

AL BATINAH POWER COMPANY SAOG

Unaudited condensed interim financial statements

31 March 2026

Registered address:

P.O. Box 39
Postal Code 103
Bareeq Al Shatti
Sultanate of Oman

Principal place of business:

Sohar Industrial Port
Sohar
Sultanate of Oman

AL BATINAH POWER COMPANY SAOG

Unaudited condensed interim financial statements

31 March 2026

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AL BATINAH POWER COMPANY SAOG

Unaudited condensed income statement

for the three month period ended 31 March

	Notes	2026 AED'000s	2026 USD'000s	2025 AED'000s	2025 USD'000s
Revenues		14,462	37,612	11,318	29,434
Direct costs	3	(14,341)	(37,299)	(11,024)	(28,668)
Gross profit		121	313	294	766
Other income		147	383	134	348
General and administrative expenses	4	(164)	(428)	(192)	(498)
Impairment of asset	7.1	(29,184)	(75,900)	-	-
(Loss)/profit before interest and tax		(29,080)	(75,632)	236	616
Finance costs	5	(689)	(1,789)	(974)	(2,535)
Finance income		4	9	3	7
Loss before tax		(29,765)	(77,412)	(735)	(1,912)
Tax expense	6	3,716	9,663	(629)	(1,636)
Loss for the period		(26,049)	(67,749)	(1,364)	(3,548)
Earnings per share					
Basic earnings per share (Baizas / cents)	19	(38.60)	(100.39)	(2.02)	(5.26)

The attached notes 1 to 19 form part of these condensed interim financial statements.

AL BATINAH POWER COMPANY SAOG**Unaudited condensed statement of profit or loss and other comprehensive income***for the three month period ended 31 March*

	2026 <u>₪</u> '000s	2026 USD'000s	2025 <u>₪</u> '000s	2025 USD'000s
Loss for the period	(26,049)	(67,749)	(1,364)	(3,548)
Other comprehensive (loss) income that may be reclassified to profit or loss in subsequent periods (net of tax):				
Cash flow hedges - effective portion of changes in fair value	<u>(98)</u>	<u>(254)</u>	117	305
Total comprehensive loss for the period	<u>(26,147)</u>	<u>(68,003)</u>	(1,247)	(3,243)

The attached notes 1 to 19 form part of these condensed interim financial statements.

AL BATINAH POWER COMPANY SAOG**Unaudited condensed statement of financial position**

as at

	Notes	31 March 2026 Oman'000s	31 March 2026 USD'000s	Audited 31 December 2025 Oman'000s	Audited 31 December 2025 USD'000s
Assets					
Non-current assets					
Property, plant and equipment	7	170,738	444,058	201,753	524,720
Right-of-use assets	8	2,805	7,292	2,861	7,438
Derivative financial instruments		70	184	146	378
Total non-current assets		173,613	451,534	204,760	532,536
Current assets					
Inventory		2,700	7,022	2,700	7,022
Trade and other receivables	9	7,930	20,625	7,935	20,637
Derivative financial instruments		112	290	160	416
Cash and cash equivalents	10	4,310	11,208	4,226	10,990
Total current assets		15,052	39,145	15,021	39,065
Total assets		188,665	490,679	219,781	571,601
Equity and liabilities					
Equity					
Share capital	12(a)	67,489	175,523	67,489	175,523
Legal reserve	12(b)	13,070	33,993	13,070	33,993
Retained earnings		32,703	85,055	58,752	152,804
Equity before hedging reserve		113,262	294,571	139,311	362,320
Hedging reserve	12(c)	(331)	(860)	(233)	(606)
Equity		112,931	293,711	139,078	361,714
Liabilities					
Non-current liabilities					
Term loans	13	19,686	51,200	19,611	51,004
Lease liabilities	11	3,387	8,810	3,469	9,024
Derivative financial instruments		270	702	303	787
Deferred tax liability		20,078	52,218	24,547	63,841
Asset retirement obligation		406	1,054	400	1,040
End of service benefits		20	52	19	49
Total non-current liabilities		43,847	114,036	48,349	125,745
Current liabilities					
Current tax liabilities		3,608	9,383	2,871	7,468
Trade and other payables	14	9,323	24,249	10,555	27,446
Derivative financial instruments		302	785	277	720
Lease liabilities - current	11	113	293	110	286
Term loans - current	13	18,541	48,222	18,541	48,222
Total current liabilities		31,887	82,932	32,354	84,142
Total liabilities		75,734	196,968	80,703	209,887
Total equity and liabilities		188,665	490,679	219,781	571,601
Net assets per share (Baizas / cents) - adjusted	18	167.82	436.47	206.42	536.86

The financial statements were approved and authorised for issue in accordance with a resolution of the Board of Directors on 29 April 2026. DS

Signed by:

Michael Cunningham

Chairperson



Signed by:

Gopal Hantharan

Director

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The attached notes 1 to 19 form part of these condensed interim financial statements.

