

Unaudited Consolidated Financial Statements

For the Nine-Month Period Ended 30th September 2025

Board of Directors’ Report

Dear Shareholders,

On behalf of the Board of Directors (“the Board”) of SMN Power Holding SAOG (“the Company”), I have the pleasure to present the Board of Directors' Report for the nine-month period ended 30th September 2025.

Corporate Governance

The Company has complied with the Code of Corporate Governance and applicable circulars issued from time to time by the Financial Services Authority (FSA).

Company’s Operations

The Company continued its excellent performance in Health, Safety and the Environment (“HSE”) as providing a safe working environment is a key priority. The Board is pleased to share that during the Quarter three (“Q3”) of 2025, the HSE performance was excellent with no Lost Time Accident (“LTA”) in line with previous years. At the end of Q3 2025, a total of 6,067 LTA-free days were recorded at the Al Rusail Power Company SAOC (“Al Rusail”), while SMN Barka Power Company SAOC (“SMN Barka”) achieved 6,544 days without any LTA. These results represent remarkable achievements, which is a testament to the Company's commitment to safe operations.

The commercial performance of both plants, SMN Barka and Al Rusail, is measured by their availability, which is the ability to deliver the declared capacity as per the contracts. At the end of Q3 2025, the reliability at SMN Barka Plant was 93.66% (99.40% for the same period in 2024) for power which was mainly due to the steam turbine no. 2 incident and 85.39% (98.99% for the same period in 2024) for water which was mainly due to the poor seawater quality. Furthermore, the Steam Turbine no. 2 has been repaired and has returned to service on 24th February 2025. SMN Barka is in process of implementing number of key improvements to the Water Plant which will enhance the reliability of the Plant. The reliability at Al Rusail Power Plant was 99.74% (99.81% for the same period in 2024) for the same period.

The Company produced an aggregate net power volume of 2,547.56 GWh (3,151.99 GWh for the same period in 2024) and a total volume of 25,495,424 m³ of potable

water was delivered (26,142,336m³ for the same period in 2024).

All necessary maintenance activities for key equipment were performed in accordance with Original Equipment Manufacturers' recommendations, while applying the best industry standards and practices for health & safety and maintenance, during the year.

Financial Results

Total Revenues in Q3 2025 amounted to RO 57.1 million (RO 67.3 for the same period Q3 2024), representing a decrease of RO 10.2 million compared to 2024. Total Revenues include fixed revenues (Fixed Capacity Fees) and variable revenues (Fuel Charge and Variable Operating & Maintenance Charge). The Company generated consolidated net profit of RO 3.5 million during Q3 2025 compared to a net profit of RO 7.0 million for the same period of 2024.

The changes in financial results highlighted above are mainly due to the following variances compared to the same period in 2024:

Revenue (Decreased by RO 10.2 million): The Company recorded lower capacity charges amounting to RO 4.3 million mainly due to commencement of the new contract for SMN Barka and Al Rusail plants in 2024 at competitive tariffs as well as RO 5.6 million lower variable revenues due to lower load factors.

Direct costs (Decreased by RO 6.0 million): Similarly, this is mainly due to lower variable costs from lower load factors.

General and Administrative expenses (Decreased by RO 0.68 million): This is mainly due to savings achieved in Q3 2025 including the savings on Power 2024 and Barka Water 2024 tender-related costs.

- Finance costs and Finance income (Decreased by RO 0.2 million): This is mainly due to lower interest costs following the scheduled repayments of the term loan facilities for SMN Barka.
- Other income (Decreased by RO 0.6 million): This is mainly due to insurance claim for Steam Turbine 2 outage of RO 0.5 million in 2025, against sale of Gas Turbine proceeds of RO 0.9 million and OPWP tax recovery claim of RO 0.2 million in 2024.
- Income tax expense (Decreased by RO 0.2 million): This is mainly due to lower profit before tax.

The reduction in **Non-Current Assets** is driven by the depreciation of the plant (fixed assets).

Future Outlook

The Company will continue its focus on HSE and maintain excellent reliability at both plants.

SMN Barka is implementing number of improvements and upgrades to both SMN Barka and Al Rusail plants aimed at enhancing plants' performance.

As disclosed previously, the decommissioning and dismantling process of Al Rusail Gas Turbines 1 – 6 (GT1 – 6), which were installed between 1984 to 1986, is ongoing. While the dismantling process is progressing well, the dismantling of these units is expected to be largely completed by quarter one 2026.

SMN Barka and Al Rusail are participating in the spot market, however, such participation has no material impact on the Company's revenue as both SMN Barka and Al Rusail have a Power Purchase Agreement, and revenues are not impacted by participation in the spot market.

The addition of the renewable energy power plants is seen to affect the dispatch regime of the plant which may lead to some technical challenges in the future. The Company is liaising with the relevant authorities to minimize the impact of renewable energy penetration on the thermal asset.

In terms of the dividend distribution and as disclosed on MSX, the Annual General Meeting (AGM) of the Company that was held on 26th March 2025, has approved the distribution of a total dividend of OMR 14.56 million to shareholders (Baiza 73 per share) which has been fully paid in April 2025.

The Company has already received a dividend income of OMR 3 million from Al Rusail which will be available for distribution after satisfying the relevant requirements of the Commercial Companies Law and other applicable legislation. Furthermore, the AGM of SMN Barka, at its meeting held on 29th September 2025, resolved the distribution of cash dividends of OMR 2 which has been received by the Company.

As already disclosed on MSX, the distribution of the above total dividends of OMR 5 million above (25 Baiza per Share) from SMN Power Holding SAOG to the wider shareholders is subject to fulfillment of all applicable legal and audit requirements in accordance with the Commercial Companies Law, applicable FSA Regulations, and the Company's pre-existing obligations. The Company is committed to distribute the above dividends at the earliest upon fulfillment of above regulatory requirement.

The Company should be able to make future dividend distributions subject to the availability of cash, fulfillment of loan covenants in addition to satisfying the relevant requirements of the Commercial Companies Law and other applicable legislation due to the successful refinancing of its outstanding debt and removal of any cash sweep restrictions.

As Chairman of the Board, I would like to thank our Shareholders, not only for their confidence, but also for their continued support and for the expertise they bring to the Company. The Board of Directors expresses its gratitude to Oman Power and Water Procurement Company (OPWP), Integrated Gas Company (IGC), The Authority for Public Services Regulation (APSR), FSA, Company's employees and other governmental and non-governmental bodies for their guidance and support.

Finally, on behalf of the Board, I would like to extend our deep appreciation and gratitude to His Majesty Sultan Haitham bin Tarik and His Government for their continued support and encouragement to the private sector by creating an environment allowing us to contribute effectively to the growth of the Sultanate of Oman.

Dr. Abdullah Al Yahya’ey

Chairman of the Board