

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 three months ended March 2026.

Operational Results

The operational performance of the plant during the quarter 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.

The plant achieved an excellent reliability of 99.85%. The plant delivered 1038 GWh to the Omani grid as compared to 1113 GWh delivered in Q1 2025.

The plant successfully conducted the Annual Plant Performance test on 7 April 2026.

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 5,384 Lost Time Accident-free days since inception and is reflective of our continued internal focus on Health, Safety, Environment and Quality Management.

Financial Results

3 months 2026 3 months 2025 Percentage change

RO'000s RO'000s

Unaudited Unaudited

Revenues 15,323 15,817 (3.1)%

Direct costs	(15,282)	(15,076)	(1.4%)
Gross profit	41 741		(94.5%)
Impairment on assets	(29,765)	- -	
Profit (loss) before interest and tax	(29,829)	643	(4741)%
Finance cost	(722)	(1,055)	31.5%
Profit (Loss) before tax	(30,548)	(409)	(7371.5)%
Net profit (loss) for the period	(26,810)	(1,107)	(2321.2)%
Net profit (loss) without impairment (net of tax)	(1,510)	(1,107)	(36.41)%

Based on the impairment assessment necessitated by signing a new PPA under mutually agreed commercial terms, impairment of RO 29.765 million (partly offset by deferred tax credit of RO 4.465 million) was recorded during the quarter ended March 2026 based on the revised cash flows being lower than the carrying amount of assets.

It is to be noted that contractually, the winter tariff is lower and the Q1 net loss will be largely recouped during summer period when the agreed tariff within the Power Purchase Agreement is substantially scaled up. The net financial results (without impact of impairment) for Q1 2026 was 36.4% lower than Q1 2025 mainly due to routine major maintenance of one of the Gas Turbines during Q1 2026.

Consistent with earlier announcements, the Company signed the new Power Purchase Agreement (PPA) with Nama Power and Water Procurement Company (“PWP”) on 7 April 2026. The New PPA will commence on 1 April 2028, immediately following the expiry of the current PPA, and will remain in effect for 15 years, until 31 March 2043. Under the terms of the new PPA, the contracted capacity of the ASPC power plant will be 746.53 megawatts (MW). The New PPA ensures the continued offtake of power under mutually agreed commercial terms, strengthens the strategic partnership between ASPC and PWP, provides long-term revenue visibility, supports operational sustainability, and aligns with the Company’s long-term strategy in Oman.

Corporate Social Responsibility

Within its CSR initiative, the Company is planning to contribute 20% of its CSR budget to Oman Charitable Organisation. The remaining budget will be utilized to (i) Establishing a park and walkway in cooperation with other companies in South Al Batinah, Wilayat Barka to enhance community engagement, promote healthy lifestyles, and support environmental sustainability and (ii) 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 Q2 to Q4 of the current year.

Medium term Outlook

During Q1 2026, routine major maintenance was carried out for one of the Gas Turbines, routine maintenance of all plant equipment has also been accomplished. No major maintenance programme is scheduled for the next 6 months. This is in view of the peak power demand during the ensuing summer period when the full availability of the plant is

a dire requirement for maintaining the stability of Oman’s power grid.

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.