

Notes to the unaudited condensed interim financial statements

1 Legal status and principal activities

Al Suwadi 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 Barka 3 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. Accordingly, the Plant is considered and managed as one reportable segment. Commercial Operation of the Plant was achieved by the Company on 4 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 the 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 June 2025 RO'000s	30 June 2025 USD'000s	30 June 2024 RO'000s	30 June 2024 USD'000s
3. Direct costs				
Fuel gas	24,141	62,785	22,976	59,755
Depreciation on property, plant and equipment (note 6)	4,010	10,431	4,009	10,427
Operation and maintenance ("O&M") fees (note 14)	3,891	10,121	3,829	9,959
Insurance	274	713	325	845
Depreciation on right of use assets (note 7)	73	189	73	189
Grid connection fee	7	19	7	19
Fuel oil	36	93	29	75
Other O&M expenses	96	248	93	243
	32,528	84,599	31,341	81,512
4. General and administrative expenses				
Public company related costs	79	205	79	206
Secondment fees (note 14)	147	383	149	388
Employment costs	84	217	85	221
Agency fees	30	77	29	76
Directors' sitting fees (note 14)	10	27	11	28
Office rent	9	25	10	25
Corporate social responsibility	12	30	17	45
Depreciation on property, plant and equipment (note 6)	2	4	1	2
Other general and administrative expenses	115	300	71	183
	488	1,268	452	1,174
5 (a) Finance costs				
Interest on term loans and swap interests	1,760	4,578	2,268	5,899
Amortisation of deferred finance costs	203	529	282	734
Exchange loss	68	176	12	31
Interest on short term borrowings	55	142	19	49
Debt Service Reserve Account ("DSRA") LC cost (note 14)	68	176	71	184
Interest on lease liabilities	16	43	22	56
Asset retirement obligation - unwinding of discount	11	29	10	27
	2,181	5,673	2,684	6,980
5 (b) Finance income				
Interest income	8	21	52	134
	8	21	52	134

INTERIM CONDENSED STATEMENT OF FINANCIAL STATEMENT WERE APPROVED BY THE BOARD OF DIRECTORS ON 23 07 2025

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	318,482	1,728	103	6	320,319
Addition during the period	72	5	-	94	171
Disposal during the period	-	(2)	-	-	(2)
Transfer	90	-	-	(90)	0
30 June 2025	<u>318,644</u>	<u>1,731</u>	<u>103</u>	<u>10</u>	<u>320,488</u>
Depreciation					
1 January 2025	93,925	761	98	-	94,784
Charge during the period	3,975	35	2	-	4,012
Disposal during the period	-	(1)	-	-	(1)
30 June 2025	<u>97,900</u>	<u>795</u>	<u>100</u>	<u>-</u>	<u>98,795</u>
Carrying amount					
30 June 2025	<u>220,744</u>	<u>936</u>	<u>3</u>	<u>10</u>	<u>221,693</u>
31 December 2024	<u>224,557</u>	<u>967</u>	<u>5</u>	<u>6</u>	<u>225,535</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	828,301	4,496	267	16	833,080
Addition during the period	187	12	-	245	444
Disposal during the period	-	(4)	-	-	(4)
Transfer	234	-	-	(234)	0
30 June 2025	<u>828,722</u>	<u>4,504</u>	<u>267</u>	<u>27</u>	<u>833,520</u>
Depreciation					
1 January 2025	244,277	1,977	258	-	246,512
Charge during the period	10,339	92	4	-	10,435
Disposal during the period	-	(2)	-	-	(2)
30 June 2025	<u>254,616</u>	<u>2,067</u>	<u>262</u>	<u>-</u>	<u>256,945</u>
Carrying amount					
30 June 2025	<u>574,106</u>	<u>2,437</u>	<u>5</u>	<u>27</u>	<u>576,575</u>
31 December 2024	<u>584,024</u>	<u>2,519</u>	<u>9</u>	<u>16</u>	<u>586,568</u>

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

The Company's plant is constructed on land leased from the Ministry of Housing (note 7). The Company has leased out the entire property, plant and equipment under operating lease.

