

BOARD OF DIRECTORS’ REPORT

Dear Shareholders,

On behalf of the Board of Directors of Al Batinah Power Company SAOG (the "Company"), I have the pleasure of presenting the Company's Directors' Report for 3-months period ended 31 March 2026.

Operational Highlights

The operational performance of the plant during the quarter was excellent. The consistently high plant’s reliability and technologically superior fuel-efficient operations of the plant continue to place it at the higher end of the merit order list for dispatch.

The plant crossed 5,381 lost time accident-free days since inception, maintaining its excellent track record of zero lost time accidents and zero environmental incidents, which reflects our continued focus on health, safety, security, and environment.

The plant’s operation was excellent during the period, achieving a reliability of 99.67%. The plant delivered 952 GWh to the grid, translating to a load factor of 59.87% compared to 42.73% for the corresponding period of 2025.

The plant successfully conducted the Annual Plant Performance test on 2 April 2026.

Financial Results

	3-month- 2026 '000s Unaudited	3-month- 2025 '000s Unaudited	Percentage change
Revenues	14,462	11,318	27.8%
Direct costs	(14,341)	(11,024)	
Gross profit	121	294	(59.0)%
Other income	147	134	

General and administrative expenses	(164)	(192)	
Impairment of asset	(29,184)	-	
(Loss) / profit before interest and tax	(29,080)	236	(12,406.1)%
Finance costs	(689)	(974)	
Finance income	4	3	
Loss before tax	(29,765)	(735)	(3,947.5)%
Tax expense	3,716	(629)	
Net loss for the period	(26,049)	(1,364)	(1809.4)%
Net loss for the period (without impairment - net of tax)	(1,243)	(1,364)	8.86%

Based on the impairment assessment necessitated by signing a new PPA under mutually agreed commercial terms, an impairment of RO 29.184 million, partly offset by deferred tax credit of RO 4.378 million was recorded during the quarter ended March 2026 based on the revised cash flows being lower than the carrying amount of assets.

It is important to note that, under the contractual tariff structure, winter tariffs are lower. Accordingly, the net loss reported in Q1 is expected to be largely recovered during the summer period, when tariffs under the PPA increase significantly.

Higher revenues and direct costs compared to the same period last year were mainly driven by a higher plant load factor and improved plant availability. However, gross profit declined primarily due to increased operations and maintenance (O&M) expenses, largely attributable to the SFC/SEE upgrade.

The variability of the plant load factor influences the fuel and energy charges received from Nama Power & Water Procurement Company SAOC ("PWP"). However, these charges are passed through to the gas supplier and the O&M service provider hence there is no material impact on the Company's profitability.

Excluding the impact of impairment, the net financial result for Q1 2026 improved by 8.86% compared to the corresponding period last year. This improvement was primarily driven by the continued reduction in finance costs, which contributed positively to profit before tax.

Consistent with earlier announcements, the Company signed the new Power Purchase Agreement (PPA) with Nama Power and Water Procurement Company (“PWP”) on 7

April 2026. The New PPA will commence on 1 April 2028, immediately following the expiry of the current PPA, and will remain in effect for 15 years, until 31 March 2043. Under the terms of the new PPA, the contracted capacity of the ABPC power plant will be 746.53 megawatts (MW). The New PPA ensures the continued offtake of power under mutually agreed commercial terms, strengthens the strategic partnership between ABPC and PWP, provides long-term revenue visibility, supports operational sustainability, and aligns with the Company's long-term strategy in Oman.

The share price was 190 Baizas at the end of March 2026.

Corporate Social Responsibility

In alignment with the Company's commitment to positively impacting society and contributing to national development, the Company has allocated 50,000 for CSR initiatives for the year 2026. The planned activities reflect the Company's dedication to fostering social well-being, sustainability, and community engagement. Planned CSR Activities:

- **Contribution to Oman Charitable Organization:** ABPC will contribute 20% of the CSR budget to the Oman Charitable Organization, in adherence to Decision No. 205/2021 issued by the Ministry of Commerce, Industry, and Investment Promotion.
- **Science Festival Participation:** The company plans to support and participate in the Science Festival organized by the Ministry of Education. This initiative aims to promote scientific awareness, innovation, and learning among students through interactive activities and exhibitions. The program is expected to engage a wide number of students across various schools, contributing to the development of scientific curiosity and skills.
- **Physical Health Activities:** The company plans to organize and support a large scale marathon event in Muscat, aimed at promoting physical fitness and community engagement. The event is expected to attract significant participation from across the Sultanate, fostering a culture of health and active living.
- **Inclusive Classrooms Initiative:** As part of its commitment to educational inclusivity, the Company will fund the installation of inclusive classroom facilities at a selected school in Muscat, in partnership with the Ministry of Education. This initiative aims to support students with diverse learning needs.
- **Employee Volunteering Programs:** Throughout the year, the Company aims to identify and participate in various community support initiatives that involve staff volunteering their time and expertise like planting Initiative.

Medium term Outlook

All reasonable measures are taken by the management to maintain high availability and reliability levels. Any change in the power supply and demand landscape in the Sultanate has substantially no impact on the financial performance of the Company since its profitability is mainly derived from its plant availability.

Acknowledgement

I would like to extend my personal thanks to all personnel associated with the operation of the power plant and the staff of the Company for their hard work and dedication, as

well as to those others, such as our contractors, whose expertise has assisted us in achieving these excellent results.

Finally, on behalf of the Board of Directors, I would like to extend our deep appreciation and gratitude to His Majesty Sultan Haitham Bin Tariq and His Government for their continued support and encouragement to the private sector by creating an environment that allows us to participate effectively in the growth of the Sultanate’s economy and to dedicate our achievements to the building of a strong nation.