

BOARD OF DIRECTORS’ REPORT

Dear Shareholders,

On behalf of the Board of Directors of Al Suwadi Power Company SAOG (the “Company”), I have the pleasure to present the Directors’ Report of the Company for the nine months ended September 2025.

Operational Results

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

During the nine months of 2025, the plant achieved an excellent reliability of 99.8% and delivered 3,847 GWh to the Omani grid at load factor of 79.7% as compared to 3,842 GWh at load factor of 79.3% delivered during corresponding period in 2024.

All operating equipment and the balance of plant equipment were serviced as per the agreed annual maintenance program. Consistent level of high plant availability is a testament of efficient and timely plant upkeep and periodic maintenance as per the equipment suppliers’ manual and ‘condition-based’ monitoring.

The Plant’s good operational performance was achieved with no Lost Time Accidents to any of our staff, thereby clocking 5,202 Lost Time Accident-free days since inception, and is reflective of our continued internal focus on Health, Safety, Environment and Quality Management.

Financial Results

	9 months 2025 RO'000s Unaudited	9 months 2024 RO'000s Unaudited	Percentage change
Revenues	72,952	71,368	2.2%
Direct costs	(49,902)	(48,621)	(2.6)%
Gross profit	23,050	22,747	1.3%
Profit before interest and tax	22,717	22,510	0.9%

Finance cost	(3,259)	(4,066)	19.9%
Profit before tax	19,536	18,609	5.0%
Net profit for the period	17,441	16,701	4.4%

The financial results for the nine months of the current year are better than the corresponding period for the year 2024. The healthy 2.2% increase in revenue during nine months of 2025 as compared to corresponding period of 2024 was mainly in Fuel Charge income due to higher power generation and annual gas price increase. The gross profit increased by 1.3% during nine months 2025 as compared to corresponding period 2024 due to better indexation, lower insurance cost, and lower O&M expenses.

Good reduction in finance costs during the period has increased the net financial results. The net profit and earnings per share have increased by 4.4% as compared to 2024.

Consequent to removing the Cash Sweep provision in January 2024, the Company distributed dividends in June 2025 and will also be able to make future dividend distributions subject to the availability of cash and fulfillment of other covenants agreed within the Finance Documents.

Corporate Social Responsibility

Within its CSR initiative, the Company contributed RO 10,000 being 20% of its CSR budget to Oman Charitable Organisation. The Company also contributed with RO 10,000 in the implementation of Student Cybersecurity Initiative in coordination with Ministry of Education by training school students in basic cybersecurity skills. The remaining budget will be utilized in the construction of park and walkway in cooperation with other companies in North Al Batinah, and various other initiatives which have high impact on the community and in line with our vision and policy. The earmarked funds are expected to be spent in Q4 of the current year.

Medium term Outlook

During nine months 2025, routine maintenance of all plant equipment have been accomplished. Major maintenance programme of the gas turbines is scheduled to be performed in the Q1 2026.

All reasonable measures are being taken by the management to maintain high reliability level. Consequently, we expect a steady progress in the Company’s financial performance.

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 heartily extend our best wishes to His Majesty Sultan Haitham Bin Tariq Bin Taimur Al Said. We thank the Government of Oman for creating an environment that allows us to participate effectively in the growth of the Sultanate’s economy. We commit our efforts to the building of a strong Oman.