INTERIM CONDENSED STATEMENT OF FINANCIAL STATEMENT WERE APPROVED BY THE BOARD OF DIRECTORS ON 23 07 2025

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

	Connection Equipment RO'000s	Site Rent RO'000s	Total RO'000s
Cost			
1 January 2025	1,100	274	1,374
Addition during the period	-	-	-
30 June 2025	<u>1,100</u>	<u>274</u>	<u>1,374</u>
Depreciation			
1 January 2025	823	48	871
Charge during the period	69	4	73
30 June 2025	<u>892</u>	<u>52</u>	<u>944</u>
Carrying amount			
30 June 2025	<u>208</u>	<u>222</u>	<u>430</u>
31 December 2024	<u>277</u>	<u>226</u>	<u>503</u>
	Connection Equipment USD'000s	Site Rent USD'000s	Total USD'000s
Cost			
1 January 2025	2,861	713	3,574
Addition during the period	-	-	-
30 June 2025	<u>2,861</u>	<u>713</u>	<u>3,574</u>
Depreciation			
1 January 2025	2,147	123	2,270
Charge during the period	179	10	189
30 June 2025	<u>2,326</u>	<u>133</u>	<u>2,459</u>
Carrying amount			
30 June 2025	<u>535</u>	<u>580</u>	<u>1,115</u>
31 December 2024	<u>714</u>	<u>590</u>	<u>1,304</u>

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 term.

Notes to the unaudited condensed interim financial statements

	30 June 2025 RO'000s	30 June 2025 USD'000s	Audited 31 December 2024 RO'000s	Audited 31 December 2024 USD'000s
8. Trade and other receivables				
Trade receivables	10,604	27,580	4,220	10,975
Other receivables	1,218	3,169	1,445	3,760
Prepayments	34	89	334	868
Due from a related party (note 14)	6	16	-	-
Accrued income	14	38	565	1,469
	11,876	30,892	6,564	17,072

	30 June 2025 RO'000s	30 June 2025 USD'000s	Audited 31 December 2024 RO'000s	Audited 31 December 2024 USD'000s
9. Cash and cash equivalents				
Cash in hand	1	1	1	2
Cash at bank	7,707	20,044	2,618	6,809
Short term deposit (less than 3 months)	1,365	3,550	-	-
	9,073	23,595	2,619	6,811

10. Lease liabilities

Lease liabilities included in the statement of financial position as:

Current lease liabilities	169	440	164	426
Non-current lease liabilities	421	1,094	499	1,299
	590	1,534	663	1,725

	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 June 2025				
Within one year	197	169	512	440
In 2 to 5 years	249	193	648	500
More than 5 years	400	228	1,040	594
Lease liabilities	846	590	2,200	1,534

The Company has leased land for plant premises and lease term includes the renewal terms. The Company is restricted from assigning and subleasing the leased assets.

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 June 2025				
Kahrabel FZE	UAE	213,607,492	29.90%	21,361
Middle East Investment LLC	Omani	102,160,110	14.30%	10,216
Social Protection Fund	Omani	71,095,891	9.95%	7,110
Sojitz Global Investment B.V.	Netherlands	51,080,055	7.15%	5,108
SEP International Netherlands B.V.	Netherlands	51,080,055	7.15%	5,108
Shareholders with less than 5% shareholding		225,382,737	31.55%	22,538
		<u>714,406,340</u>	<u>100.00%</u>	<u>71,441</u>
Nominal value in USD '000				<u>185,801</u>
31 December 2024				
Kahrabel FZE	UAE	213,607,492	29.90%	21,361
Middle East Investment LLC	Omani	102,160,110	14.30%	10,216
Social Protection Fund	Omani	71,095,891	9.95%	7,110
Sojitz Global Investment B.V.	Netherlands	51,080,055	7.15%	5,108
SEP International Netherlands B.V.	Netherlands	51,080,055	7.15%	5,108
Shareholders with less than 5% shareholding		225,382,737	31.55%	22,538
		<u>714,406,340</u>	<u>100.00%</u>	<u>71,441</u>
Nominal value in USD '000				<u>185,801</u>

The Company has authorized, issued and paid-up share capital of RO 71,440,634 consisting of 714,406,340 shares of RO 0.1 each (31 December 2024: RO 71,440,634 consisting of 714,406,340 shares of

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 profit, after deduction of taxes for establishing a legal reserve until such legal reserve amounts to at least 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 June 2025 RO'000s	30 June 2025 USD'000s	Audited 31 December 2024 RO'000s	Audited 31 December 2024 USD'000s
12. Term loans				
Term loans	59,560	154,902	61,883	160,945
Less: current portion of term loan	(19,380)	(50,403)	(18,998)	(49,410)
Non-current portion of term loan	40,180	104,499	42,885	111,535
Less: unamortised deferred finance cost	(384)	(998)	(587)	(1,527)
	39,796	103,501	42,298	110,008

On 16 September 2010, the Company entered into a 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 June 2025 and 31 December 2024, the outstanding amounts were as follows:

