

# **SEMBCORP SALALAH POWER AND WATER COMPANY SAOG**

## **UNAUDITED INTERIM FINANCIAL STATEMENTS FOR NINE MONTHS PERIOD ENDED 30 SEPTEMBER 2026**

**Registered office:**

P.O. Box 1466  
Postal Code 211  
Salalah  
Sultanate of Oman

**Principal place of business:**

Salalah  
Sultanate of Oman

**SEMBCORP SALALAH POWER AND WATER COMPANY SAOG**

**FINANCIAL STATEMENTS  
FOR NINE MONTHS PERIOD ENDED 30 SEPTEMBER 2026**

| <b>Contents</b>                                                              | <b>Page</b> |
|------------------------------------------------------------------------------|-------------|
| Unaudited Interim Statement of profit or loss and other comprehensive income | 1           |
| Unaudited Interim Statement of financial position                            | 2           |
| Unaudited Interim Statement of changes in equity                             | 3           |
| Unaudited Interim Statement of cash flows                                    | 4           |
| Notes to the unaudited Interim financial statements                          | 5 - 43      |

**SEMBCORP SALALAH POWER AND WATER COMPANY SAOG****UNAUDITED INTERIM STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME  
FOR NINE MONTHS PERIOD ENDED 30 SEPTEMBER 2026**

|                                                                      | <i>Notes</i> | <b>Unaudited for<br/>three months<br/>period ended<br/>30 September<br/>2026</b> | <b>Unaudited for<br/>three months<br/>period ended<br/>30 September<br/>2025</b> | <b>Unaudited for<br/>nine months<br/>period ended<br/>30 September<br/>2026</b> | <b>Unaudited for<br/>nine months<br/>period ended<br/>30 September<br/>2025</b> |
|----------------------------------------------------------------------|--------------|----------------------------------------------------------------------------------|----------------------------------------------------------------------------------|---------------------------------------------------------------------------------|---------------------------------------------------------------------------------|
|                                                                      |              | <b><u>₪</u></b>                                                                  | <b><u>₪</u></b>                                                                  | <b><u>₪</u></b>                                                                 | <b><u>₪</u></b>                                                                 |
| Revenue                                                              | 3            | 21,933,905                                                                       | 20,988,233                                                                       | 66,905,733                                                                      | 63,156,847                                                                      |
| Cost of sales                                                        | 4            | (15,130,197)                                                                     | (13,749,383)                                                                     | (46,581,206)                                                                    | (40,842,044)                                                                    |
| <b>Gross profit</b>                                                  |              | <b>6,803,708</b>                                                                 | <b>7,238,850</b>                                                                 | <b>20,324,527</b>                                                               | <b>22,314,803</b>                                                               |
| Administrative and general expenses                                  | 5            | (162,162)                                                                        | (191,336)                                                                        | (520,889)                                                                       | (538,632)                                                                       |
| Other income                                                         | 6            | 50,586                                                                           | 42,607                                                                           | 151,757                                                                         | 207,147                                                                         |
| <b>Profit before interest and tax</b>                                |              | <b>6,692,132</b>                                                                 | <b>7,090,121</b>                                                                 | <b>19,955,395</b>                                                               | <b>21,983,318</b>                                                               |
| Finance income                                                       | 7.1          | 55,744                                                                           | 210,378                                                                          | 306,325                                                                         | 532,889                                                                         |
| Finance costs                                                        | 7            | (11,451)                                                                         | (755,210)                                                                        | (764,131)                                                                       | (2,475,044)                                                                     |
| <b>Profit before income tax</b>                                      |              | <b>6,736,425</b>                                                                 | <b>6,545,289</b>                                                                 | <b>19,497,589</b>                                                               | <b>20,041,163</b>                                                               |
| Income tax expenses                                                  | 17(a)        | (1,012,242)                                                                      | (984,021)                                                                        | (2,930,001)                                                                     | (2,986,870)                                                                     |
| <b>PROFIT FOR THE PERIOD</b>                                         |              | <b>5,724,183</b>                                                                 | <b>5,561,268</b>                                                                 | <b>16,567,588</b>                                                               | <b>17,054,293</b>                                                               |
| <b>Other comprehensive income</b>                                    |              |                                                                                  |                                                                                  |                                                                                 |                                                                                 |
| <b>Item that may be subsequently reclassified to profit or loss:</b> |              |                                                                                  |                                                                                  |                                                                                 |                                                                                 |
| Fair value of cash flow hedge adjustments – gross                    | 10           | -                                                                                | 34,291                                                                           | 8,930                                                                           | 78,215                                                                          |
| Reclassification of realized hedge to profit or loss - gross         | 7            | -                                                                                | (66,609)                                                                         | 15,271                                                                          | (207,289)                                                                       |
| Related tax impact on change in fair value of cash flow hedge        | 17(c)        | -                                                                                | 4,847                                                                            | (3,630)                                                                         | 19,361                                                                          |
|                                                                      |              | -                                                                                | (27,471)                                                                         | 20,571                                                                          | (109,713)                                                                       |
| <b>TOTAL PROFIT AND COMPREHENSIVE INCOME FOR THE PERIOD</b>          |              | <b>5,724,183</b>                                                                 | <b>5,533,797</b>                                                                 | <b>16,588,159</b>                                                               | <b>16,944,580</b>                                                               |
| <b>Earnings per share:</b>                                           |              |                                                                                  |                                                                                  |                                                                                 |                                                                                 |
| Basic and diluted earnings per share                                 | 25           | <b>0.006</b>                                                                     | 0.006                                                                            | <b>0.017</b>                                                                    | 0.018                                                                           |

