

BOARD OF DIRECTORS' REPORT

Dear Shareholders,

On behalf of the Board of Directors of Sohar Power Company SAOG ("Sohar Power" or the "Company"), I am pleased to present you with the Directors' Report of the Company for the period ended 31 March 2026.

On 10 March 2026, Sohar Power Company shareholders held their Annual Ordinary General Meeting ("AOGM").

Health & Safety

The H&S record over the period has been excellent. The number of LTA free days at the end of Q1 2026 for the Plant Operations (cumulative since the expired PWPA) stands at 4,809 days.

The dismantling project of the MSF units being undertaken by the MSF Buyer has clocked 42,138 manhours with no Lost Time Accidents (LTA) over the period and a cumulative of 172,628 LTI free manhours since project commencement.

The Health and Safety of our employees, contractors and visitors remains the utmost priority for the Company. The Company is committed to maintain its record to ensure that highest standards of safety are maintained and that they are completed without any LTAs.

Operations

During the period, the Plant generated 147,471 MWH of electricity. The three gas turbine units have been cycled, which is typical for an open cycle plant, and have clocked an aggregate of 91 starts over this period.

Annual maintenance work was completed over the Winter Period.

On 29-March-2026, the Company undertook the Annual Performance Year to demonstrate the capacity of the Plant for the forthcoming Contract Year that commences on 01 April 2026. While the official confirmation is awaited from Nama PWP, the Company demonstrated power capacity in excess of the guaranteed figures on both Natural Gas and Fuel Oil.

Financial Performance

The Company has ended the period with a net loss of OMR 0.01 million compared to a net loss of OMR 0.13 million in 2025.

The revenue and other income for the period amount to OMR 4.7 million against OMR 1.9 million for 2025. This is mainly due to the revenues generated on account of the new PPA.

The operating cost and taxes for the period amount to OMR 4.7 million against OMR 2 million for the corresponding period in 2025

Currently the Company shares are traded under the monitoring market. Following the return of the Company to solvency position during Q2 2025, the company approached the MSX to restore the Company's shares to the regular market. As part of its annual review, MSX are currently monitoring the Company results and expected to make a decision on such transfer in 2026.

Corporate Governance

In line with efforts deployed in previous years, the Company ensured that its organization, systems, policies, and procedures follow the highest standards of governance to always comply with the Code of Corporate Governance promulgated by the FSA, including the new Code requirements effective since July 2016.

Outlook for 2026

The Company is actively pursuing plant improvement projects; especially those related to component obsolescence, equipment deficiencies and plant efficiencies.

On behalf of the Board of Directors, I wish to thank our valued stakeholders, including our shareholders, lenders, the APSR, Nama PWP, FSA and partners for their continued support, trust, and confidence, especially during the year. I would also like to thank all the personnel associated with the preservation of the plant in Sohar and the staff of the Company for their loyalty, dedication and commitment.

I would also like to express our gratitude to His Majesty Sultan Haitham bin Tarik and His Government for their continued guidance, support and encouragement to the private sector.

Miklos Almasy

Chairman of the Board