

Sohar Power Company SAOG

Notes to the unaudited condensed financial statements 31 March 2026

Legal status and

1 activities

Sohar Power Company SAOG ("the Company") was initially registered as a closed joint stock company in the Sultanate of Oman on 17 July 2004. The Company was incorporated on 22 June 2004. The Company has been established to build and operate a 585 megawatt (MW) electricity generating station and 33 Million Imperial Gallon per day of water desalination plant at Sohar. The commercial operation date ("COD") has been determined to be 28 May 2007. The shareholders in the Extra-ordinary General Meeting held on 23 March 2008 resolved to convert the company from a closed joint stock company into a public joint stock company.

The Company's principal place of business is located at Sohar, Sultanate of Oman.

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 Oman Commercial Companies Law of 2019 ("CCL") and disclosure requirements of the Capital Market Authority of the Sultanate of Oman ("CMA"). 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 2025. 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 periods affected.

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 2025.

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3 Property, plant and equipment

(a) The movement in property, plant and equipment is as set out below:

31 March 2026	Buildings	Plant and machinery	Technical parts	Other assets	Decommissioning assets	Total S'000	Total USD'000
Cost							
1 January 2026	108	20,700	16	26	1,481	22,331	58,003
Additions during the period	-	-	-	-	-	-	-
At 31 March 2026	108	20,700	16	26	1,481	22,331	58,003
Accumulated depreciation							
1 January 2026	25	2,602	4	26	482	3,139	8,153
Charge for the period	3	548	-	-	6	557	1,447
At 31 March 2026	28	3,150	4	26	488	3,696	9,600
Net book amount							
At 31 March 2026	80	17,550	12	-	993	18,635	48,403

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3 Right-of-use assets and lease liability:

	31 March 2026 S'000	31 December 2025 S'000	31 March 2026 USD'000	31 December 2025 USD'000
Right-of-use assets				
At 1 January	1,142	1,273	2,965	3,305
Additions During the year/period	-	-	-	-
Depreciation Charges (note 15)	(33)	(131)	(86)	(340)
	<u>1,109</u>	<u>1,142</u>	<u>2,879</u>	<u>2,965</u>
Lease Liability				
At 1 January	1,248	1,351	3,242	3,509
Finance Charge	21	96	55	250
Payments During the year	(100)	(199)	(260)	(517)
	<u>1,169</u>	<u>1,248</u>	<u>3,037</u>	<u>3,242</u>
Current Portion	(199)	(199)	(517)	(517)
Non-current portion	<u>970</u>	<u>1,049</u>	<u>2,520</u>	<u>2,725</u>

4 Trade and other receivables

	31 March 2026 S'000	31 December 2025 S'000	31 March 2026 USD'000	31 December 2025 USD'000
Accrued Income	-	1,041	-	2,704
Insurance claim receivable	-	378	-	982
Trade receivables	1,581	-	4,106	-
Advances and prepayments	70	502	182	1,301
Other advances	92	154	239	394
	<u>1,743</u>	<u>2,075</u>	<u>4,527</u>	<u>5,381</u>

5 Cash and cash equivalents

	31 March 2026 S'000	31 December 2025 S'000	31 March 2026 USD'000	31 December 2025 USD'000
For the purposes of the statement of cash flows, cash and cash equivalents comprise the following:				
Current account balances with banks	<u>3,836</u>	<u>3,514</u>	<u>9,964</u>	<u>9,129</u>
	<u>3,836</u>	<u>3,514</u>	<u>9,964</u>	<u>9,129</u>

The current account balances with banks are non-interest bearing.

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6 Share capital

The authorised, issued and fully paid-up share capital of the Company as registered with the Ministry of Commerce and Industry is as follows:

	31 March 2026 ﷼'000	31 December 2025 ﷼'000	31 March 2026 USD'000	31 December 2025 USD'000
Authorised share capital of 600,000,000 shares of RO 0.100	60,000	60,000	156,000	156,000
Issued and fully paid-up share capital of 221,010,000 shares of RO 0.100	2,000	2,000	5,195	5,195

At the end of the period, shareholders who own 10% or more of the Company's share capital and the number of shares they hold are as follows:

Name of the shareholders	Percentage share holding 31 March 2026	Number of shares held 31 December 2025	Percentage share holding 31 March 2026	No of shares held 31 December 2025
Kahrabel FZE	35%	6,999,999	35%	6,999,999
MENA Sohar 1SPV LTD	20%	3,999,999	20%	3,999,999

7 Legal reserve

In accordance with the provisions of the Commercial Companies Law 2019, of the Sultanate of Oman, an amount equivalent to 10% of the Company's net profit before appropriations is required to be transferred to a non-distributable reserve until such time as a minimum of one-third of the issued and fully paid-up share capital is set aside. During the current period, 'NIL' transferred to the legal reserve. (2025 'NIL' .)