The notes 1 to 30 are an integral part of these financial statements.

**SEMBCORP SALALAH POWER AND WATER COMPANY SAOG**  
**UNAUDITED INTERIM STATEMENT OF FINANCIAL POSITION AS AT 30 SEPTEMBER 2026**

|                                                     | Notes      | Unaudited<br>30 September 2026                                                      | Unaudited<br>30 September 2025                                                      | Audited<br>31 December 2025                                                         |
|-----------------------------------------------------|------------|-------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------|
|                                                     |            |  |  |  |
| <b>ASSETS</b>                                       |            |                                                                                     |                                                                                     |                                                                                     |
| <b>NON-CURRENT ASSETS</b>                           |            |                                                                                     |                                                                                     |                                                                                     |
| Property, plant and equipment                       | 8          | 208,762,674                                                                         | 219,355,107                                                                         | 216,661,808                                                                         |
| Right of use assets                                 | 9          | 529,804                                                                             | 555,963                                                                             | 549,369                                                                             |
| <b>TOTAL NON-CURRENT ASSETS</b>                     |            | <b>209,292,478</b>                                                                  | <b>219,911,070</b>                                                                  | <b>217,211,177</b>                                                                  |
| <b>CURRENT ASSETS</b>                               |            |                                                                                     |                                                                                     |                                                                                     |
| Inventories                                         | 11         | 6,300,254                                                                           | 6,021,211                                                                           | 5,990,074                                                                           |
| Trade and other receivables                         | 12         | 12,646,796                                                                          | 9,239,203                                                                           | 10,243,992                                                                          |
| Bank deposits                                       | 13         | 3,900,000                                                                           | 11,367,870                                                                          | 12,716,070                                                                          |
| Cash and cash equivalents                           | 13         | 12,802,645                                                                          | 9,060,813                                                                           | 5,228,043                                                                           |
| <b>TOTAL CURRENT ASSETS</b>                         |            | <b>35,649,695</b>                                                                   | <b>35,689,097</b>                                                                   | <b>34,178,179</b>                                                                   |
| <b>TOTAL ASSETS</b>                                 |            | <b>244,942,173</b>                                                                  | <b>255,600,167</b>                                                                  | <b>251,389,356</b>                                                                  |
| <b>EQUITY AND LIABILITIES</b>                       |            |                                                                                     |                                                                                     |                                                                                     |
| Share capital                                       | 14(a)      | 95,457,195                                                                          | 95,457,195                                                                          | 95,457,195                                                                          |
| Legal reserve                                       | 14(b)      | 23,108,150                                                                          | 20,827,534                                                                          | 21,451,391                                                                          |
| Retained earnings                                   |            | 86,904,788                                                                          | 74,015,829                                                                          | 71,993,959                                                                          |