AL BATINAH POWER COMPANY SAOG

Unaudited condensed statement of cash flows

for the three month period ended 31 March

	Notes	2026 S'000s	2026 USD'000s	2025 S'000s	2025 USD'000s
Cash flows from operating activities:					
Loss before tax		(29,765)	(77,412)	(735)	(1,912)
<i>Adjustments for:</i>					
Depreciation		1,918	4,988	1,917	4,985
Finance costs	5 (a)	689	1,789	974	2,535
Finance income	5 (b)	(4)	(9)	(3)	(7)
Gain on disposals		(5)	(12)	(2)	(5)
End of service benefits		1	3	1	3
Impairment of asset	7.1	29,184	75,900	-	-
Other income		(147)	(383)	(134)	(348)
Cash from operations before working capital changes		1,871	4,864	2,018	5,251
Changes in :					
Trade and other receivables		152	395	112	291
Inventory		(0)	(0)	0	2
Trade and other payables		(1,250)	(3,247)	(478)	(1,247)
Net cash flows generated from operating activities		773	2,012	1,652	4,297
Cash flows from investing activities:					
Interest received		4	9	3	7
Acquisition of property, plant and equipment		(36)	(93)	(6)	(15)
Sale proceeds from property, plant and equipment		10	26	5	12
Net cash flows generated from investing activities		(22)	(58)	2	4
Cash flows from financing activities:					
Finance costs paid		(588)	(1,529)	(835)	(2,173)
Repayment of short term borrowings - net		-	-	(1,990)	(5,176)
Lease payments - Principal		(79)	(207)	(125)	(324)
Net cash flows (used in) financing activities		(667)	(1,736)	(2,950)	(7,673)
Net change in cash and cash equivalents		84	218	(1,296)	(3,372)
Cash and cash equivalents at beginning of the period	9	4,226	10,990	4,661	12,123
Cash and cash equivalents at end of the period	9	4,310	11,208	3,365	8,751

The attached notes 1 to 19 form part of these condensed interim financial statements.

AL BATINAH POWER COMPANY SAOG

Unaudited condensed statement of changes in equity

for the three month period ended 31 March

	Share capital Ⓓ'000s	Legal reserve Ⓓ'000s	Retained earnings Ⓓ'000s	Hedging reserve Ⓓ'000s	Total Ⓓ'000s
Balance at 1 January 2026	67,489	13,070	58,752	(233)	139,078
<i>Total comprehensive loss for the period</i>					
Net loss for the period	-	-	(26,049)	-	(26,049)
<i>Other comprehensive loss for the period net of income tax</i>					
Cash flow hedges - effective portion of changes in fair value	-	-	-	(98)	(98)
<i>Total comprehensive loss for the period</i>	-	-	(26,049)	(98)	(26,147)
Balance at 31 March 2026	67,489	13,070	32,703	(331)	112,931
Balance at 1 January 2025	67,489	11,540	50,108	(572)	128,565
<i>Total comprehensive loss for the period</i>					
Net loss for the period	-	-	(1,364)	-	(1,364)
<i>Other comprehensive income for the period net of income tax</i>					
Cash flow hedges - effective portion of changes in fair value	-	-	-	117	117
<i>Total comprehensive loss for the period</i>	-	-	(1,364)	117	(1,247)
Balance at 31 March 2025	67,489	11,540	48,744	(455)	127,318

The attached notes 1 to 19 form part of these condensed interim financial statements.

