

Notes to the unaudited condensed interim financial statements

1 Legal status and principal activities

Al Batinah Power Company (the "Company") was registered as a closed Omani Joint Stock Company ("SAOC") on 2 August 2010 under the Commercial Companies Law of Oman. Subsequently, the Company was converted to a Public Joint Stock Company ("SAOG") and was listed on the Muscat Stock Exchange on 23 June 2014.

The Company's objectives are to develop, finance, design, construct, operate, maintain, insure and own a power generating facility (the Sohar 2 Power Plant with a capacity of about 750MW), and associated gas interconnection facilities and other relevant infrastructure; to make available the demonstrated power capacity; and to sell the electrical energy generated to Oman Power and Water Procurement Company SAOC ("OPWP"). Accordingly, the Plant is considered and managed as one reportable segment. Commercial Operation of the Plant was achieved by the Company on 3 April 2013.

2 Basis of preparation and significant accounting policies

Basis of preparation

(a) *Statement of compliance*

These condensed interim financial statements have been prepared in accordance with IAS 34 Interim Financial Reporting, applicable requirements of the Commercial Companies Law of Sultanate of Oman (as amended) ("CCL") and disclosure requirements of the Financial Services Authority of the Sultanate of Oman ("FSA"). Selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in financial position and performance of the Company since the last annual financial statements as at and for the year ended 31 December 2024. The condensed interim financial statements do not include all information required for full annual financial statements prepared in accordance with International Financial Reporting Standards (IFRSs).

(b) *Basis of measurement*

These condensed interim financial statements are prepared on historical cost basis except for provision for asset retirement obligation and deferred finance costs which are measured at amortised cost and certain financial instruments which are measured at fair value.

(c) *Use of estimates and judgements*

The preparation of the financial statements in conformity with IFRSs requires the management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future

Critical judgements in applying accounting policies that have the most significant effect on the amounts recognised in these condensed interim financial statements are same as those that were applied to the financial statements as at and for the year ended 31 December 2024.

(d) *Presentation and functional currency*

These condensed financial statements are presented in United States Dollars ("USD"), which is the Company's functional currency, and also in Rial Omani ("RO") for local regulatory requirements. The Omani Rial amounts, which are presented in these financial statements have been translated from the USD amounts at an exchange rate of USD 1 = RO 0.3845. All amounts have been rounded to the nearest thousand (RO '000 and USD '000) except where otherwise stated.

Change in significant accounting policies

The significant accounting policies applied by the Company in these condensed interim financial statements are consistent with those applied by the Company in its financial statements as at and for the year ended 31 December 2024.

Notes to the unaudited condensed interim financial statements

	30 September 2025 RO'000s	30 September 2025 USD'000s	30 September 2024 RO'000s	30 September 2024 USD'000s
3. Direct costs				
Fuel gas	32,716	85,086	31,222	81,202
Depreciation on property plant and equipment (note 6)	5,580	14,511	5,579	14,510
Operation and maintenance ("O&M") fees (note 14)	5,578	14,508	5,627	14,635
Seawater extraction	844	2,197	833	2,166
Insurance	405	1,054	475	1,235
Depreciation on right of use assets (note 6)	169	439	169	438
Fuel oil	48	124	60	158
Custom duty (note 14)	24	63	229	596
Grid connection fee	10	25	10	25
Other direct costs	220	572	106	277
	45,594	118,579	44,310	115,242
4. General and administrative expenses				
Secondment fees (note 14)	155	402	219	569
Employment costs	150	389	128	333
Public company related costs	63	164	66	171
Agency fees	45	117	44	115
Directors' sitting fees (note 14)	20	53	16	42
Corporate social responsibility	18	48	34	88
Office rent	14	37	14	37
Depreciation on property plant and equipment (note 6)	2	5	2	5
Other general and administrative expenses	252	655	90	235
	719	1,870	613	1,595
5 (a) Finance costs				
Interest on term loans and swap interests	2,351	6,113	3,071	7,986
Amortisation of deferred finance costs	321	835	416	1,082
Interest on lease liabilities	162	422	168	438
Debt Service Reserve Account ("DSRA") LC cost (note 14)	129	336	136	354
Exchange loss (gain) - net	50	129	27	70
Interest on short term borrowing	29	76	7	18
Asset retirement obligation - unwinding of discount	15	39	14	37
	3,057	7,950	3,839	9,985
5 (b) Finance income				
Interest income	96	251	209	545
	96	251	209	545

