

Notes

(forming part of the unaudited, condensed interim consolidated financial statements)

1 Legal status and principal activities

Voltamp Energy SAOG ("the Parent Company") is registered in the Sultanate of Oman as a joint stock company. The Company, originally registered as a limited liability company was converted into a joint stock company with effect from 6 August 2008. The Company's shares were listed on Muscat Securities Market on 17 June 2008. Voltamp Transformers Oman SAOC, Voltamp Power SAOC and Voltamp Technology LLC ("the Subsidiaries"), registered in the Sultanate of Oman, are wholly-owned subsidiaries of the Company.

Parent company has a total of four subsidiaries in Saudi Arabia, Qatar and United Arab Emirates.

The principal activities of the Company and its Subsidiaries ("the Group") are manufacture, sale and distribution of transformers, low voltage switchgears and panels.

2 Significant Accounting Policies

The accounting policies applied in these condensed interim financial statements are the same accounting policies as applied to Financial Statements for the Company as included in the audit report issued on 25th February 2025.

3 Property, plant and equipment

Details of property, plant and equipment are set out in Schedule I.

4 Inventories

	Group As on 30th June 2025 RO	Group As on 30th June 2024 RO	Group As on 31st December 2024 RO
Raw materials	8,877,801	5,664,049	8,786,384
Work in progress	4,540,666	2,135,044	4,505,031
Goods in transit	2,410,967	2,028,605	1,940,099
Finished goods	1,178,864	1,697,174	2,041,800
	17,008,298	11,524,872	17,273,314
Provision for slow moving and obsolete inventories	(2,146,823)	(2,105,046)	(2,067,643)
	14,861,475	9,419,826	15,205,671

Movement in provision for slow moving and obsolete inventories:

1 January	2,067,643	1,778,743	1,778,743
Established during the period	103,327	326,303	346,974
Written back during the period	(24,147)	-	(58,074)
30 June	2,146,823	2,105,046	2,067,643

5 Investments

5(a) Investments at fair value through other comprehensive income

Quoted equity shares

Investment at FVOCI	-	26,380	23,489
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Movement in investments is disclosed as follows:

At the beginning of the year	23,489	173,792	173,792
Disposal of investment during the period	(25,657)	(522,878)	(522,878)
Fair value gain during the period	2,168	375,466	372,575
	-	26,380	23,489

5(b) Investments at fair value through profit or loss

Bank Muscat Money Market Fund	36,354	2,509,518	2,570,580
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Movement in investments is disclosed as follows:

At the beginning of the period / year	2,570,580	-	-
Subscribed during the period / year	1,450,000	2,500,500	3,500,500
Redeemed during the period / year	(4,000,000)	-	(1,000,000)
Realised gain on redemption	14,909	-	24,154
Fair value changes in investments during the period / year	865	9,018	45,926
	36,354	2,509,518	2,570,580

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6 Trade and other receivables

	As on 30th June 2025	As on 30th June 2024	As on 31st December 2024
	RO	RO	RO
Trade receivables	30,175,500	16,450,539	23,571,416
Less: provision for impairment	(3,102,998)	(1,771,825)	(1,759,073)
	27,072,502	14,678,714	21,812,343
Advance to suppliers	1,974,273	700,873	742,131
VAT Receivable	106,314	57,801	109,024
Advance Tax	41,400	15,911	12,703
Tax recoverable	-	156,230	162,533
Prepayments and other receivables	453,770	360,478	503,018
Less: ECL allowance	(45,718)	(45,718)	(45,718)
	29,602,541	15,924,289	23,296,034
Movement in provision for impairment:			
1 January	1,804,791	1,819,828	1,819,828
Provided during the period	1,348,039	-	353,170
Written off during the period	(4,114)	-	(368,207)
Written back during the period	-	(2,285)	-
30 June	3,148,716	1,817,543	1,804,791

7 Bank deposits and cash and cash equivalents
Cash in hand and at bank

Cash in hand	8,052	6,625	6,425
Cash at bank :			
Current account	717,715	410,672	554,078
Call deposit	181,405	3,042,900	-
	907,172	3,460,197	560,503

Interest rate on call deposits ranges from 0.5% to 4.75% per annum.