AL BATINAH POWER COMPANY SAOG

Unaudited condensed statement of changes in equity

for the three month period ended 31 March

	Share capital USD'000s	Legal reserve USD'000s	Retained earnings USD'000s	Hedging reserve USD'000s	Total USD'000s
Balance at 1 January 2026	175,523	33,993	152,804	(606)	361,714
<i>Total comprehensive loss for the period</i>					
Net loss for the period	-	-	(67,749)	-	(67,749)
<i>Other comprehensive loss for the period net of income tax</i>					
Cash flow hedges - effective portion of changes in fair value	-	-	-	(254)	(254)
<i>Total comprehensive loss for the period</i>					
<i>Transactions with owners of the Company</i>					
<i>Contribution and distribution</i>					
Dividend	-	-	-	-	-
<i>Total transaction with owners of the Company</i>					
Balance at 31 March 2026	175,523	33,993	85,055	(860)	293,711
Balance at 1 January 2025	175,523	30,013	130,322	(1,487)	334,371
<i>Total comprehensive loss for the period</i>					
Net loss for the period	-	-	(3,548)	-	(3,548)
<i>Other comprehensive income for the period net of income tax</i>					
Cash flow hedges - effective portion of changes in fair value	-	-	-	305	305
<i>Total comprehensive loss for the period</i>					
Balance at 31 March 2025	175,523	30,013	126,774	(1,182)	331,128

The attached notes 1 to 19 form part of these condensed interim financial statements.

AL BATINAH POWER COMPANY SAOG

Notes to the unaudited condensed interim financial statements

1 Legal status and principal activities

Al Batinah 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 Sohar 2 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 (“OPWP”). Accordingly, the Plant is considered and managed as one reportable segment. Commercial Operation of the Plant was achieved by the Company on 3 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 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 (“~~ر.ع.~~”) 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 = ~~ر.ع.~~ 0.3845. All amounts have been rounded to the nearest thousand (~~ر.ع.~~ '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.

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Notes to the unaudited condensed interim financial statements

	31 March 2026 AED'000s	31 March 2026 USD'000s	31 March 2025 AED'000s	31 March 2025 USD'000s
3. Direct costs				
Fuel gas	9,711	25,256	6,983	18,160
Operation and maintenance ("O&M") fees (note 15)	1,866	4,854	1,637	4,258
Depreciation on property plant and equipment (note 7)	1,860	4,837	1,860	4,837
Seawater extraction	289	750	283	736
Insurance	123	320	142	369
Depreciation on right of use assets (note 7)	56	146	56	146
Grid connection fee	3	8	4	9
Custom duty (note 15)	1	1	1	2
Other direct costs	432	1,127	58	151
	14,341	37,299	11,024	28,668
4. General and administrative expenses				
Employment costs	51	132	41	108
Secondment fees (note 15)	40	105	73	189
Public company related costs	24	63	24	61
Agency fees	15	40	15	39
Directors' sitting fees (note 15)	5	13	6	15
Office rent	5	12	5	12
Depreciation on property plant and equipment (note 7)	2	5	1	2
Other general and administrative expenses	22	58	27	72
	164	428	192	498
5 (a) Finance costs				
Interest on term loans and swap interests	551	1,432	780	2,028
Amortisation of deferred finance costs	75	196	109	284
Interest on lease liabilities	52	135	54	141
Debt Service Reserve Account ("DSRA") LC cost (note 15)	12	32	12	33
Asset retirement obligation - unwinding of discount	6	15	5	13
Interest on short term borrowing	3	7	6	15
Exchange loss (gain) - net	(10)	(28)	8	21
	689	1,789	974	2,535
5 (b) Finance income				
Interest income	4	9	3	7
	4	9	3	7
6. Tax expenses				
Corporate tax expense	(736)	(1,915)	(669)	(1,740)
Deferred tax income	74	193	40	104
Deferred tax credit for impairment of asset (note 7.1)	4,378	11,385	-	-
	3,716	9,663	(629)	(1,636)

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Notes to the unaudited condensed interim financial statements