Notes to the unaudited condensed interim financial statements**6. Property, plant and equipment**

	Property, plant and equipment RO'000s	Technical Spares RO'000s	Other assets RO'000s	Capital work-in Progress RO'000s	Total RO'000s
Cost					
1 January 2025	296,552	1,709	113	6	298,380
Addition during the period	-	2	0	4	6
Disposal during the period	-	(5)	(14)	-	(19)
30 September 2025	<u>296,552</u>	<u>1,706</u>	<u>99</u>	<u>10</u>	<u>298,367</u>
Depreciation					
1 January 2025	88,337	751	110	-	89,198
Charge during the period	5,528	52	2	-	5,582
Disposal during the period	-	(2)	(14)	-	(16)
30 September 2025	<u>93,865</u>	<u>801</u>	<u>98</u>	<u>-</u>	<u>94,764</u>
Carrying amount					
30 September 2025	<u>202,687</u>	<u>905</u>	<u>1</u>	<u>10</u>	<u>203,603</u>
31 December 2024	<u>208,215</u>	<u>958</u>	<u>3</u>	<u>6</u>	<u>209,182</u>
	Property, plant and equipment USD'000s	Technical Spares USD'000s	Other assets USD'000s	Capital work-in Progress USD'000s	Total USD'000s
Cost					
1 January 2025	771,268	4,445	293	16	776,022
Addition during the period	-	4	1	11	16
Disposal during the period	-	(12)	(37)	-	(49)
30 September 2025	<u>771,268</u>	<u>4,437</u>	<u>257</u>	<u>27</u>	<u>775,989</u>
Depreciation					
1 January 2025	229,740	1,957	285	-	231,982
Charge during the period	14,377	134	5	-	14,516
Disposal during the period	-	(5)	(35)	-	(40)
30 September 2025	<u>244,117</u>	<u>2,086</u>	<u>255</u>	<u>-</u>	<u>246,458</u>
Carrying amount					
30 September 2025	<u>527,151</u>	<u>2,351</u>	<u>2</u>	<u>27</u>	<u>529,531</u>
31 December 2024	<u>541,528</u>	<u>2,488</u>	<u>8</u>	<u>16</u>	<u>544,040</u>

The term loan facilities are secured by a comprehensive legal and commercial mortgage on all assets of the Company (note 12).

The Company's plant is constructed on land leased from the Sohar Industrial Port Company SAOC (note 7). The Company has leased out the entire property, plant and equipment under operating lease.

Notes to the unaudited condensed interim financial statements**7. Right-of-use assets**

	Connection Equipment	Site Rent	Total
	RO'000s	RO'000s	RO'000s
Cost			
1 January 2025	999	3,487	4,486
Addition during the period	-	-	-
30 September 2025	999	3,487	4,486
Depreciation			
1 January 2025	750	652	1,402
Charge during the period	94	75	169
30 September 2025	844	727	1,571
Carrying amount			
30 September 2025	155	2,760	2,915
31 December 2024	249	2,835	3,084
	Connection Equipment	Site Rent	Total
	USD'000s	USD'000s	USD'000s
Cost			
1 January 2025	2,599	9,067	11,666
Addition during the period	-	-	-
30 September 2025	2,599	9,067	11,666
Depreciation			
1 January 2025	1,950	1,698	3,648
Charge during the period	243	196	439
30 September 2025	2,193	1,894	4,087
Carrying amount			
30 September 2025	406	7,173	7,579
31 December 2024	649	7,369	8,018

The Company has elected not to recognize right-of-use assets and lease liabilities for short-term leases that have a lease term of 12 months or less and leases of low-value assets. The Company recognizes the lease payment associated with these leases as an expense on a straight-line basis over the lease