| Hedging reserve                                     | 10 & 14(c) | -                                                                                   | (14,146)                                                                            | (20,571)                                                                            |
| <b>TOTAL EQUITY</b>                                 |            | <b>205,470,133</b>                                                                  | <b>190,286,412</b>                                                                  | <b>188,881,974</b>                                                                  |
| <b>NON-CURRENT LIABILITIES</b>                      |            |                                                                                     |                                                                                     |                                                                                     |
| Long term lease liability                           | 21         | 706,377                                                                             | 663,258                                                                             | 673,536                                                                             |
| Asset retirement obligation                         | 20         | 970,133                                                                             | 905,738                                                                             | 919,457                                                                             |
| Deferred tax liabilities                            | 17(c)      | 23,262,082                                                                          | 23,913,416                                                                          | 23,792,056                                                                          |
| Deferred revenue                                    | 22         | 326,082                                                                             | 528,425                                                                             | 477,839                                                                             |
| <b>TOTAL NON-CURRENT LIABILITIES</b>                |            | <b>25,264,674</b>                                                                   | <b>26,010,837</b>                                                                   | <b>25,862,888</b>                                                                   |
| <b>CURRENT LIABILITIES</b>                          |            |                                                                                     |                                                                                     |                                                                                     |
| Current portion of long-term loan                   | 19         | -                                                                                   | 25,529,498                                                                          | 25,526,520                                                                          |
| Current portion of derivative financial instruments | 10         | -                                                                                   | 14,197                                                                              | 22,160                                                                              |
| Trade and other payables                            | 15         | 10,704,859                                                                          | 10,345,981                                                                          | 6,461,867                                                                           |
| Current tax payable                                 | 17(d)      | 3,502,507                                                                           | 3,413,242                                                                           | 4,633,947                                                                           |
| <b>TOTAL CURRENT LIABILITIES</b>                    |            | <b>14,207,366</b>                                                                   | <b>39,302,918</b>                                                                   | <b>36,644,494</b>                                                                   |
| <b>TOTAL LIABILITIES</b>                            |            | <b>39,472,040</b>                                                                   | <b>65,313,755</b>                                                                   | <b>62,507,382</b>                                                                   |
| <b>TOTAL EQUITY AND LIABILITIES</b>                 |            | <b>244,942,173</b>                                                                  | <b>255,600,167</b>                                                                  | <b>251,389,356</b>                                                                  |
| Net assets per share                                | 26         | 0.215                                                                               | 0.199                                                                               | 0.198                                                                               |

These financial statements were approved and authorised for issue in accordance with a resolution of the Board of Directors on 21 October 2026.

Signed by:  
  
C3433CA744E241A...

Chief Executive Officer

The notes 1 to 30 are an integral part of these financial statements.

**SEMBCORP SALALAH POWER AND WATER COMPANY SAOG****UNAUDITED INTERIM STATEMENT OF CHANGES IN EQUITY  
FOR NINE MONTHS PERIOD ENDED 30 SEPTEMBER 2026**