7. Property, plant and equipment

	Plant and machinery S'000s	Technical Spares S'000s	Other assets S'000s	Capital work-in Progress S'000s	Total S'000s
Cost					
1 January 2026	296,552	1,706	105	14	298,377
Addition during the period	-	-	36	-	36
Disposal during the period	-	(10)	-	-	(10)
Transfer during the period	-	-	14	(14)	-
Impairment during the period	(29,184)	-	-	-	(29,184)
31 March 2026	267,368	1,696	155	-	269,219
Depreciation					
1 January 2026	95,708	818	98	-	96,624
Charge during the period	1,843	17	2	-	1,862
Disposal during the period	-	(5)	-	-	(5)
31 March 2026	97,551	830	100	-	98,481
Carrying amount					
31 March 2026	169,817	866	55	-	170,738
31 December 2025	200,844	888	7	14	201,753
Cost					
1 January 2026	771,268	4,437	271	37	776,013
Addition during the period	-	-	93	-	93
Disposal during the period	-	(26)	-	-	(26)
Transfer during the period	-	-	37	(37)	-
Impairment during the period	(75,900)	-	-	-	(75,900)
31 March 2026	695,368	4,411	401	-	700,180
Depreciation					
1 January 2026	248,909	2,131	253	-	251,293
Charge during the period	4,792	45	5	-	4,842
Disposal during the period	-	(13)	-	-	(13)
31 March 2026	253,701	2,163	258	-	256,122
Carrying amount					
31 March 2026	441,667	2,248	143	-	444,058
31 December 2025	522,359	2,306	18	37	524,720

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Notes to the unaudited condensed interim financial statements

7. Property, plant and equipment (continued)

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

The Company's plant is constructed on land leased from the Sohar Industrial Port Company SAOC (note 8). The Company has leased out the entire property, plant and equipment under operating lease.

- 7.1 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 18 March 2026, the Company accepted a letter of award from PWP in relation to a new Power Purchase Agreement ("PPA"), which 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 acceptance of the award 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 ~~o.mr~~ 170 million (USD 442 million), which is lower than its carrying amount by ~~o.mr~~ 29.2 million (USD 75.9 million). Accordingly, an impairment loss of ~~o.mr~~ 29.2 million (USD 75.9 million) has been recognised in the condensed interim financial statements for the period ended 31 March 2026. In addition, a deferred tax credit of ~~o.mr~~ 4.38 million (USD 11.38 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%.

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Notes to the unaudited condensed interim financial statements

8. Right-of-use assets

	Connection Equipment AED'000s	Site Rent AED'000s	Total AED'000s
Cost			
1 January 2026	999	3,490	4,489
Addition during the period	-	-	-
31 March 2026	999	3,490	4,489
Depreciation			
1 January 2026	875	753	1,628
Charge during the period	31	25	56
31 March 2026	906	778	1,684
Carrying amount			
31 March 2026	93	2,712	2,805
31 December 2025	124	2,737	2,861
	Connection Equipment USD'000s	Site Rent USD'000s	Total USD'000s
Cost			
1 January 2026	2,599	9,075	11,674
Addition during the period	-	-	-
31 March 2026	2,599	9,075	11,674
Depreciation			
1 January 2026	2,275	1,961	4,236
Charge during the period	81	65	146
31 March 2026	2,356	2,026	4,382
Carrying amount			
31 March 2026	243	7,049	7,292
31 December 2025	324	7,114	7,438

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.

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Notes to the unaudited condensed interim financial statements

	31 March 2026 AED'000s	31 March 2026 USD'000s	Audited 31 December 2025 AED'000s	Audited 31 December 2025 USD'000s
9. Trade and other receivables				
Trade receivables	6,008	15,626	5,956	15,490
Prepayments	173	451	324	842
Due from a related party (note 15)	167	434	157	407
Accrued income	-	-	6	17
Other receivables	1,582	4,114	1,492	3,881
	7,930	20,625	7,935	20,637

	31 March 2026 AED'000s	31 March 2026 USD'000s	Audited 31 December 2025 AED'000s	Audited 31 December 2025 USD'000s
10. Cash and cash equivalents				
Cash in hand	4,309	11,207	4,225	10,988
Cash at bank	1	1	1	2
	4,310	11,208	4,226	10,990

11. Lease liabilities

	31 March 2026 AED'000s	31 March 2026 USD'000s	Audited 31 December 2025 AED'000s	Audited 31 December 2025 USD'000s
Lease liabilities included in the statement of financial position as:				

Current lease liabilities	113	293	110	286
Non-current lease liabilities	3,387	8,810	3,469	9,024
	3,500	9,103	3,579	9,310

	Contractual Undiscounted Cash flows AED'000s	Present value of lease payments AED'000s	Contractual Undiscounted Cash flows USD'000s	Present value of lease payments USD'000s
31 March 2026				
Within one year	317	113	825	293
In 2 to 5 years	864	76	2,246	197
More than 5 years	6,193	3,311	16,106	8,613
Lease liabilities	7,374	3,500	19,177	9,103