Notes to the unaudited condensed interim financial statements

	30 September 2025 RO'000s	30 September 2025 USD'000s	Audited 31 December 2024 RO'000s	Audited 31 December 2024 USD'000s
8. Trade and other receivables				
Trade receivables	8,634	22,456	5,306	13,801
Prepayments	348	905	338	879
Due from a related party (note 14)	11	28	12	31
Accrued income	-	-	764	1,988
Other receivables	1,245	3,239	724	1,881
	10,238	26,628	7,144	18,580

	30 September 2025 RO'000s	30 September 2025 USD'000s	Audited 31 December 2024 RO'000s	Audited 31 December 2024 USD'000s
9. Cash and cash equivalents				
Short term deposits (less than 3 months)	16,053	41,750	-	-
Cash in hand and at bank	4,939	12,845	4,661	12,123
	20,992	54,595	4,661	12,123

10. Lease liabilities

	30 September 2025 RO'000s	30 September 2025 USD'000s	Audited 31 December 2024 RO'000s	Audited 31 December 2024 USD'000s
--	---------------------------------	----------------------------------	---	--

Lease liabilities included in the statement of financial position as:

Current lease liabilities	106	277	147	381
Non-current lease liabilities	3,465	9,012	3,626	9,431
	3,571	9,289	3,773	9,812

	Contractual Undiscounted Cash flows RO'000s	Present value of lease payments RO'000s	Contractual Undiscounted Cash flows USD'000s	Present value of lease payments USD'000s
30 September 2025				
Within one year	316	106	821	277
In 2 to 5 years	936	145	2,434	376
More than 5 years	6,298	3,320	16,381	8,636
Lease liabilities	7,550	3,571	19,636	9,289

Notes to the unaudited condensed interim financial statements

11. Equity

(a) Share capital

The details of the shareholders are as follows:

	Nationality	No. of shares held of nominal value 100 Bzs. each	% of total	Aggregate nominal value of shares held RO '000
30 September 2025				
Kahrabel FZE	UAE	201,791,343	29.90%	20,179
Middle East Investment LLC	Omani	96,508,899	14.30%	9,651
Social Protection Fund	Omani	66,573,428	9.86%	6,657
SEP International Netherlands B.V.	Netherlands	48,254,453	7.15%	4,825
Sojitz Global Investment B.V.	Netherlands	48,254,453	7.15%	4,825
Shareholders with less than 5% shareholding		213,504,854	31.64%	21,352
		<u>674,887,430</u>	<u>100.00%</u>	<u>67,489</u>
Nominal value in USD				<u><u>175,523</u></u>
31 December 2024				
Kahrabel FZE	UAE	201,791,343	29.90%	20,179
Middle East Investment LLC	Omani	96,508,899	14.30%	9,651
Social Protection Fund	Omani	66,573,428	9.86%	6,657
SEP International Netherlands B.V.	Netherlands	48,254,453	7.15%	4,825
Sojitz Global Investment B.V.	Netherlands	48,254,453	7.15%	4,825
Shareholders with less than 5% shareholding		213,504,854	31.64%	21,352
		<u>674,887,430</u>	<u>100.00%</u>	<u>67,489</u>
Nominal value in USD				<u><u>175,523</u></u>

The Company has authorized, issued and paid-up share capital of RO 67,488,743 consisting of 674,887,430 shares of RO 0.1 each (31 December 2024: RO 67,488,743 consisting of 674,887,430 shares of RO 0.1 each).

The holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at general meetings of the Company. All shares rank equally with regard to the Company's residual assets.

(b) Legal reserve

Article 132 of the Commercial Companies Law requires that 10% of Company's net profits, after deduction of taxes for establishing a legal reserve until such legal reserve amounts to at one-third of the Company's share capital.

(c) Hedging reserve

Hedging reserve comprises the effective portion of the cumulative net change in the fair value of cash flow hedging instruments related to hedged transactions that have not yet occurred.

