

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 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.

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 2025.

(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 2025.

Notes to the unaudited condensed interim financial statements

	31 March 2026 S'000s	31 March 2026 USD'000s	31 March 2025 S'000s	31 March 2025 USD'000s
3. Direct costs				
Fuel gas	10,491	27,286	10,950	28,478
Depreciation on property, plant and equipment (note 7)	2,006	5,217	2,005	5,214
Operation and maintenance ("O&M") fees (note 15)	1,902	4,947	1,873	4,872
Insurance	121	316	140	364
Fuel oil	37	95	-	-
Depreciation on right of use assets (note 8)	36	95	36	95
Grid connection fee	3	8	4	10
Other O&M expenses	686	1,784	68	176
	15,282	39,748	15,076	39,209
4. General and administrative expenses				
Public company related costs	80	208	78	205
Secondment fees (note 15)	74	192	71	184
Employment costs	33	87	41	106
Corporate social responsibility	17	44	2	5
Agency fees	15	39	15	38
Directors' sitting fees (note 15)	5	14	5	14
Office rent	5	12	5	12
Depreciation on property, plant and equipment (note 7)	1	3	1	2
Other general and administrative expenses	37	92	29	77
	267	691	247	643
5 (a) Finance costs				
Interest on term loans and swap interests	633	1,648	879	2,287
Amortisation of deferred finance costs	63	164	104	272
Debt Service Reserve Account ("DSRA") LC cost (note 15)	15	39	16	41
Interest on short term borrowings	13	35	18	46
Asset retirement obligation - unwinding of discount	6	16	6	14
Interest on lease liabilities	6	14	8	21
Exchange loss (gain)	(14)	(38)	24	62
	722	1,878	1,055	2,743
5 (b) Finance income				
Interest income	3	7	3	8
	3	7	3	8
6 Taxation				
Current tax expense	(808)	(2,101)	(743)	(1,933)
Deferred tax expense relating to temporary differences	81	211	45	116
Deferred tax credit relating to impairment	4,465	11,612	-	-
	3,738	9,722	(698)	(1,817)

INTERIM CONDENSED STATEMENT OF FINANCIAL STATEMENT WERE APPROVED BY THE BOARD OF DIRECTORS ON 29 04 2026

Notes to the unaudited condensed interim financial statements

7. Property, plant and equipment

	Property, plant and equipment S'000s	Technical Spares S'000s	Other assets S'000s	Capital Work-in- progress S'000s	Total S'000s
Cost					
1 January 2026	318,644	1,731	102	14	320,491
Addition during the period	-	10	27	(14)	23
Disposal during the period	-	-	-	-	-
Impairment during the period	(29,765)	-	-	-	(29,765)
31 March 2026	<u>288,879</u>	<u>1,741</u>	<u>129</u>	<u>(0)</u>	<u>290,749</u>
Depreciation					
1 January 2026	101,878	831	99	-	102,808
Charge during the period	1,989	17	1	-	2,007
Disposal during the period	-	-	-	-	-
31 March 2026	<u>103,867</u>	<u>848</u>	<u>100</u>	<u>-</u>	<u>104,815</u>
Carrying amount					
31 March 2026	<u>185,012</u>	<u>893</u>	<u>29</u>	<u>(0)</u>	<u>185,934</u>
31 December 2025	<u>216,766</u>	<u>900</u>	<u>3</u>	<u>14</u>	<u>217,683</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 2026	828,722	4,504	265	37	833,528
Addition during the period	-	26	71	(37)	60
Disposal during the period	-	-	-	-	-
Impairment during the period	(77,412)	-	-	-	(77,412)
31 March 2026	<u>751,310</u>	<u>4,530</u>	<u>336</u>	<u>0</u>	<u>756,176</u>
Depreciation					
1 January 2026	264,960	2,159	260	-	267,379
Charge during the period	5,172	45	3	-	5,220
Disposal during the period	-	-	-	-	-
31 March 2026	<u>270,132</u>	<u>2,204</u>	<u>263</u>	<u>-</u>	<u>272,599</u>
Carrying amount					
31 March 2026	<u>481,178</u>	<u>2,326</u>	<u>73</u>	<u>0</u>	<u>483,577</u>
31 December 2025	<u>563,762</u>	<u>2,345</u>	<u>5</u>	<u>37</u>	<u>566,149</u>

The term loan facilities are secured by comprehensive legal and commercial mortgages on all the assets of the Company (note 13).