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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 ₹ '000
31 March 2026				
Kahrabel FZE	UAE	201,791,343	29.90%	20,179
Middle East Investment LLC	Omani	96,508,899	14.30%	9,651
Social Protection Fund	Omani	66,665,428	9.88%	6,667
SEP International Netherlands B.V.	Netherlands	48,254,453	7.15%	4,825
Sojitz Global Investment B.V.	Netherlands	48,254,453	7.15%	4,825
Shareholders with less than 5% shareholding		213,412,854	31.62%	21,342
		<u>674,887,430</u>	<u>100.00%</u>	<u>67,489</u>
Nominal value in USD				<u>175,523</u>
31 December 2025				
Kahrabel FZE	UAE	201,791,343	29.90%	20,179
Middle East Investment LLC	Omani	96,508,899	14.30%	9,651
Social Protection Fund	Omani	66,573,428	9.86%	6,657
SEP International Netherlands B.V.	Netherlands	48,254,453	7.15%	4,825
Sojitz Global Investment B.V.	Netherlands	48,254,453	7.15%	4,825
Shareholders with less than 5% shareholding		213,504,854	31.64%	21,352
		<u>674,887,430</u>	<u>100.00%</u>	<u>67,489</u>
Nominal value in USD				<u>175,523</u>

The Company has authorized, issued and paid-up share capital of ~~₹~~ 67,488,743 consisting of 674,887,430 shares of ~~₹~~ 0.1 each (31 December 2025: ~~₹~~ 67,488,743 consisting of 674,887,430 shares of ~~₹~~ 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 profits, after deduction of taxes for establishing a legal reserve until such legal reserve amounts to at 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.

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Notes to the unaudited condensed interim financial statements

	31 March 2026 Omani Rials '000s	31 March 2026 USD'000s	Audited 31 December 2025 Omani Rials '000s	Audited 31 December 2025 USD'000s
13. Term loans				
Term loans	38,529	100,206	38,529	100,206
Less: current portion of term loan	(18,541)	(48,222)	(18,541)	(48,222)
Non-current portion of term loan	19,988	51,984	19,988	51,984
Less: unamortised deferred finance cost	(302)	(784)	(377)	(980)
	19,686	51,200	19,611	51,004

On 16 September 2010, the Company entered into a Common Terms Agreement (“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:

	31 March 2026 Omani Rials '000s	31 March 2026 USD'000s	Audited 31 December 2025 Omani Rials '000s	Audited 31 December 2025 USD'000s
Commercial Facility	23,159	60,231	23,159	60,231
Hermes Covered Variable Facility	6,026	15,672	6,026	15,672
Hermes Covered Fixed Facility	3,846	10,004	3,846	10,004
KEXIM Direct Facility	3,745	9,740	3,745	9,740
KEXIM Covered Facility	1,753	4,559	1,753	4,559
	38,529	100,206	38,529	100,206

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	7,042	18,316	8,326	21,654
Due to related parties (note 15)	896	2,330	550	1,429
Accrued interest cost	421	1,095	402	1,045
Other payable and accruals	964	2,508	1,277	3,318
	9,323	24,249	10,555	27,446

15. Related party transactions

The Company enters into transactions with companies and entities that fall within the definition of a related party as contained in IAS 24 Related Party Disclosures and other related parties as per the applicable local regulations of the Sultanate of Oman.

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Notes to the unaudited condensed interim financial statements

15 Related party transactions (continued)

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

	31 March 2026 SAR'000s	31 March 2026 USD'000s	31 March 2025 SAR'000s	31 March 2025 USD'000s
Entities controlled by the group having significant influence				
Operation and maintenance ("O&M") fees from STOMO (note 4)	1,866	4,854	1,637	4,258
Other O&M cost (note 3)	407	1,059	3	7
Secondment fees (note 4)	40	105	39	101
DSRA LC cost [note 5(a)]	6	15	6	15
Professional fees	5	14	8	21
Backcharge of expenses	5	14	1	2
Custom duty to STOMO (note3)	1	1	1	2
Others	87	226	85	223
Other related parties				
Sharing of costs	44	114	63	164
DSRA LC cost [note 5(a)]	6	17	6	18
Secondment fees (note 4)	-	-	34	88
Others	2	3	3	8
Board of Directors - Sitting fees and remuneration:				
Directors' (note 4)	5	13	6	15
	<u>2,474</u>	<u>6,434</u>	<u>1,892</u>	<u>4,922</u>