| Unaudited                                                         | Share<br>capital<br> | Legal<br>reserve<br> | Retained<br>earnings<br> | Hedging<br>reserve<br> | Total<br> |
|-------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------|
| At 1 January 2025                                                 | 95,457,195                                                                                            | 19,122,105                                                                                            | 58,666,965                                                                                                 | 95,567                                                                                                    | 173,341,832                                                                                  |
| Profit for the period                                             | -                                                                                                     | -                                                                                                     | 17,054,293                                                                                                 | -                                                                                                         | 17,054,293                                                                                   |
| <u>Other comprehensive income</u>                                 |                                                                                                       |                                                                                                       |                                                                                                            |                                                                                                           |                                                                                              |
| Fair value adjustment, net of tax                                 | -                                                                                                     | -                                                                                                     | -                                                                                                          | 78,215                                                                                                    | 78,215                                                                                       |
| Reclassification to profit or loss - gross                        | -                                                                                                     | -                                                                                                     | -                                                                                                          | (207,289)                                                                                                 | (207,289)                                                                                    |
| Deferred tax liability on change in fair value of cash flow hedge | -                                                                                                     | -                                                                                                     | -                                                                                                          | 19,361                                                                                                    | 19,361                                                                                       |
| Total comprehensive income for the period                         | -                                                                                                     | -                                                                                                     | 17,054,293                                                                                                 | (109,713)                                                                                                 | 16,944,580                                                                                   |
| Transfer to legal reserve (Note 14b)                              | -                                                                                                     | 1,705,429                                                                                             | (1,705,429)                                                                                                | -                                                                                                         | -                                                                                            |
| At 30 September 2025                                              | <u>95,457,195</u>                                                                                     | <u>20,827,534</u>                                                                                     | <u>74,015,829</u>                                                                                          | <u>(14,146)</u>                                                                                           | <u>190,286,412</u>                                                                           |
| At 1 January 2026                                                 | <b>95,457,195</b>                                                                                     | <b>21,451,391</b>                                                                                     | <b>71,993,959</b>                                                                                          | <b>(20,571)</b>                                                                                           | <b>188,881,974</b>                                                                           |
| Profit for the period                                             | -                                                                                                     | -                                                                                                     | <b>16,567,588</b>                                                                                          | -                                                                                                         | <b>16,567,588</b>                                                                            |
| <u>Other comprehensive income</u>                                 |                                                                                                       |                                                                                                       |                                                                                                            |                                                                                                           |                                                                                              |
| Fair value adjustment, net of tax                                 | -                                                                                                     | -                                                                                                     | -                                                                                                          | <b>8,930</b>                                                                                              | <b>8,930</b>                                                                                 |
| Reclassification to profit or loss - gross                        | -                                                                                                     | -                                                                                                     | -                                                                                                          | <b>15,271</b>                                                                                             | <b>15,271</b>                                                                                |
| Deferred tax liability on change in fair value of cash flow hedge | -                                                                                                     | -                                                                                                     | -                                                                                                          | <b>(3,630)</b>                                                                                            | <b>(3,630)</b>                                                                               |
| <b>Total comprehensive income for the period</b>                  | -                                                                                                     | -                                                                                                     | <b>16,567,588</b>                                                                                          | <b>20,571</b>                                                                                             | <b>16,588,159</b>                                                                            |
| Transfer to legal reserve (Note 14b)                              | -                                                                                                     | <b>1,656,759</b>                                                                                      | <b>(1,656,759)</b>                                                                                         | -                                                                                                         | -                                                                                            |
| At 30 September 2026                                              | <u><b>95,457,195</b></u>                                                                              | <u><b>23,108,150</b></u>                                                                              | <u><b>86,904,788</b></u>                                                                                   | <u><b>-</b></u>                                                                                           | <u><b>205,470,133</b></u>                                                                    |

The notes 1 to 30 are an integral part of these financial statements.

**SEMBCORP SALALAH POWER AND WATER COMPANY SAOG****UNAUDITED INTERIM STATEMENT OF CASH FLOWS  
FOR NINE MONTHS PERIOD ENDED 30 SEPTEMBER 2026**