The Company's plant is constructed on land leased from the Ministry of Housing (note 8). 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 04 2026

Notes to the unaudited condensed interim financial statements**7. Property, plant and equipment (*continued*)**

The Company assesses at each reporting date whether there are indicators that its non-financial assets may be impaired in accordance with IAS 36 Impairment of Assets. Where such indicators exist, the recoverable amount of the asset or cash-generating unit ("CGU") is estimated.

The recoverable amount of the CGU is the higher of its value in use ("VIU") and fair value less costs of disposal. For the current period, the recoverable amount has been determined based on value-in-use calculations. This requires the Company to estimate the future cash flows expected to be derived from the CGU and to apply an appropriate discount rate to determine their present value. The CGU represents the Company's power generation assets, comprising property, plant and equipment.

The value-in-use calculations are based on post-tax cash flow projections derived from financial budgets approved by management and are adjusted for expected inflation.

On 7 April 2026, the Company signed a new Power Purchase Agreement ("PPA") with Nama Power and Water Procurement Company (PWP). The new Power Purchase Agreement ("PPA"), will commence on 1 April 2028 upon expiry of the existing PPA and will remain in force for a period of 15 years until 31 March 2043, with new commercial terms. The signing of the new PPA provides greater certainty over future cash flows and has been incorporated into the impairment assessment.

Based on the revised cash flow projections reflecting the terms of the new PPA, the Company determined the recoverable amount (value in use) of the CGU to be USD 467 million, which is lower than its carrying amount by USD 77.41 million. Accordingly, an impairment loss of USD 77.41 million has been recognised in the condensed interim financial statements for the period ended 31 March 2026.

In addition, a deferred tax credit of USD 11.61 million has been recognised in relation to the impairment loss.

Assumptions used in the assessment are as follows:

- (i) Cashflow forecasted till 2053;
- (ii) Growth rate of 1.5% for costs and indexation in revenue from 2031; &
- (iii) Discount rate of 7.8%

Notes to the unaudited condensed interim financial statements

8. Right-of-use assets

	Connection Equipment S'000s	Site Rent S'000s	Total S'000s
Cost			
1 January 2026	1,100	274	1,374
Addition during the period	-	-	-
31 March 2026	1,100	274	1,374
Depreciation			
1 January 2026	960	56	1,016
Charge during the period	34	2	36
31 March 2026	994	58	1,052
Carrying amount			
31 March 2026	106	216	322
31 December 2025	140	218	358
	Connection Equipment USD'000s	Site Rent USD'000s	Total USD'000s
Cost			
1 January 2026	2,861	713	3,574
Addition during the period	-	-	-
31 March 2026	2,861	713	3,574
Depreciation			
1 January 2026	2,505	143	2,648
Charge during the period	90	5	95
31 March 2026	2,595	148	2,743
Carrying amount			
31 March 2026	266	565	831
31 December 2025	356	570	926

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

	31 March 2026 ﷼'000s	31 March 2026 USD'000s	Audited 31 December 2025 ﷼'000s	Audited 31 December 2025 USD'000s
9. Trade and other receivables				
Trade receivables	6,315	16,423	4,597	11,956
Other receivables	1,717	4,465	1,538	3,999
Prepayments	110	285	314	816
Accrued income	-	-	14	38
	8,142	21,173	6,463	16,809

	31 March 2026 ﷼'000s	31 March 2026 USD'000s	Audited 31 December 2025 ﷼'000s	Audited 31 December 2025 USD'000s
10. Cash and cash equivalents				
Cash in hand	1	3	-	1
Cash at bank	3,318	8,630	2,764	7,189
	3,319	8,633	2,764	7,190

11. Lease liabilities

Lease liabilities included in the statement of financial position as:

Current lease liabilities	177	460	175	454
Non-current lease liabilities	238	620	325	845
	415	1,080	500	1,299

	Contractual Undiscounted Cash flows ﷼'000s	Present value of lease payments ﷼'000s	Contractual Undiscounted Cash flows USD'000s	Present value of lease payments USD'000s
31 March 2026				
Within one year	197	177	511	460
In 2 to 5 years	70	18	181	47
More than 5 years	382	220	995	573
Lease liabilities	649	415	1,687	1,080

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**12. 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 S '000
31 March 2026				
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 2025				
Kahrabel FZE		213,607,492	29.90%	21,361
Middle East Investment LLC		102,160,110	14.30%	10,216
Social Protection Fund		71,095,891	9.95%	7,110
Sojitz Global Investment B.V.		51,080,055	7.15%	5,108
SEP International Netherlands B.V.		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 S 71,440,634 consisting of 714,406,340 shares of S 0.1 each (31 December 2025: S 71,440,634 consisting of 714,406,340 shares of S 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 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