Balances due from a related party at the period end comprised (note 9)

	31 March 2026 SAR'000s	31 March 2026 USD'000s	Audited 31 December 2025 SAR'000s	Audited 31 December 2025 USD'000s
Other related party	167	434	157	407
	<u>167</u>	<u>434</u>	<u>157</u>	<u>407</u>

AL BATINAH POWER COMPANY SAOG

Notes to the unaudited condensed interim financial statements

15 Related party transactions (continued)

Balances due to related parties recorded at statement of financial position comprises of (note 14):

	31 March 2026 S'000s	31 March 2026 USD'000s	Audited 31 December 2025 S'000s	Audited 31 December 2025 USD'000s
Entities controlled by the group having significant influence	867	2,254	499	1,297
Other related parties	11	29	18	46
Board of Directors - Sitting fees and remuneration:				
Directors'	18	47	33	86
	896	2,330	550	1,429

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 period ended 31 March are as follows:

	31 March 2026 S'000s	31 March 2026 USD'000s	31 March 2025 S'000s	31 March 2025 USD'000s
Key management benefits				
Short term benefits and allowances	40	105	73	189

There are no long term benefits and allowances which are applicable to the key management personnel that are to be paid by the Company.

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 S 191,247 (USD 497,390) which are outstanding as at 31 March 2026 [S 538,000 (USD 1,399,220) as at 31 December 2025].

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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 period/year.

	31 March 2026 ﷲ'000s	31 March 2026 USD'000s	Audited 31 December 2025 ﷲ'000s	Audited 31 December 2025 USD'000s
Net assets - shareholder funds	113,262	294,571	139,311	362,320
Weighted average number of shares outstanding during the period/year ('000s)	674,887	674,887	674,887	674,887
Net asset per share (Baizas / cents) - adjusted	<u>167.82</u>	<u>436.47</u>	206.42	536.86

The management believes that the hedging deficit of ~~ﷲ~~ 0.33 million [USD 0.86 million] as at 31 March 2026 (~~ﷲ~~ 0.23 million [USD 0.61 million] the hedging deficit as at 31 December 2025) 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.

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 ﷲ'000s	31 March 2026 USD'000s	31 March 2025 ﷲ'000s	31 March 2025 USD'000s
Loss for the period	(26,049)	(67,749)	(1,364)	(3,548)
Weighted average number of shares outstanding during the period ('000s)	674,887	674,887	674,887	674,887
Basic earnings per share (Baizas / cents)	<u>(38.60)</u>	<u>(100.39)</u>	(2.02)	(5.26)

BOARD OF DIRECTORS' REPORT

Dear Shareholders,

On behalf of the Board of Directors of Al Batinah Power Company SAOG (the "Company"), I have the pleasure of presenting the Company's Directors' Report for 3-months period ended 31 March 2026.

Operational Highlights

The operational performance of the plant during the quarter was excellent. The consistently high plant's reliability and technologically superior fuel-efficient operations of the plant continue to place it at the higher end of the merit order list for dispatch.

The plant crossed 5,381 lost time accident-free days since inception, maintaining its excellent track record of zero lost time accidents and zero environmental incidents, which reflects our continued focus on health, safety, security, and environment.

The plant's operation was excellent during the period, achieving a reliability of 99.67%. The plant delivered 952 GWh to the grid, translating to a load factor of 59.87% compared to 42.73% for the corresponding period of 2025.

The plant successfully conducted the Annual Plant Performance test on 2 April 2026.

Financial Results

	3-month-2026 RO'000s Unaudited	3-month-2025 RO'000s Unaudited	Percentage change
Revenues	14,462	11,318	27.8%
Direct costs	(14,341)	(11,024)	
Gross profit	121	294	(59.0)%
Other income	147	134	
General and administrative expenses	(164)	(192)	
Impairment of asset	(29,184)	-	
(Loss) / profit before interest and tax	(29,080)	236	(12,406.1)%
Finance costs	(689)	(974)	
Finance income	4	3	
Loss before tax	(29,765)	(735)	(3,947.5)%
Tax expense	3,716	(629)	
Net loss for the period	(26,049)	(1,364)	(1809.4)%
Net loss for the period (without impairment - net of tax)	(1,243)	(1,364)	8.86%

Based on the impairment assessment necessitated by signing a new PPA under mutually agreed commercial terms, an impairment of RO 29.184 million, partly offset by deferred tax credit of RO 4.378 million was recorded during the quarter ended March 2026 based on the revised cash flows being lower than the carrying amount of assets.