|                                                               |              | <b>Unaudited</b>           | <b>Unaudited</b>           |
|---------------------------------------------------------------|--------------|----------------------------|----------------------------|
|                                                               |              | <b>For nine months</b>     | <b>For nine months</b>     |
|                                                               |              | <b>period ended</b>        | <b>period ended</b>        |
|                                                               | <i>Notes</i> | <b>30 September</b>        | <b>30 September</b>        |
|                                                               |              | <b>2026</b>                | <b>2025</b>                |
| <b>Cash flows from operating activities:</b>                  |              | <b><u>19,497,589</u></b>   | <b><u>20,041,163</u></b>   |
| Profit before tax for the period                              |              |                            |                            |
| Adjustment for:                                               |              |                            |                            |
| Depreciation and amortisation                                 | 8 & 9        | 8,420,096                  | 8,391,888                  |
| Amortisation of deferred revenue                              | 22           | (151,757)                  | (151,756)                  |
| Finance costs                                                 |              | 764,131                    | 2,475,044                  |
| Finance income                                                |              | (306,325)                  | (532,889)                  |
| Provision for asset retirement obligation                     | 20           | 50,676                     | 41,157                     |
| <i>Changes in working capital:</i>                            |              |                            |                            |
| Inventory                                                     |              | (310,180)                  | (170,671)                  |
| Trade and other receivables                                   |              | (2,478,139)                | (22,973)                   |
| Trade and other payables                                      |              | 4,744,906                  | 5,087,433                  |
| <b>Cash generated from operating activities</b>               |              | <b><u>30,230,997</u></b>   | <b><u>35,158,396</u></b>   |
| Income Tax Paid                                               |              | (4,595,045)                | (4,300,239)                |
| Finance cost paid                                             |              | (1,179,482)                | (3,289,011)                |
| <b>Net cash flows from operating activities</b>               |              | <b><u>24,456,470</u></b>   | <b><u>27,569,146</u></b>   |
| <b>Cash flows from investing activities</b>                   |              |                            |                            |
| Acquisition of property, plant and equipment                  | 8            | (501,397)                  | (373,540)                  |
| Bank deposits                                                 |              | 8,816,070                  | 116,142                    |
| Finance income received                                       |              | 381,660                    | 663,968                    |
| <b>Net cash flows from investing activities</b>               |              | <b><u>8,696,333</u></b>    | <b><u>406,570</u></b>      |
| <b>Cash flows from financing activities</b>                   |              |                            |                            |
| Repayment of term loan                                        |              | (25,578,201)               | (25,691,129)               |
| <b>Net cash used in financing activities</b>                  |              | <b><u>(25,578,201)</u></b> | <b><u>(25,691,129)</u></b> |
| <b>Net (decrease) / increase in cash and cash equivalents</b> |              | <b>7,574,602</b>           | <b>2,284,587</b>           |
| <b>Cash and cash equivalents at 1 January</b>                 |              | <b><u>5,228,043</u></b>    | <b><u>6,776,226</u></b>    |
| <b>Cash and cash equivalents at 30 September</b>              | 13           | <b><u>12,802,645</u></b>   | <b><u>9,060,813</u></b>    |

Non-cash items and reconciliation of liabilities arising from financing activities are disclosed in note 13.1.

The notes 1 to 30 are an integral part of these financial statements.

# **SEMBCORP SALALAH POWER AND WATER COMPANY SAOG**

## **NOTES TO THE UNAUDITED INTERIM FINANCIAL STATEMENTS**

### **FOR NINE MONTHS PERIOD ENDED 30 SEPTEMBER 2026**

#### **1 Legal status and principal activities**

Sembcorp Salalah Power and Water Company SAOG (“the Company”) was registered as a closed Omani Joint Stock Company in the Sultanate of Oman on 29 September 2009. The Company registered office address is P.O Box 1466, Postal Code 211, Salalah, Sultanate of Oman.

The Company entered into a Shareholders Agreement (“the Shareholders Agreement”) dated 17 November 2009 between Sembcorp Oman First Investment Holding Co Ltd (“SOFIH”) 40% shareholder, Sembcorp Oman IPO Holding Co Ltd (“SOIHL”) 20% shareholder and Inma Power & Water Company LLC (“IPWC”) 40% shareholder. On 8 October 2013, the Company was listed on the Muscat Stock Exchange Company (formerly known as Muscat Securities Market) and became a listed public joint stock company (“SAOG”). For current shareholding refer note 14.