8 Selling, administrative and general expenses

	As on 30th June 2025	As on 30th June 2024
	RO	RO
Indirect employee costs	1,949,310	1,457,923
Allowance for expected credit losses	1,348,039	(2,285)
Marketing expenses	455,650	379,583
Directors' remuneration & sitting fees	192,752	108,650
Depreciation on property ,plant & equipments	191,647	161,917
Bank Charges	142,514	96,012
Traveling expenses	96,077	69,391
Amortisation on intangible assets	81,980	81,985
Legal and professional charges	84,768	86,171
Royalty	75,592	75,011
Foreign currency exchange gain loss	69,072	-
Repairs and maintenance expenses	48,230	32,637
Vehicle running expenses	43,085	41,322
Annual general meeting expenses	24,560	20,667
Insurance expenses	22,044	23,472
Communication costs	21,150	19,319
Printing and stationery expenses	11,438	8,742
Corporate social responsibilities	2,205	1,023
Loss on disposal of property, plant and equipment	1,305	-
Miscellaneous expenses	57,425	31,311
	4,918,843	2,692,851

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9 Cost of sales

	As on 30th June 2025	As on 30th June 2024
	RO	RO
Cost of raw materials	20,659,961	8,736,409
Direct employee costs	1,561,566	1,033,134
Freight Charges	1,003,292	330,524
Provision for impairment	79,180	326,303
Utilities	86,330	76,016
Depreciation on property ,plant & equipments	231,546	224,603
Depreciation on right-of-use assets	56,755	46,002
Scrap Sales	(95,635)	(5,152)
Other direct expenses	177,103	87,500
	23,760,098	10,855,339

10(a) Share capital

At 30 June 2025, the Company's issued and paid-up share capital comprises 93,613,162 ordinary shares (2024: 81,402,750) of RO 0.100 each.

The Shareholders of the Company who own 5% or more of the shares, whether in their name or through a nominee account, are as follows:

	Holding % As on 30th June 2025	As on 31 December 2024
SABCO LLC	20.00	20.00
Social protection fund	15.34	15.34
Al Anwar Holdings SAOG	15.00	20.00
Al Majaz Investments Co.	7.53	12.32

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10(b) Share premium

During 2008, the Company issued 15,000,000 ordinary shares of RO 0.100 each, for consideration of RO 0.542 per share, including RO 0.440 as share premium and RO 0.002 towards issue expenses. The total share premium collected was RO 6,600,000 against which the net amount collected towards issue expenses amounted to RO 313,655; the net amount of RO 6,286,345 was considered under share premium account. During the years 2010, 2012, 2017, 2018 and 2025, the Company issued 5,000,000, 5,500,000, 10,285,000, 10,617,750 and 12,210,410 bonus shares respectively of RO 0.100 each, in the total amount of RO 4,361,316 out of share premium account. The net amount of RO 1,925,029 (2024 : RO 3,146,070) is carried in equity as share premium.

11 Legal reserve

Article 106 of the Commercial Companies Law of 1974 requires that 10% of a company's net profit be transferred to a non-distributable legal reserve until the amount of legal reserve becomes equal to one-third of the company's issued share capital. The legal reserve in these consolidated financial statements also includes the transfer to legal reserve in respect of the subsidiaries.

12 Bank borrowings

	As on 30th June 2025	As on 30th June 2024	As on 31 December 2024
	RO	RO	RO
Bank overdraft	1,980,448	1,240,702	1,077,436
Loans against trust receipts	6,079,903	3,238,450	2,945,070
Short term loans	1,850,000	900,000	700,000
	<u>9,910,351</u>	<u>5,379,152</u>	<u>4,722,506</u>

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12 Bank borrowing (continued)

The Parent Company has borrowing facilities in the amount of RO 0.3 million (31-12-2024: RO 0.12 million). The borrowing facilities carry interest at commercial rates . The Company has given corporate guarantees in the amount of RO 41.4 million (31-12-2024: RO 39.5 million) to secure bank facilities of subsidiaries for nil consideration.