It is important to note that, under the contractual tariff structure, winter tariffs are lower. Accordingly, the net loss reported in Q1 is expected to be largely recovered during the summer period, when tariffs under the PPA increase significantly.

Higher revenues and direct costs compared to the same period last year were mainly driven by a higher plant load factor and improved plant availability. However, gross profit declined primarily due to increased operations and maintenance (O&M) expenses, largely attributable to the SFC/SEE upgrade.

The variability of the plant load factor influences the fuel and energy charges received from Nama Power & Water Procurement Company SAOC ("PWP"). However, these charges are passed through to the gas supplier and the O&M service provider hence there is no material impact on the Company's profitability.

Excluding the impact of impairment, the net financial result for Q1 2026 improved by 8.86% compared to the corresponding period last year. This improvement was primarily driven by the continued reduction in finance costs, which contributed positively to profit before tax.

Consistent with earlier announcements, the Company signed the new Power Purchase Agreement (PPA) with Nama Power and Water Procurement Company ("PWP") on 7 April 2026. The New PPA will commence on 1 April 2028, immediately following the expiry of the current PPA, and will remain in effect for 15 years, until 31 March 2043. Under the terms of the new PPA, the contracted capacity of the ABPC power plant will be 746.53 megawatts (MW). The New PPA ensures the continued offtake of power under mutually agreed commercial terms, strengthens the strategic partnership between ABPC and PWP, provides long-term revenue visibility, supports operational sustainability, and aligns with the Company's long-term strategy in Oman.

The share price was 190 Baizas at the end of March 2026.

Corporate Social Responsibility

In alignment with the Company's commitment to positively impacting society and contributing to national development, the Company has allocated **50,000** for CSR initiatives for the year 2026. The planned activities reflect the Company's dedication to fostering social well-being, sustainability, and community engagement. Planned CSR Activities:

- **Contribution to Oman Charitable Organization:** ABPC will contribute 20% of the CSR budget to the Oman Charitable Organization, in adherence to Decision No. 205/2021 issued by the Ministry of Commerce, Industry, and Investment Promotion.
- **Science Festival Participation:** The company plans to support and participate in the Science Festival organized by the Ministry of Education. This initiative aims to promote scientific awareness, innovation, and learning among students through interactive activities and exhibitions. The program is expected to engage a wide number of students across various schools, contributing to the development of scientific curiosity and skills.
- **Physical Health Activities:** The company plans to organize and support a large scale marathon event in Muscat, aimed at promoting physical fitness and community engagement. The event is expected to attract significant participation from across the Sultanate, fostering a culture of health and active living.
- **Inclusive Classrooms Initiative:** As part of its commitment to educational inclusivity, the Company will fund the installation of inclusive classroom facilities at a selected school in Muscat, in partnership with the Ministry of Education. This initiative aims to support students with diverse learning needs.
- **Employee Volunteering Programs:** Throughout the year, the Company aims to identify and participate in various community support initiatives that involve staff volunteering their time and expertise like planting Initiative.

Medium term Outlook

All reasonable measures are taken by the management to maintain high availability and reliability levels. Any change in the power supply and demand landscape in the Sultanate has substantially no impact on the financial performance of the Company since its profitability is mainly derived from its plant availability.

Acknowledgement

I would like to extend my personal thanks to all personnel associated with the operation of the power plant and the staff of the Company for their hard work and dedication, as well as to those others, such as our contractors, whose expertise has assisted us in achieving these excellent results.

Finally, on behalf of the Board of Directors, I would like to extend our deep appreciation and gratitude to His Majesty Sultan Haitham Bin Tariq and His Government for their continued support and encouragement to the private sector by creating an environment that allows us to participate effectively in the growth of the Sultanate's economy and to dedicate our achievements to the building of a strong nation.

Signed by:

Michael Cunningham

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Michael Cunningham
Chairperson of the Board

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