The Company was awarded a tender by the Oman Power & Water Procurement Company SAOC (“PWP”) to build, own and operate an electricity generation and seawater desalination plant together with the associated facilities in the Salalah region (“the Plant”). On 12 October 2025, the Company was awarded new Power and Water Purchase Agreement (“the new PWPA”). The new PWPA will commence on 4 April 2027, immediately following the expiry of the current agreement, and will remain in effect for a period of 10 years, ending on April 2037.

#### *Significant agreements*

The Company has entered into the following major agreements:

- (i) Power and Water Purchase Agreement (“the PWPA”) dated 23 November 2009 with Nama Power & Water Procurement Company SAOC (“PWP”) formerly known as Oman Power & Water Procurement Company SAOC for a period of fifteen years commencing from the date of commercial operations (“Operation period”) which is 04 April 2012 to procure the power and water produced by the Company. On 12 October 2025, the Company was awarded new Power and Water Purchase Agreement (“the new PWPA”). The new PWPA will commence on 4 April 2027, immediately following the expiry of the current agreement, and will remain in effect for a period of 10 years, ending on April 2037.
- (ii) Natural Gas Sales Agreement (“NGSA”) dated 23 November 2009 with the Ministry of Energy and Minerals (“MEM”) formerly known as Ministry of Oil and Gas (“MOG”) of the Government for the supply of natural gas; On 17 April 2023, NGSA was novated to Integrated Gas Company through Ministerial Decision No. 19/2023 issued by MEM and Ministerial Decision No. 248/2022 issued by Ministry of Finance. The Company also signed new NGSA for a period of 10 years starting from 4 April 2027 ending on April 2037.
- (iii) Usufruct Agreement (“Usufruct Agreement”) dated 23 November 2009 with the Ministry of Housing and Urban Planning formerly known as Ministry of Housing of the Government for grant of Usufruct rights over the project site.
- (iv) Long Term Service Agreement (“LTSA”) with General Electric International LLC (“GEIL”) for maintenance services on gas turbines and generators.
- (v) Government Guarantee Agreement (“Government Guarantee”) dated 23 November 2009 with the Government represented by the Ministry of Finance (“MOF”), whereby the MOF is prepared to guarantee the payment by PWP of its financial obligations to the Company’s Senior Lenders under the PWPA; and
- (vi) Operation and Maintenance (“O&M”) agreement with Sembcorp Salalah O&M Services Company LLC (“SSOM”) dated 8 February 2010 for a period of 15 years from the scheduled commercial operation date.

#### **2 Basis of preparation and material accounting policy information**

##### **2.1 Basis of preparation**

###### **(a) Statement of compliance**

These interim unaudited financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB) including the requirements of IAS 34, the rules and guidelines on disclosures issued by the Financial Services Authority formerly known as Capital Market Authority of the Sultanate of Oman and the applicable requirements of the Commercial Companies Law of 2019.

**SEMBICORP SALALAH POWER AND WATER COMPANY SAOG**  
**NOTES TO THE UNAUDITED INTERIM FINANCIAL STATEMENTS**  
**FOR NINE MONTHS PERIOD ENDED 30 SEPTEMBER 2026**  
**Basis of preparation and material accounting policy information (continued)**

**2.1 Basis of preparation (continued)**

*(b) Basis of measurement*

These financial statements are prepared on a historical cost basis except where otherwise described in the accounting policies below.

*(c) Use of estimates and judgements*

The preparation of financial statements in conformity with IFRS requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses.

The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about carrying values of assets and liabilities that are not readily apparent from other sources. The Company makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The areas where accounting assumptions and estimates are significant to the financial statements are disclosed in notes 2.2 and 2.3 below and also in the relevant notes to the financial statements.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

In particular, estimates that involve uncertainties and judgments which have a significant effect on the financial statements include useful lives and residual value of property, plant and equipment measuring / impairment allowance, effectiveness of hedge relationship and asset retirement obligation.

