-shares details, stated in its prospectus, in perspective of the SSB fatwa on Purchase of Shares and their Shari'a Compliance issued on March 16, 2023 which is in line with Shari'a rules and principles and AAOIFI's Shari'a Standards. The review includes OQGN business activities, debts and liabilities, investments which are provided in the prospectus. Following is a summary of the Shari'a review of the OQGN IPO:

1. The activities in which OQGN is involved are construction, maintenance, repairment and augment gas transportation pipelines and perform other activities relating to the gas transportation industry.
2. OQGN has an interest-based loan that does not comply with Shari'a however, these loans are within the threshold set by the SSB and AAOIFI in its Shari'a Standard No. 21.
3. OQGN has interest income from fixed deposits amounts which does not comply with Shari'a. The interest income amounts to 3.03% of OQGN total income which is within the threshold set by the AAOIFI Shari'a Standards No. 21.
4. Finance income on concession arrangements were considered Shari'a compliant in nature as the OQGN has recognized financial asset ("concession receivable and contract asset") applying IFRIC 12 which recognizes financial asset for the future cash flows of the agreement discounted to current value using an implied interest rate and there is no interest income that the company generates from this agreement.

5. The company recognized a Finance Income from interest rate swap derivatives after terminating the derivative in Q2-2023 for no consideration. The finance income was matched with a reduction of retained earning representing nil impact from the termination of the derivative.

SSB Opinion

After research and study regarding the subscription to the shares of OQ Gas Networks Company, the following opinion is made:

1. The business activities of OQGN, stated under point 1 above, are Shari'a compliant.
2. The interest income from fixed deposits, stated above under point 3, is not permissible in Shari'a therefore, the responsibility for getting rid of the prohibited income stays with investor (individual or company).

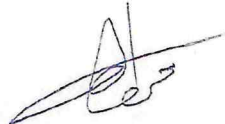
And based on the above:

The Shari'a Supervisory Board opines that investment in OQGN IPO-Shares is Shari'a permissible and in accordance with dictates of Shari'a.

And Allah knows what is right.

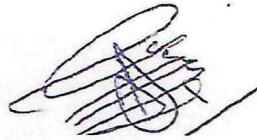
Sharia Supervisory Board

Dr. Mohammed Taher Al-Ibrahim (Chairman of SSB)



Dr. Mustain Ali Abdul Hameed (Deputy Chairman of SSB)

Dr. Abdul Raouf Abdullah Al-Tobi (SSB Member)



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