



Sharqiyah Desalination Company S.A.O.G. Listed on Muscat Stock Exchange Dividend Distribution Policy Statement

Board of Directors (BOD): The Board of Directors (“BOD”) of Sharqiyah Desalination Company S.A.O.G. (“SDC” or the “Company”), a company listed on the Muscat Stock Exchange (“MSX”), has decided in its meeting on 16 February 2026 and agreed on a decision regarding Dividend Distribution Policy.

1. Intent

The Company aims to provide returns to its shareholders through dividend distributions, subject to the Company’s financial performance, liquidity position, regulatory requirements, and prevailing market conditions.

2. Interval

The Company intends to distribute dividends on an **annual basis**, subject to Board recommendation and shareholder approval.

3. Dividend Distribution Strategy

Dividends shall be paid in the form of **cash dividends** based on the availability of the cash of the company.

4. Company Financial Position

Dividend distributions shall be made from the Company’s availability of the cash, after ensuring that:

- All financial covenants and contractual obligations are fulfilled;
- Required approvals from relevant authorities are obtained, where applicable; and
- The Company remains in full compliance with the Commercial Companies Law of Oman and other applicable laws and regulations.



5. Growth Strategy

The Company has a fixed term contract to fulfil.

6. Industry update

Water security is a strategic priority in the Sultanate of Oman, driven by climatic conditions, population growth, industrial development, and increasing demand from agricultural and urban sectors.

Sharqiyah Desalination Company operates under a contractual framework, supported by a which provides stable and predictable cash flows.

7. Dividend Distribution Plan

The Company intends to distribute dividends in the month of **March/April**, provided that:

- The total dividend per share does not exceed the amount approved by shareholders at the **Annual General Meeting (AGM)**; and
- All regulatory, financial, and contractual requirements are satisfied.

The Company reserves the right to revise the Dividend Distribution Plan as and when deemed necessary. Any revisions shall be disclosed on the Company's official website and filed with the Muscat Stock Exchange (MSX).

8. Dividend Announcement and Plan

Dividend-related announcements shall be:

- Published on the Company's official website; and
 - Submitted to the Muscat Stock Exchange (MSX) in accordance with applicable disclosure rules and regulations.
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9. Dividend Approval

All dividend distributions are subject to:

- Recommendation by the Board of Directors; and
 - Approval by the shareholders at the Annual General Meeting.
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10. Policy Rationale

The timing and quantum of dividend distributions are determined with due consideration to the Company's cash flow capacity, financial covenants, and ongoing operational and contractual commitments.

11. Additional Information (if any);

12. Legal Clause (if any);

13. Policy Amendments

The Company reserves the right to amend this Dividend Distribution Plan at any time.

Any amendments shall be appropriately disclosed through the Company's official website and filed with MSX.

14. Disclaimer

This policy is intended to serve as general guidance on the Company's approach to dividend distributions and does not constitute a binding commitment to declare or pay dividends in the future.

The Board of Directors retains full discretion to recommend, declare, amend, or suspend dividends as circumstances may require.



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Sharqiyah Desalination

15. Contact Information

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For Sharqiyah Desalination Company S.A.O.G

Abdul Rahman Amin Mohammed

Chief Financial Officer

Date:16/02/2026



For Sharqiyah Desalination Company S.A.O.G

Murshid Alfannah

Investor relations officer

Date:16/02/2026