8 Long-term loans

	31 March 2026 ﷼'000	31 December 2025 ﷼'000	31 March 2026 USD'000	31 December 2025 USD'000
Junior Facility Loan	10,877	10,688	28,252	27,761
Senior Facility Loan	2,336	2,336	6,068	6,068
	13,213	13,024	34,320	33,829
Less: Current portion of long-term loans	(1,117)	(1,117)	(2,900)	(2,900)
Non-current portion of long-term loans	12,096	11,907	31,420	30,929

Syndicated facilities

The Company has syndicated long-term loan facilities ("syndicated facilities") in the aggregate maximum amount of approximately USD 455 million. HSBC Bank plc is the facility agent ("Facility Agent") for administration and monitoring of the overall loan facilities. HSBC Bank USA - National Association and Bank Muscat has respectively been appointed as the off-shore security trustee and on-shore security agent for the secured finance parties.

(a) Restructuring of financial liability

During the year, pursuant to EGM approval, the Company restructured its existing long-term loans. The previous loans, had an accumulated balance of RO 36,946 thousand (USD 95,963 thousand) as at 31 December 2024 and this includes accrued interest amounting to RO 4,297 thousand (USD 12,798 thousand) and these were restructured into two components: a Senior Loan of RO 4,762 thousand (USD 12,369 thousand) and a Junior Loan of RO 14,630 thousand (USD 38,000 thousand). This restructuring resulted in the extinguishment of the original financial liability and the recognition of new financial liability under revised terms agreed on 29 May 2025.

The company has restructured its outstanding debt with the lenders effective from 29 May 2025. The outstanding debt as of 30 September 2025 follows:

- a) Senior debt OMR 4.1 million (USD 10.7 million)
- b) Junior debt OMR 10.5 million (USD 27.2 million)
- c) Write off debt OMR 16.2 million (USD 42.0 million)

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9	Provision for decommissioning costs	31 March	31 December	31 March	31 December
		2026	2025	2026	2025
		<u>OMR'000</u>	<u>OMR'000</u>	<u>USD'000</u>	<u>USD'000</u>
	At the beginning of the year/period	3,124	2,276	8,114	5,913
	Unwinding of discount on decommissioning costs (Note 18)	23	144	60	374
	Provision made during the year	-	704	-	1,829
		<u>3,147</u>	<u>3,124</u>	<u>8,174</u>	<u>8,116</u>

10 Income tax

The Company is subject to income tax in accordance with the income tax law of the Sultanate of Oman at the tax rate of 15% on taxable profits.

11 Trade and other payables

	31 March	31 December	31 March	31 December
	2026	2025	2026	2025
	<u>OMR'000</u>	<u>OMR'000</u>	<u>USD'000</u>	<u>USD'000</u>
Trade payables	61	-	158	-
Value-Added Tax (VAT) payable	156	161	405	418
Accruals and other payables	1,261	813	3,291	2,119
	<u>1,478</u>	<u>974</u>	<u>3,854</u>	<u>2,537</u>

12 Related party transactions and balances

The Company, in the ordinary course of business, deals with parties, which fall within the definition of 'related parties' as contained in IAS 24. The management believes that such transactions are not materially different from those that could be obtained from unrelated parties.

Significant transactions during the period with related parties are as follows:	31 March	31 March	31 March	31 March
	2026	2025	2026	2025
	<u>OMR'000</u>	<u>OMR'000</u>	<u>USD'000</u>	<u>USD'000</u>
Services provided by Sohar Operations and Maintenance Co. LLC (SOMC)	468	377	1,216	979
Services provided by Power Management Co. LLC				
- Management fees	3	3	8	8
- Other administrative expenses	4	5	10	13
Key management remuneration	80	76	208	197
Directors' meeting attendance fees	6	5	16	13
SOGEX Oman LLC	8	8	21	21

A summary of the related party balances as at 31 March 2026 is as follows:

Amounts due to a related party	31 March	31 December	31 March	31 December
	2026	2025	2026	2025
	<u>OMR'000</u>	<u>OMR'000</u>	<u>USD'000</u>	<u>USD'000</u>
Sohar Operations and Maintenance Co. LLC	160	1,455	415	3,779
	<u>160</u>	<u>1,455</u>	<u>415</u>	<u>3,779</u>

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13 Revenue	31 March	31 March	31 March	31 March
	2026	2025	2026	2025
	'000	'000	USD'000	USD'000
Power Revenue	4,051	-	10,523	-
Commissioning Charges	-	1,856	-	4,821
	<u>4,051</u>	<u>1,856</u>	<u>10,523</u>	<u>4,821</u>
	<u><u>4,051</u></u>	<u><u>1,856</u></u>	<u><u>10,523</u></u>	<u><u>4,821</u></u>
14 Cost of revenue	31 March	31 March	31 March	31 March
	2026	2025	2026	2025
	'000	'000	USD'000	USD'000
Fuel gas	2,933	93	7,617	242
Operations and maintenance costs	468	377	1,216	979
Depreciation	558	558	1,449	1,449
Depreciation relating to right-of-use assets (Note 3)	33	3	86	8
Seawater extraction	26	27	68	70
Repairs and maintenance	-	-	-	-
Other operating expenses	326	238	847	617
	<u>4,344</u>	<u>1,296</u>	<u>11,283</u>	<u>3,365</u>
	<u><u>4,344</u></u>	<u><u>1,296</u></u>	<u><u>11,283</u></u>	<u><u>3,365</u></u>
15 Other income	31 March	31 March	31 March	31 March
	2026	2025	2026	2025
	'000	'000	USD'000	USD'000
Insurance Proceedings	657	-	1,706	-
	<u>657</u>	<u>-</u>	<u>1,706</u>	<u>-</u>
	<u><u>657</u></u>	<u><u>-</u></u>	<u><u>1,706</u></u>	<u><u>-</u></u>
16 General and administrative expenses	31 March	31 March	31 March	31 March
	2026	2025	2026	2025
	'000	'000	USD'000	USD'000
Management fees	3	3	8	8
Directors' meeting attendance fees and remuneration	6	5	16	13
Legal and professional fees	6	11	16	29
Staff costs	8	13	21	34
Other administrative expenses	95	80	247	208
	<u>118</u>	<u>112</u>	<u>308</u>	<u>292</u>
	<u><u>118</u></u>	<u><u>112</u></u>	<u><u>308</u></u>	<u><u>292</u></u>

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	31 March 2026 S'000	31 March 2025 S'000	31 March 2026 USD'000	31 March 2025 USD'000
17 Finance costs				
Interest on base facility	-	526	-	1,366
Interest on Senior facility	38	-	99	-
Fair Value Charges Junior Loan	189	-	491	-
Amortisation of deferred financing costs	-	2	-	5
Interest expense on lease liability	3	-	8	-
Other financial charges	7	16	18	43
Unwinding of discount on decommissioning costs (note 10)	23	36	60	94
	<u>260</u>	<u>580</u>	<u>676</u>	<u>1,508</u>

18 Net assets per share

Net assets per share is calculated by dividing the shareholders' funds by the number of shares at the end of the period.

	31 March 2026 S'000	31 December 2025 S'000	31 March 2026 USD'000	31 December 2025 USD'000
Shareholders' funds (in '000)	3,213	3,227	8,329	8,367
Number of issued and fully paid-up shares at the end of the period (in '000)	<u>20,000</u>	<u>20,000</u>	<u>20,000</u>	<u>20,000</u>
Net assets per share (RO/USD)	<u>0.161</u>	<u>0.161</u>	<u>0.418</u>	<u>0.418</u>

19 Basic and diluted earnings per share

Basic earnings per share is calculated by dividing the net profit for the year with the weighted average number of shares issued during the period.

	31 March 2026 S'000	31 March 2025 S'000	31 March 2026 USD'000	31 March 2025 USD'000
Net profit/(loss) for the period (in '000)	<u>(14)</u>	<u>(132)</u>	<u>(38)</u>	<u>(344)</u>
Weighted average number of shares at the end of the period (in '000)	<u>20,000</u>	<u>20,000</u>	<u>20,000</u>	<u>20,000</u>
Basic and diluted earnings per share (RO/USD)	<u>(0.001)</u>	<u>(0.007)</u>	<u>(0.003)</u>	<u>(0.018)</u>

19 Comparative Figures

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