

Dhofar Generating Company SAOG

Board of Directors’ Report

The Board of Directors is pleased to present the performance of your company, Dhofar Generating Company SAOG (‘DGC’ or ‘Company’) for the half year ended 30 June 2025.

At the core of our Company lies an unwavering commitment to safety. For over a decade, we have maintained an impeccable safety track record with zero Lost Time Incidents (LTIs). Our team remains ever vigilant, never granting safety a day off. Under the guidance by the Board, we uphold safety principles and ambitious goals.

This dedication to safety directly impacts our operational performance. Our assets boast an extraordinary reliability factor of over 99.54%. This excellence ensures not only smooth operations but also enables us to meet our financial obligations.

Overview

The business achieved excellent commercial availability factors of 99.54% and 99.02% during the first half of the year for the 273MW and 445MW power plants respectively. From a financial perspective, the contractual revenue is highly seasonal during the calendar year, with higher revenue in the summer period compared to the winter period. Summer months include April, May, June, September and October. The financial results are reflective of the business’s contractual arrangement and are in line with expectations.

The Annual Performance Test for 273MW and 445MW was successfully completed for the Contract Year 2025-2026.

Plant performance during the period

	273MW		445MW	
30 June	2025	2024	2025	2024
Reliability Factor	99.54%	99.19 %	99.02%	99.25 %
Load Factor	28.96%	24.97%	61.91%	56.84%
Energy Exported (GWh)	341	295	1174	1098

273MW OCGT Power Plant

During the first half of 2025, our OCGT plant demonstrated exceptional performance. The forced outage factor was at 0.46%, significantly better than the 2024 figure of 0.81%, Additionally, the load factor exceeded the corresponding period in 2024, aligning with grid demand.

445MW CCGT Power Plant

In Q2 2025, our CCGT plant achieved a remarkable reliability factor of 99.02 %. While this slightly decreased from the 2024 value of 99.25%, it remains highly dependable. The load factor for this plant is closely tied to grid demand and follows instructions from the load dispatch center.

Plant performance is a direct result of the operator’s proficient approach towards operations, maintenance and HSE principles.

Maintenance activities during the period

The second quarter of the year falls within the summer period during which the business is required to be fully available. The Annual Performance Test for the Year 2025-2026 was conducted in March 2025 successfully. The team kept its focus on preventive and predictive activities during the quarter to ensure high availability of equipment. The operator has ensured that all required permits were valid during the period.

Financial highlights

Income Statement in OMR '000	Six Months	
	Ended	
	30-Jun-25	30-Jun-24
Total revenues	32,551	30,077
Operating costs	(27,068)	(24,410)
Gross profit	5,483	5,667
Other costs	(3,889)	(3,952)
Profit after tax	1,594	1,715
Profit per share – Bz/share	7	8

Revenues

The revenue for the first half has increased by OMR 2.5 m due to higher fuel revenue on account of higher load compared to the corresponding period in 2024.

Operating Costs

Operating cost has increased by OMR 2.7 m mainly due to higher fuel cost on higher load and higher LTSA costs compared to the corresponding period in 2024.

Other Costs

Other costs are lower by OMR 0.06 m mainly due to lower finance cost.

Net profit after Tax

Net profit is reflective of the variances noted above.

Balance Sheet OMR '000	Period Ended	Year Ended
	30-Jun-2025	2024
Total assets	192.3	191.3
Net shareholder’s equity	54.8	54.7
Paid up capital	22.2	22.2
Cash	5.5	3.3
Current ratio	1.2	1.1
Gearing ratio	2.5	2.5
Net assets per share – OMR	0.247	0.246

Cash flows and Dividends

The Company has met its obligations to the lenders by the timely debt service of OMR 5.8 m during the period. Interest payments are monthly while principal payments are due in July and January of each year.

The Cash Sweep Mechanism under the financing agreements commenced from 31July 2021 impacted the ability of the Company to make any future dividend distributions.

The Cash Sweep Mechanism will remain effective until the balloon amount is fully prepaid, which is expected to continue for the remaining term of Power Purchase Agreement (i.e. expiring on 1 January 2033).

The above restricts the Company to make any dividend distributions unless the Cash Sweep Mechanism is reversed, which is subject to (1) arrangement of acceptable Backstop DSRA LC, and (2) unanimous approval of project lenders.

Future outlook

The Dhofar Grid is experiencing a substantial increase in demand due to emerging industries in the Dhofar region as seen throughout 2025. The demand is expected to continue in the future. This increase in demand has triggered a revision in the maintenance regime for the 273MW plant to ensure safe and reliable operations. The upcoming quarter will fall in the summer period under the PPA. The Company and operator will continue their proactive approach towards plant operations to ensure a high reliability factor which is of paramount importance for all stakeholders.

Acknowledgement

The Board would like to thank the entire team for its diligent efforts which has resulted in the excellent performance. Finally, the Board of Directors would like to conclude by expressing their immense gratitude for the privilege of the vision, guidance, wisdom and crucial support of His Majesty Sultan Haitham bin Tarik and His Government.