

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 September 2025 RO'000s	30 September 2025 USD'000s	30 September 2024 RO'000s	30 September 2024 USD'000s
3. Direct costs				
Fuel gas	37,227	96,817	35,798	93,104
Depreciation on property, plant and equipment (note 6)	6,017	15,650	6,014	15,640
Operation and maintenance ("O&M") fees (note 14)	5,906	15,361	5,857	15,232
Insurance	395	1,028	465	1,209
Depreciation on right of use assets (note 7)	109	283	109	284
Fuel oil	41	106	29	75
Custom duties (note 14)	16	41	203	527
Grid connection fee	11	28	10	28
Other O&M expenses	180	468	136	353
	49,902	129,782	48,621	126,452
4. General and administrative expenses				
Secondment fees (note 14)	221	575	220	572
Employment costs	120	311	125	325
Public company related costs	79	206	82	212
Agency fees	45	116	44	115
Directors' sitting fees (note 14)	20	51	15	39
Office rent	14	37	14	37
Corporate social responsibility	12	31	25	64
Depreciation on property, plant and equipment (note 6)	2	6	1	4
Other general and administrative expenses	266	693	92	240
	779	2,026	618	1,608
5 (a) Finance costs				
Interest on term loans and swap interests	2,643	6,875	3,396	8,833
Amortisation of deferred finance costs	302	785	421	1,094
Debt Service Reserve Account ("DSRA") LC cost (note 14)	139	361	144	376
Exchange loss	77	201	38	98
Interest on short term borrowings	56	145	19	49
Interest on lease liabilities	25	64	32	84
Asset retirement obligation - unwinding of discount	17	44	16	41
	3,259	8,475	4,066	10,575
5 (b) Finance income				
Interest income	78	202	165	429
	78	202	165	429

INTERIM CONDENSED STATEMENT OF FINANCIAL STATEMENT WERE APPROVED BY THE BOARD OF DIRECTORS ON 29 10 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	0	94	171
Disposal during the period	-	(2)	-	-	(2)
Transfer	90	-	-	(90)	0
30 September 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	5,964	53	2	-	6,019
Disposal during the period	-	(1)	-	-	(1)
30 September 2025	<u>99,889</u>	<u>813</u>	<u>100</u>	<u>-</u>	<u>100,802</u>
Carrying amount					
30 September 2025	<u>218,755</u>	<u>918</u>	<u>3</u>	<u>10</u>	<u>219,686</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	1	245	445
Disposal during the period	-	(4)	-	-	(4)
Transfer	234	-	-	(234)	0
30 September 2025	<u>828,722</u>	<u>4,504</u>	<u>268</u>	<u>27</u>	<u>833,521</u>
Depreciation					
1 January 2025	244,277	1,977	258	-	246,512
Charge during the period	15,511	139	6	-	15,656
Disposal during the period	-	(2)	-	-	(2)
30 September 2025	<u>259,788</u>	<u>2,114</u>	<u>264</u>	<u>-</u>	<u>262,166</u>
Carrying amount					
30 September 2025	<u>568,934</u>	<u>2,390</u>	<u>4</u>	<u>27</u>	<u>571,355</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 29 10 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 September 2025	<u>1,100</u>	<u>274</u>	<u>1,374</u>
Depreciation			
1 January 2025	823	48	871
Charge during the period	103	6	109
30 September 2025	<u>926</u>	<u>54</u>	<u>980</u>
Carrying amount			
30 September 2025	<u>174</u>	<u>220</u>	<u>394</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 September 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	268	15	283
30 September 2025	<u>2,415</u>	<u>138</u>	<u>2,553</u>
Carrying amount			
30 September 2025	<u>446</u>	<u>575</u>	<u>1,021</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 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	8,748	22,750	4,220	10,975
Other receivables	1,461	3,799	1,445	3,760
Prepayments	320	833	334	868
Accrued income	(0)	(0)	565	1,469
	10,529	27,382	6,564	17,072