**2.2 Judgements**

Management has made the following judgements, apart from those involving estimations, which have the most significant effect on the amounts recognised in the financial statements:

*(a) Classification of plant as lease (IFRS 16) or concession arrangement (IFRIC 12)*

Judgement is required to ascertain whether the PWPA agreement with PWP is a concession arrangement as per IFRIC 12 Service Concession Arrangements or contains a lease as per IFRS 16 Leases and if the agreement contains a lease, judgement is required to classify the lease as an operating lease or a finance lease as per IFRS 16 Leases. Management has evaluated the applicability of IFRIC 12 Service Concession Arrangements and concluded that IFRIC 12 is not applicable to the arrangement as the residual risk is controlled by the Company and not PWP. The estimated useful life of the power plant of 35 years takes into account the Company's right to extend the land lease under a Usufruct Agreement for an additional term. As the Company will extend the land lease until the end of useful life of the plant, lease term of the land has also been considered to expire at the end of the useful life of the plant. Furthermore, the residual value of the assets will have substantial value at the conclusion of the PWPA.

*(b) Operating lease and useful life of assets*

The Company and PWP have entered into a PWPA containing a take-or-pay clause favouring the Company. The management had applied the guidance of IFRS 16 'Leases'. Based on management's evaluation, the PWPA with PWP was considered as a lease within the context of IFRS 16 and has been classified as an operating lease since significant risks and rewards associated with the ownership of the plant lies with the Company and not with PWP. The primary basis for this conclusion being that the initial PWPA is for a term of 15 years and the Company has been awarded with another PWPA for a term of 10 years from the expiry of initial PWPA, while the economic life of the plant is estimated to be 35 years. The present value of minimum lease payments under the PWPA does not substantially recover the fair value of the plant at the inception of the lease.

# SEMBICORP SALALAH POWER AND WATER COMPANY SAOG

## NOTES TO THE UNAUDITED INTERIM FINANCIAL STATEMENTS

### FOR NINE MONTHS PERIOD ENDED 30 SEPTEMBER 2026

## 2 Basis of preparation and material accounting policy information *(continued)*

### 2.3 Estimates and assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial years are included in the following notes:

- Note 10: determining the fair value of the derivative financial instruments.
- Note 8: useful life and impairment of the property, plant and equipment.
- Note 20: determination of asset retirement obligation.

#### *(a) Effectiveness of hedge relationship*

At the inception of the hedge, the management documents the hedging strategy and performs hedge effectiveness testing to assess whether the hedge is effective. This exercise is performed at each reporting date to assess whether the hedge will remain effective throughout the term of the hedging relationship.

#### *(b) Useful lives of property, plant and equipment*

Depreciation is charged so as to write off the cost of assets over their estimated useful lives. The calculation of useful lives is based on management's assessment of various factors such as the operating cycles, the maintenance programs, and normal wear and tear using its best estimates. The nature of the assets are buildings, roads and pipelines and plant and machinery. Refer note 8 for carrying values of the nature of the assets.

#### *(c) Asset retirement obligation*

Asset retirement obligation is based on management's technical assessment of the probable future costs to be incurred in respect of the decommissioning of the plant and restoration of land. The significant uncertainty in estimating the provision is the cost that will be incurred and the applicable discount rate. It has been assumed that the site will be restored using technology and material that are currently available.

#### *(d) Impairment of non-financial assets*

The Company determines whether its non-financial assets are impaired when there are indicators of impairment as defined in IAS 36. This requires an estimation of the value-in-use of the cash-generating unit ('the CGU'), which constitutes the carrying value of property, plant and equipment and right of use assets as at 30 September 2026. Estimating the value-in-use requires the Company to make an estimate of the expected future cash flows from the CGU and also to choose a suitable discount rate in order to calculate the present value of those cash flows.

The recoverable amount of the CGU has been determined based on value in use calculations. These calculations use post-tax cash flow projections based on the financial projections approved by management and based on the historical inflation rates, contractual clauses of PWPA and the estimates for relevant macroeconomic factors. Based on expected demand and supply in Dhofar region, the Company will be able to continue to generate revenue through supply of power and water which takes into account the high probability of extension of PWPA.

