

Dear Shareholders,

On behalf of the Board of Directors of Phoenix Power Company SAOG (“PPC” or the “Company”), I am pleased to present the Annual Report of the Company for the year ended December 31, 2025. The past year has been a challenging one for the company, but despite the challenges, we have been able to achieve significant milestones and financial successes.

The Company, incorporated in 2011, owns and operates the 2000 MW Sur Independent Power Plant (“the Plant”), located in the Sur industrial area, approximately 175km south-east of Muscat. Phoenix Power continues to generate its revenues pursuant to a 15-year term Power Purchase Agreement (“PPA”) with Nama Power & Water Procurement Company (“PWP”) and purchases gas from the Integrated Gas Company SAOC (“IGC”) under a 15-year Natural Gas Sales Agreement (“NGSA”). The operations and maintenance of the plant is subcontracted to Phoenix Operation and Maintenance Company LLC (“POMCo” or “the Operator”) under a 15-year Operation and Maintenance Agreement.

In the coming pages, we will provide a detailed overview of the company's financial performance, operational highlights, and future plans. We are confident that the steps we have taken and the strategies we have implemented will continue to drive our growth and success in the future.

Financial Results

The Company recorded a profit of RO 26.02 million in 2025. Revenues for the year were RO 174.06 million, while costs amounted to RO 134.58 million, with the largest expense being the purchase of fuel gas for the power plant. The financial results for 2025 are 13.14% higher than those of the same period in 2024. This improvement is mainly due to higher capacity charge revenues, a decrease in finance costs, and higher income. However, these upsides were partially offset by a slight increase in income tax resulting from the higher income.

The share price of PPC was 155 Baizas at the close of the period.

Health, Safety and Environment (HSE)

The company adheres to the highest standards of quality, health, safety and environmental practices in its activities, with a focus on sustainable development and creating a safe working environment for employees. Maintaining the health and safety of customers and the community is a top priority for the company. As a testament to this commitment, the Sur Independent Power Plant successfully achieved 4,039 days without a lost time accident as of 31 December 2025.

The company regularly monitors and reviews compliance with quality, health, safety and environmental regulations across all units and departments. During this period, comprehensive reviews of quality, health and safety systems were carried out.

Operations

By 31st December 2025, the Sur Power Plant achieved exceptional operational performance, with the commercial availability of the Sur Power Station reaching 99.91% and achieving a remarkable 99.83% during the peak summer months. Energy exported during the year 2025 was 10,415 GWh, compared to 10,217 GWh in the same period in 2024. This increase reflects higher power generation at the plant during the reporting period, driven by increased demand on the grid.

Corporate Governance

The Company's General Assembly Meeting was held via video conference on March 18, 2025, with all proposals submitted by the Company being considered and approved by the shareholders.

The Company continues to make significant efforts to review policies and processes to ensure the highest standards of corporate governance in line with local and international regulatory requirements.

Corporate Social Responsibility

The company is committed to social responsibility as one of its priorities, with a focus on supporting education, health and the environment, and promoting the development of local communities. Especially in the city of Sur.

Future Outlook

The Sultanate's economic trends point to a bright future, as the government remains committed to implementing the eleventh five-year development plan and the goals of Oman Vision 2040, which aims to diversify the economy, enhance the role of the private sector, and increase employment opportunities for Omanis. The government is expected to continue to improve the investment environment and support SMEs as key drivers of growth. In addition, major infrastructure projects and digital transformation initiatives are expected to effectively boost economic growth.

As the year come to an end, the company's outlook remains thoughtfully optimistic. It remains committed to supporting national economic goals, advancing sustainable development, and promoting prosperity through a strategic approach that seizes opportunities and addresses economic challenges.

Thanks

On behalf of the Board of Directors and Executive Management, I take this opportunity to express our sincere thanks and gratitude to **His Majesty Sultan Haitham bin Tariq** - may Allah protect him - and pray to Allah Almighty to help him continue the march towards a more prosperous Oman.

I am also pleased to extend my sincere thanks to the Ministry of Energy and Minerals, the Ministry of Commerce, Industry and Investment Promotion and Authority for Electricity Regulation, the shareholders, our valued customers and officials of the Financial Services Authority, Muscat Stock Exchange and Muscat Clearing and Depository Company, for their continuous support and cooperation, I would also like to express our sincere appreciation to all the employees of the company for their commitment and dedication to their work.



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Chairman of the Board