	31 March 2026 S'000s	31 March 2026 USD'000s	Audited 31 December 2025 S'000s	Audited 31 December 2025 USD'000s
13. Term loans				
Term loans	42,886	111,535	42,886	111,535
Less: current portion of term loan	(19,793)	(51,476)	(19,793)	(51,476)
Non-current portion of term loan	23,093	60,059	23,093	60,059
Less: unamortised deferred finance cost	(159) 	(414)	(222) 	(578)
	<u>22,934</u>	<u>59,645</u>	<u>22,871</u>	<u>59,481</u>

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 31 March 2026 and 31 December 2025, the outstanding amounts were as follows:

Commercial Facility	33,892	88,146	33,892	88,146
Hermes Covered Variable Facility	3,329	8,658	3,329	8,658
KEXIM Direct Facility	2,373	6,170	2,373	6,170
Hermes Covered Fixed Facility	2,049	5,328	2,049	5,328
KEXIM Covered Facility	1,243	3,233	1,243	3,233
	<u>42,886</u>	<u>111,535</u>	<u>42,886</u>	<u>111,535</u>

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.

14. Trade and other payables

Fuel gas payable and accrual	7,758	20,176	7,061	18,365
Due to related parties (note 15)	1,563	4,065	1,217	3,165
Accrued finance cost	463	1,204	463	1,204
Other payables and accruals	815	2,124	1,116	2,905
	<u>10,599</u>	<u>27,569</u>	<u>9,857</u>	<u>25,639</u>

15. 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**15. 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 three month period ended are as follows:

	31 March 2026	31 March 2026	31 March 2025	31 March 2025
	₭'000s	USD'000s	₭'000s	USD'000s
Key management benefits	74	192	71	184

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

	31 March 2026	31 March 2026	31 March 2025	31 March 2025
	₭'000s	USD'000s	₭'000s	USD'000s

The nature of the above transactions is as follows:

Entities controlled by the group having significant influence

Operation and maintenance ("O&M") fees (note 3)	1,902	4,947	1,873	4,872
Secondment fees (note 4)	40	105	39	100
Other O&M expenses	381	992	39	102
Backcharge and other expenses	5	13	0	1
DSRA LC cost [note 5(a)]	7	18	7	19
Professional fees	6	16	8	21
Plant, capital spares and technical spares	-	-	2	6
Others	82	212	108	280

Other related parties

Sharing of costs	44	114	63	164
Secondment fees (note 4)	34	87	32	84
DSRA LC cost [note 5(a)]	8	21	9	22
Others	1	3	3	8

Directors' remuneration and sitting fees (note 4)

	5	14	5	14
	2,515	6,542	2,188	5,693

Notes to the unaudited condensed interim financial statements**15. Related party transactions (continued)**

	31 March 2026 ﷼'000s	31 March 2026 USD'000s	Audited 31 December 2025 ﷼'000s	Audited 31 December 2025 USD'000s
Balances due to related parties comprised:				
Entities controlled by the group having significant influence	1,356	3,527	996	2,590
Other related parties	191	497	192	500
	1,547	4,024	1,188	3,090
Board of Directors - Sitting fees and remuneration:				
Directors'	16	41	29	75
	1,563	4,065	1,217	3,165

16. 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 2025.

17. 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 2025 as reduced by amounts accounted for during the three month period ended 31 March 2026.
- b) The Company has placed purchase orders for ﷼ 701,347 (USD 1,824,050) which are outstanding as at 31 March 2026 [﷼ 1,074,415 (USD 2,794,317) as at 31 December 2025].

Notes to the unaudited condensed interim financial statements**18. 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

	31 March 2026	31 March 2026	Audited 31 December 2025	Audited 31 December 2025
	ﷲ'000s	USD'000s	ﷲ'000s	USD'000s
Net assets - shareholder funds	120,069	312,270	146,879	381,998
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	168.07	437.10	205.60	534.71

The management believes that the hedging deficit of ﷲ 0.29 million (USD 0.76 million) as at 31 March 2026 [ﷲ 0.18 million (USD 0.47 million) hedging deficit as at 31 December 2025] 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.

19. 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.

	31 March 2026	31 March 2026	31 March 2025	31 March 2025
	ﷲ'000s	USD'000s	ﷲ'000s	USD'000s
Net profit/(loss) for the period	(26,810)	(69,728)	(1,107)	(2,880)
Weighted average number of shares outstanding during the period ('000s)	714,406	714,406	714,406	714,406
Basic earnings per share (ﷲ / USD)	(0.038)	(0.098)	(0.002)	(0.004)

20. Comparative figures

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