13 Trade and other payables

	As on 30th June 2025	As on 30th June 2024	As on 31 December 2024
	RO	RO	RO
Trade payables	6,560,470	3,437,081	9,163,818
Goods in transit payable	2,283,867	1,937,244	1,876,026
VAT Payable	308,926	211,282	195,641
Proposed Directors' Remuneration	150,000	75,000	300,000
Accrued expenses	2,845,568	2,623,192	1,941,263
Deferred warranty revenue	355,648	266,534	356,712
Advances from the customers	4,802,604	7,168,795	10,260,186
	17,307,083	15,719,128	24,093,646

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14 Income tax

The tax rate applicable to the Group's taxable profit is 15% on taxable profit (2024: 15%) . The determination of taxable income for the year takes into account adjustments for tax purposes, which includes items relating to both income and expense and which are based on the current understanding of the existing tax laws, regulations and practices.

15 Employee costs

	As on 30th June 2025	As on 30th June 2024
	RO	RO
a) Employee related costs included under cost of sales and general and administrative expenses comprise:		
Wages and salaries	2,737,120	2,114,792
Other benefits	542,182	226,385
Contribution to defined retirement plan (PASI)	84,099	70,048
Increase in liability for unfunded defined benefit retirement plan (Gratuity)	147,475	79,832
	3,510,876	2,491,057
Employee related costs are allocated as follows:		
Cost of Sales (Note-9)	1,561,566	1,033,134
Selling, administrative and general expenses (Note-8)	1,949,310	1,457,923
	3,510,876	2,491,057

	As on 30th June 2025	As on 30th June 2024	As on 31 December 2024
b) End of service benefits			
1 January	815,197	747,167	747,167
Expenses for the period	147,475	79,832	154,220
Settled during the period	(19,513)	(35,186)	(86,190)
30 June	943,159	791,813	815,197

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16 Related party transactions

The Company has entered into transactions with Directors and entities in which certain Directors of the Parent Company and the subsidiary have an interest. In the ordinary course of business, the company sells goods to the related parties and procures goods and services from the related parties. These transactions are entered into on terms and conditions, which the directors believe could be obtained on an arms' length basis from the independent third parties.

During the period the related party transactions, which are subject to shareholders' approval at the forthcoming Annual General Meeting, are as follows:-

	As on 30th June 2025	As on 30th June 2024
Directors' remuneration, sitting fee and training	192,752	108,650

17 Basic earnings per share

Basic earning per share is calculated by dividing the net profit of the Group for the year by the number of shares outstanding during the period as follows:

	As on 30th June 2025	As on 30th June 2024
Net profit for the period (RO)	5,750,974	1,826,478
Number of shares outstanding (Nos.)	93,613,160	81,402,750
Basic earnings per share	0.061	0.022

18 Net assets per share

Net assets per share are calculated by dividing the net assets at the reporting date by the number of shares outstanding as follows:

	As on 30th June 2025	As on 30th June 2024	As on 31st December 2024
Net assets attributable to the equity holders of the parent company (RO)	24,947,460	18,591,778	22,043,414
Number of shares outstanding	93,613,160	81,402,750	81,402,750
Net assets per share (RO)	0.266	0.228	0.271

19 Intangible Assets

	Technology transfer fee RO	Type tests and Product Development Cost RO	Capital work in progress RO	Total RO
Cost				
As at 1 January 2025	831,572	1,543,500	213,351	2,588,423
Additions during the period	-	-	25,487	25,487
Transfers during the period		62,109	(62,109)	-
30th June 2025	831,572	1,605,609	176,729	2,613,910
Amortisation				
As at 1 January 2025	695,377	1,401,106	-	2,096,483
Charge for the period	45,733	36,247	-	81,980
30th June 2025	741,110	1,437,353	-	2,178,463
Net book value				
30th June 2025	90,462	168,256	176,729	435,447
30th June 2024	178,822	181,096	39,250	399,168
31st December 2024	136,195	142,394	213,351	491,940