Notes to the unaudited condensed interim financial statements

	30 September 2025 RO'000s	30 September 2025 USD'000s	Audited 31 December 2024 RO'000s	Audited 31 December 2024 USD'000s
12. Term loans				
Term loans	54,549	141,871	56,314	146,460
Less: current portion of term loan	(18,167)	(47,248)	(17,784)	(46,253)
Non-current portion of term loan	36,382	94,623	38,530	100,207
Less: unamortised deferred finance cost	(470)	(1,223)	(791)	(2,058)
	35,912	93,400	37,739	98,149

On 16 September 2010, the Company entered into a Common Terms Agreement (“CTA”), for credit facilities with a consortium of international banks, export credit agencies and a local bank, with Credit Agricole Corporate & Investment Bank as the Global Facility Agent, Offshore Security Trustee, Offshore Account Bank, KEXIM Facility Agent and Commercial Facility Agent; with Bank Muscat SAOG as Onshore Security Agent and Onshore Account Bank; and with KfW IPEX - Bank GmbH as the Hermes Facility Agent.

At 30 September 2025 and 31 December 2024, the outstanding amounts were as follows:

	30 September 2025 RO'000s	30 September 2025 USD'000s	Audited 31 December 2024 RO'000s	Audited 31 December 2024 USD'000s
Commercial Facility	28,356	73,747	29,106	75,698
Hermes Covered Variable Facility	10,269	26,708	10,667	27,742
Hermes Covered Fixed Facility	6,555	17,048	6,809	17,708
KEXIM Direct Facility	6,382	16,598	6,629	17,241
KEXIM Covered Facility	2,987	7,770	3,103	8,071
	54,549	141,871	56,314	146,460

Commercial Facility was fully refinanced on 31 January 2024 by a local Omani bank. The final maturity in respect of the refinanced Commercial Facility will be 30 September 2027; and in respect of all other Facilities, same as before of 31 March 2027. Thus, there will be no outstanding of any loan post the current PPA period ending on 31 March 2028. The cash sweep clause is eliminated in entirety for the balance tenor of the loan.

13. Trade and other payables

Fuel gas payable and accrual	8,604	22,378	6,475	16,840
Due to related parties (note 14)	790	2,055	558	1,452
Accrued interest cost	591	1,536	561	1,460
Other payable and accruals	1,716	4,462	1,208	3,143
	11,701	30,431	8,802	22,895

14. Related party transactions

Related parties comprise the shareholders, directors, key management personnel, business entities that have the ability to control or exercise significant influence over financial and operating decisions of the Company and entities over which certain shareholders are able to exercise significant influence. Prices and terms of these transactions, which are entered into in the normal course of business, are on mutually agreed terms and conditions.

Notes to the unaudited condensed interim financial statements**14 Related party transactions (continued)****Key management benefits**

Key management personnel are those having authority for planning, directing and controlling the activities of the Company, directly or indirectly, including any director (whether executive or otherwise). Total compensation paid to key management personnel for the nine month period ended are as follows:

	30 September 2025 RO'000s	30 September 2025 USD'000s	30 September 2024 RO'000s	30 September 2024 USD'000s
Key management benefits	155	402	219	569

The Company had the following transactions with related parties during the nine month period ended:

	30 September 2025 RO'000s	30 September 2025 USD'000s	30 September 2024 RO'000s	30 September 2024 USD'000s
Group companies and other related parties				
Suez-Tractebel Operation & Maintenance Oman LLC	6,026	15,672	6,488	16,873
International Power SA Dubai Branch	167	434	25	66
Al Suwadi Power Company SAOG	145	377	150	390
Kahrabel Operations & Maintenance (Oman) LLC	130	339	127	331
Entities exercising significant influence over the Company:				
ENGIE SA	59	154	62	163
Shikoku Electric Power Co., Inc.	48	125	114	296
Middle East Investment LLC	29	74	30	78
Sojitz Corporation	14	37	15	39
Social Protection Fund *	14	36	15	37
Board of Directors - Sitting fees and remuneration:				
Directors'	20	53	16	42
	6,652	17,301	7,042	18,315

- * Based on Royal Decree 50/2023 promulgating the Social Protection Fund, all contracts, agreements entered by 'Public Authority for Social Insurance' would be assigned to 'Social Protection Fund'.