	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				
Cash in hand	1	1	1	2
Cash at bank	4,971	12,928	2,618	6,809
Short term deposit (less than 3 months)	14,672	38,160	-	-
	19,644	51,089	2,619	6,811

10. Lease liabilities

Lease liabilities included in the statement of financial position as:

Current lease liabilities	172	447	164	426
Non-current lease liabilities	319	831	499	1,299
	491	1,278	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 September 2025				
Within one year	197	172	511	447
In 2 to 5 years	159	105	414	274
More than 5 years	382	214	995	557
Lease liabilities	738	491	1,920	1,278

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 September 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 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	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	(285)	(741)	(587)	(1,527)
	39,895	103,758	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 September 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	8,679	22,572	5,441	14,152
Due to related parties (note 14)	1,191	3,099	1,100	2,862
Accrued finance cost	640	1,663	636	1,655
Other payables and accruals	1,570	4,080	1,045	2,711
	12,080	31,414	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 nine month period ended are as follows:

	30 September 2025	30 September 2025	30 September 2024	30 September 2024
	RO'000s	USD'000s	RO'000s	USD'000s
Key management benefits	221	575	220	572

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

	30 September 2025	30 September 2025	30 September 2024	30 September 2024
	RO'000s	USD'000s	RO'000s	USD'000s

Group companies and other related parties

Suez-Tractebel Operation & Maintenance Oman LLC	6,395	16,631	6,384	16,604
International Power SA Dubai Branch	169	439	26	67
Al Batinah Power Company SAOG	145	378	150	389
Kahrabel Operations & Maintenance (Oman) LLC	128	332	126	328

Entities exercising significant influence over the Company:

Middle East Investment LLC	131	341	132	343
ENGIE SA	64	166	66	173
Social Protection Fund	15	38	15	40
Sojitz Corporation	15	40	16	41
Shikoku Electric Power Co., Inc.	15	40	16	41

Board of Directors - Sitting fees and remuneration:

Directors'	20	51	15	39
	7,097	18,456	6,946	18,065

The nature of the above transactions is as follows:

Operation and maintenance ("O&M") fees (note 3)	5,906	15,361	5,857	15,232
Value added tax (VAT)	311	809	291	757
Secondment fees (note 4)	221	575	220	572
Professional fees	169	439	26	67
Sharing of costs	139	360	141	366
DSRA LC cost [note 5(a)]	139	361	144	376
Other O&M expenses	123	320	42	111
Backcharge and other expenses	51	133	7	18
Directors' sitting fees (note 4)	20	51	15	39
Custom duties (note 3)	16	41	203	527
Plant, capital spares and technical spares	2	6	-	-
	7,097	18,456	6,946	18,065

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
Balances due to related parties comprised:				
Group companies and other related parties				
Suez-Tractebel Operation & Maintenance Oman LLC	880	2,288	998	2,595
International Power SA Dubai Branch	133	347	-	-
Kahrabel Operations & Maintenance (Oman) LLC	26	68	30	79
Al Batinah Power Company SAOG	11	28	12	31
Entities exercising significant influence over the Company:				
ENGIE SA	54	141	5	13
Middle East Investment LLC	40	105	13	34
Shikoku Electric Power Co., Inc.	13	34	1	3
Sojitz Corporation	13	34	1	3
Social Protection Fund	12	30	16	41
Board of Directors - Sitting fees and remuneration:				
Directors'	9	24	24	63
	1,191	3,099	1,100	2,862

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 1,270,469 (USD 3,304,212) which are outstanding as at 30 September 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 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	151,598	394,272	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	212.20	551.89	189.79	493.59

The management believes that the hedging deficit of RO 0.084 million (USD 0.217 million) as at 30 September 2025 [RO 0.53 million (USD 1.37 million) hedging deficit as at 31 December 2024] represents the loss 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 deficit 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	17,441	45,361	16,701	43,437
Weighted average number of shares outstanding during the period ('000s)	714,406	714,406	714,406	714,406
Basic earnings per share (Baizas / cents)	24.41	63.49	23.38	60.80

19. Comparative figures

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