

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 three months ended 31 March 2026.

At the core of our Company lies an unwavering commitment to safety. The Company, for over a decade, has a legacy of an impeccable safety track record with zero Lost Time Incidents (LTIs) which continued in 2026. The team remains ever vigilant, never granting safety a day off, upholding safety principles and ambitious goals.

This dedication to safety directly impacts our operational performance. Our assets boast an extraordinary reliability factor of over 99.6%. 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 99.71% and 99.53% during the three months period 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.

Plant performance during the period

	273MW		445MW	
31 March	2026	2025	2026	2025
Reliability Factor	99.71 %	98.89 %	99.53%	99.78%
Load Factor	47.21%	21.66%	43.25%	52.13%
Energy Exported (GWh)	259	128	455	501

273MW OCGT Power Plant

The OCGT plant demonstrated exceptional performance. The forced outage factor was impressively low at 0.29%. Additionally, the load factor exceeded the corresponding period in 2025, aligning with grid demand.

445MW CCGT Power Plant

The CCGT plant achieved a remarkable reliability factor of 99.53%. 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 three months of the first quarter of the year are considered as winter months under the Power Purchase Agreement (‘PPA’) between the Company and the offtaker. The PPA allows a winter downtime of 15% is allowed for planned maintenance to ensure healthiness of the machines. The operator has utilized this downtime to conduct routine preventive and predictive maintenance activities such as boroscopic inspections, instrument calibration and compressor cleaning activities among other regular maintenance activities.

Financial highlights

Income Statement in '000	Three Months	
	31-Mar-26	31-Mar-25
Total revenues	14,416	11,896
Operating costs	(14,926)	(11,638)
Gross profit	(510)	258
Other costs	(1,717)	(1,873)
Loss after tax	(2,227)	(1,615)
Loss per share – Bz/share	(10)	(7)

Revenues

The revenue for the three months has increased by 2.5 m due to higher fuel revenue on account of higher load compared to the corresponding period in 2025 and finance lease amortization.

Operating Costs

Operating cost has increased by 3.3 m mainly due to higher fuel cost on higher load and higher maintenance costs compared to the corresponding

period in 2025.

Other Costs

Other costs are lower by 0.2 m mainly due to lower G&A and finance cost.

Net profit after Tax

Net profit is reflective of the variances noted above.

Balance Sheet '000	Period Ended	Year Ended
	31-Mar-2026	2025
Total assets	179.0	183.9
Net shareholder’s equity	51.9	54.0
Paid up capital	22.2	22.2
Cash	0.3	4.3
Current ratio	0.95	2.0
Gearing ratio	2.4	2.4
Net assets per share – OMR	0.234	0.243

Cash flows and Dividends

The Company has met its obligations to the lenders by the timely debt service of OMR 4.4 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.

Strategic Positioning and Outlook

DGC is one of two independent power plants owners in the Dhofar region, with a 62% share in the southern power grid of the Sultanate of Oman. It owns and operates two power plants: a 273MW Open Cycle Gas Turbine power plant (Existing Plant') and a 445MW Combined Cycle Gas Turbine Power Plant ('New Plant').

Dhofar Grid is experiencing a continuous increase in power demand due to emerging industries in the Dhofar region since 2025. The increase in demand is expected to continue in the future. 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.