The nature of the above transactions is as follows:

Operation and maintenance ("O&M") fees (note 3)	5,578	14,508	5,627	14,635
Value added tax (VAT)	288	749	310	806
Professional fees	167	434	25	66
Secondment fees (note 4)	155	402	219	569
Sharing of costs	138	359	141	366
DSRA LC cost [note 5(a)]	129	336	136	354
Other O&M expenses	126	328	5	14
Custom duty	24	63	543	1,412
Directors' sitting fees (note 4)	20	53	16	42
Backcharge of expenses	17	43	11	28
Others	10	26	9	23
	6,652	17,301	7,042	18,315

Notes to the unaudited condensed interim financial statements**14 Related party transactions (continued)**

	30 September 2025 RO'000s	30 September 2025 USD'000s	Audited 31 December 2024 RO'000s	Audited 31 December 2024 USD'000s
<i>Balance due from a related party:</i>				
Al Suwadi Power Company SAOG	<u>11</u>	<u>28</u>	<u>12</u>	<u>31</u>
<i>Balances due to related parties comprised:</i>				
Group companies and other related parties				
Suez-Tractebel Operation & Maintenance Oman LLC	505	1,313	446	1,160
International Power SA Dubai Branch	136	354	5	13
ENGIE SA	52	134	4	10
Kahrabel Operations & Maintenance (Oman) LLC	23	61	51	134
Entities exercising significant influence over the Company:				
Middle East Investment LLC	25	64	2	5
Shikoku Electric Power Co., Inc.	12	32	12	31
Sojitz Corporation	12	32	1	2
Social Protection Fund	11	29	15	39
Board of Directors - Sitting fees and remuneration:				
Directors'	<u>14</u>	<u>36</u>	<u>22</u>	<u>58</u>
	<u>790</u>	<u>2,055</u>	<u>558</u>	<u>1,452</u>

15. Financial risk management

The Company's financial risk management objectives and policies are consistent with those disclosed in the financial statements as at and for the year ended 31 December 2024.

16. Commitments

- a) Operation and maintenance commitments and land lease commitments are consistent with those disclosed in the financial statements as at and for the year ended 31 December 2024 as reduced by amounts accounted for during the nine month period ended 30 September 2025.
- b) The Company has placed purchase orders for RO 517,238 (USD 1,345,221) which are outstanding as at 30 September 2025 [RO 127,770 (USD 332,302) as at 31 December 2024].

Notes to the unaudited condensed interim financial statements

17. Net assets per share - adjusted

Net assets per share is calculated by dividing the net assets attributable to the ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the period/year.

	30 September 2025 RO'000s	30 September 2025 USD'000s	Audited 31 December 2024 RO'000s	Audited 31 December 2024 USD'000s
Net assets - shareholder funds	144,132	374,857	129,137	335,858
Weighted average number of shares outstanding during the period/year ('000s)	674,887	674,887	674,887	674,887
Net asset per share (Baizas / cents) - adjusted	213.56	555.44	191.35	497.65

The management believes that the hedging surplus of RO 0.02 million [USD 0.05 million] as at 30 September 2025 (RO 0.57 million [USD 1.49 million] the hedging deficit as at 31 December 2024) represents the gain which the Company would incur, if it opts to terminate its swap agreements on this date. However, under the terms of its financing agreements, the Company is not permitted to terminate the swap agreements. Accordingly the hedging surplus has been excluded from the Net assets - shareholder funds.

18. Basic earnings per share

Basic earnings per share is calculated by dividing the net profit or loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the period.

	30 September 2025 RO'000s	30 September 2025 USD'000s	30 September 2024 RO'000s	30 September 2024 USD'000s
Net profit for the period	16,345	42,509	15,972	41,540
Weighted average number of shares outstanding during the period ('000s)	674,887	674,887	674,887	674,887
Basic earnings per share (Baizas / cents)	24.22	62.99	23.67	61.55

19. Comparative figures

Certain comparative figures have been reclassified where necessary to conform to the presentation adopted in these condensed interim financial statements.