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20 Other income

	As on 30th June 2025 RO	As on 30th June 2024 RO
Interest on Term deposits	126,924	41,749
Dividend income on investment at FVOCI	-	1,626
Miscellaneous income	8,941	4,736
Foreign currency exchange gain	12,005	8,485
	147,870	56,596

21 Right-of-use assets

	As on 30th June 2025 RO	As on 30th June 2024 RO	As on 31st December 2024 RO
Cost			
As at 1 January	2,903,325	2,332,369	2,332,369
Addition during the period	-	-	665,861
Depreciation for the period	(56,755)	(46,002)	(94,905)
Net book value	2,846,570	2,286,367	2,903,325

22 Lease Liabilities

	As on 30th June 2025 RO	As on 30th June 2024 RO	As on 31st December 2024 RO
As at 1 January	3,309,283	2,677,479	2,676,811
Additions during the period	-	-	665,861
Interest on lease liabilities	78,681	62,692	134,961
Paid during the period	(63,050)	(63,921)	(168,350)
30 June	3,324,914	2,676,250	3,309,283
Lease Liabilities	3,324,914	2,676,250	3,309,283
Less: current portion of lease liabilities	16,927	87,812	16,449
Non-current portion of lease liabilities	3,307,987	2,588,438	3,292,834

23 Contingencies and Commitments

Outstanding guarantees and letters of credit with banks relating to contractual performance in the ordinary course of business amounted to RO 20.385 million (31-12-2024: RO 20.329 million). At 30th June 2025, the Group had capital commitments amounting to RO 2.593 million (31-12-2024: RO 2.766 million).

24 Term Deposit

Term deposits are placed by the Subsidiary, Voltamp Power SAOC, with local financial institutions, carrying interest at commercial rates and have maturity period of one year from the date of placement. Accordingly, they have been classified as current assets.

25 Comparative figures have been reclassified, wherever necessary, to conform to the presentation adopted in these financial statements for the current period.

26 Investment in Subsidiaries

Subsidiaries	Activities	Holding %	Parent Company	
			June 30, 2025 RO	December 31, 2024 RO
VTO	Manufacture, sale and distribution of transformers	99.99%	2,025,835	2,025,835
VPS	Manufacturing and servicing of power transformers	81.45%	5,999,850	5,999,850
VTs	Manufacture, design and sales and distribution of low voltage switchgears and panels	99.90%	229,770	229,770
NTCL	Manufacture, sale, and distribution of transformers in the Kingdom of Saudi Arabia	49%	229,874	22,826

The investments in subsidiaries are carried at 'cost' in the separate financial statements of the Parent Company

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Schedule -I: Property, Plant & Equipment

	Leasehold improvement land	Factory building	Plant and equipment	Furniture, fixture and office equipment	Motor vehicles	Capital work in progress	Total
	RO	RO	RO	RO	RO	RO	RO
<i>Cost</i>							
1 January 2025	673,817	7,674,839	9,498,703	1,353,704	223,481	1,469	19,426,013
Addition during the period	-	-	91,672	60,069	23,630	593,385	768,756
Transfers during the period	-	-	-	-	-	-	-
Disposals during the period	-	(16,152)	(58,530)	(78,130)	-	-	(152,812)
30th June 2025	673,817	7,658,687	9,531,845	1,335,643	247,111	594,854	20,041,957
<i>Depreciation</i>							
1 January 2025	173,664	2,997,508	6,169,417	1,085,332	190,111	-	10,616,032
Charge for the period	13,988	131,092	233,229	40,016	4,868	-	423,193
Relating to disposals	-	(15,630)	(57,797)	(77,744)	-	-	(151,171)
30th June 2025	187,652	3,112,970	6,344,849	1,047,604	194,979	-	10,888,054
<i>Net book values</i>							
30th June 2025	486,165	4,545,717	3,186,996	288,039	52,132	594,854	9,153,903
30th June 2024	514,143	3,945,309	3,337,717	131,564	25,731	674,168	8,628,632
31st December 2024	500,153	4,677,331	3,329,286	268,372	33,370	1,469	8,809,981