Commercial Facility	38,738	100,749	39,056	101,577
Hermes Covered Variable Facility	7,708	20,046	8,450	21,977
KEXIM Direct Facility	5,493	14,286	6,022	15,662
Hermes Covered Fixed Facility	4,743	12,336	5,200	13,524
KEXIM Covered Facility	2,878	7,485	3,155	8,205
	59,560	154,902	61,883	160,945

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	8,912	23,177	5,441	14,152
Due to related parties (note 14)	1,335	3,468	1,100	2,862
Accrued finance cost	610	1,586	636	1,655
Other payables and accruals	1,349	3,510	1,045	2,711
	12,206	31,741	8,222	21,380

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 six month period ended are as follows:

	30 June 2025 RO'000s	30 June 2025 USD'000s	30 June 2024 RO'000s	30 June 2024 USD'000s
Key management benefits	147	383	149	388

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

	30 June 2025 RO'000s	30 June 2025 USD'000s	30 June 2024 RO'000s	30 June 2024 USD'000s
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Group companies and other related parties

Suez-Tractebel Operation & Maintenance Oman LLC	4,180	10,872	4,038	10,501
Al Batinah Power Company SAOG	109	284	101	263
Kahrabel Operations & Maintenance (Oman) LLC	85	221	84	221
International Power SA Dubai Branch	73	189	17	45

Entities exercising significant influence over the Company:

Middle East Investment LLC	82	213	83	217
ENGIE SA	32	81	33	85
Social Protection Fund *	8	20	8	20
Sojitz Corporation	7	19	8	20
Shikoku Electric Power Co., Inc.	7	19	8	20

Board of Directors - Sitting fees and remuneration:

Directors'	10	27	11	28
	4,593	11,945	4,391	11,420

The nature of the above transactions is as follows:

Operation and maintenance ("O&M") fees (note 3)	3,891	10,121	3,829	9,959
Value added tax (VAT)	189	491	183	474
Secondment fees (note 4)	147	383	149	388
Sharing of costs	104	271	94	246
Other O&M expenses	53	138	26	67
Backcharge and other expenses	56	143	-	1
DSRA LC cost [note 5(a)]	68	176	71	184
Professional fees	73	189	17	45
Directors' sitting fees (note 4)	10	27	11	28
Plant, capital spares and technical spares	2	6	11	28
	4,593	11,945	4,391	11,420

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

	30 June 2025 RO'000s	30 June 2025 USD'000s	Audited 31 December 2024 RO'000s	Audited 31 December 2024 USD'000s
Balances due from a related party:				
Al Batinah Power Company SAOG	6	16	-	-
	<u>6</u>	<u>16</u>	<u>-</u>	<u>-</u>

Balances due to related parties comprised:

Group companies and other related parties

Suez-Tractebel Operation & Maintenance Oman LLC	1,205	3,134	998	2,595
Kahrabel Operations & Maintenance (Oman) LLC	29	74	30	79
International Power SA Dubai Branch	37	97	-	-
Al Batinah Power Company SAOG	-	-	12	31

Entities exercising significant influence over the Company:

Middle East Investment LLC	24	61	13	34
ENGIE SA	22	56	5	13
Shikoku Electric Power Co., Inc.	5	13	1	3
Sojitz Corporation	5	13	1	3
Social Protection Fund *	5	12	16	41

Board of Directors - Sitting fees and remuneration:

Directors'	3	8	24	63
	<u>1,335</u>	<u>3,468</u>	<u>1,100</u>	<u>2,862</u>

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

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

- 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 six month period ended 30 June 2025.
- The Company has placed purchase orders for RO 1,059,027 (USD 2,754,296) which are outstanding as at 30 June 2025 [RO 772,346 (USD 2,008,702) 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

	30 June 2025 RO'000s	30 June 2025 USD'000s	Audited 31 December 2024 RO'000s	Audited 31 December 2024 USD'000s
Net assets - shareholder funds	142,223	369,889	135,586	352,627
Weighted average number of shares outstanding during the period/year ('000s)	714,406	714,406	714,406	714,406
Net asset per share (Baizas / cents) - adjusted	199.08	517.76	189.79	493.59

The management believes that the hedging surplus of RO 0.074 million (USD 0.196 million) as at 30 June 2025 [RO 0.53 million (USD 1.37 million) 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 June 2025 RO'000s	30 June 2025 USD'000s	30 June 2024 RO'000s	30 June 2024 USD'000s
Net profit for the period	8,066	20,978	7,704	20,037
Weighted average number of shares outstanding during the period ('000s)	714,406	714,406	714,406	714,406
Basic earnings per share (Baizas / cents)	11.29	29.36	10.78	28.05

19. Comparative figures

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