# SEMBICORP SALALAH POWER AND WATER COMPANY SAOG

## NOTES TO THE UNAUDITED INTERIM FINANCIAL STATEMENTS

### FOR NINE MONTHS PERIOD ENDED 30 SEPTEMBER 2026

## 2 Basis of preparation and material accounting policy information *(continued)*

### 2.4 Material accounting policy information

The accounting policies adopted are consistent with those of the previous financial year except for amendment to IAS 1. The Company has adopted the amendments to IAS 1 regarding the classification of liabilities as current or non-current, effective from 1 January 2025. These amendments clarify how to classify liabilities and require new disclosures for non-current loans with covenants due within 12 months. However, as the Company does not have any convertible notes or similar liabilities, the change does not affect its financial statements.

#### *(a) Foreign currency*

##### *(i) Functional and presentation currency*

The financial statements have been presented in Rial Omani (“”) which is the functional currency of the Company.

##### *(ii) Foreign currency transactions*

Transactions in foreign currencies are translated to the respective functional currency of the Company at foreign exchange rates at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies at the reporting date are translated to the functional currency at the exchange rate at that date. Non-monetary assets and liabilities denominated in foreign currencies that are measured at historical cost are translated to the functional currency at the exchange rate at the date of the transaction. Non-monetary assets and liabilities measured at fair value in foreign currencies are translated into the functional currency at foreign exchange rates ruling at the dates the fair value was determined. Foreign currency differences arising on translation of monetary items are recognised in profit or loss, except for differences arising on the retranslation of qualifying cash flow hedges, which are recognised in other comprehensive income.

#### *(b) Financial instruments*

##### *(i) Financial assets*

#### *Classification*

The Company on initial recognition classifies its financial assets in the following measurement categories:

- those to be measured subsequently at fair value (either through other comprehensive income (FVOCI), or through profit or loss (FVTPL), and
- those to be measured at amortised cost.

The classification depends on the entity's business model for managing the financial assets and the contractual terms of the cash flows. The Company reclassifies these financial assets, when and only when its business model for managing those financial assets changes.

#### *Recognition*

Regular way purchases and sales of financial assets are recognised on trade-date, the date on which the Company becomes a counterparty to a contract..

#### *Derecognition*

The Company derecognises a financial asset when:

- the contractual rights to the cash flows from the financial asset expire; or
- it transfers the rights to receive the contractual cash flows in a transaction in which either:
  - substantially all of the risks and rewards of ownership of the financial asset are transferred; or
  - the Company neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset.

The Company enters into transactions whereby it transfers assets recognised in its statement of financial position, but retains either all or substantially all of the risks and rewards of the transferred assets. In these cases, the transferred assets are not derecognised.

# SEMBICORP SALALAH POWER AND WATER COMPANY SAOG

## NOTES TO THE UNAUDITED INTERIM FINANCIAL STATEMENTS

### FOR NINE MONTHS PERIOD ENDED 30 SEPTEMBER 2026

#### 2 Basis of preparation and material accounting policy information *(continued)*

##### 2.4 Material accounting policy information *(continued)*

###### *(b) Financial instruments (continued)*

###### *(i) Financial assets (continued)*

###### *Measurement*

At initial recognition, the Company measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss (FVTPL), transaction costs that are directly attributable to the acquisition of the financial asset. Transaction cost for financial assets carried at FVTPL are expensed in profit or loss.

Financial assets with embedded derivatives are considered in their entirety when determining whether their cash flows are solely payment of principal and interest.

Business model assessment: The Company makes an assessment of the objective of the business model in which a financial asset is held at a portfolio level because this best reflects the way the business is managed and information is provided to management.

Assessment whether contractual cash flows are Solely Payment for Principal and Interest (SPPI): In assessing whether the contractual cash flows are SPPI, the Company considers the contractual terms of the instrument. This includes assessing whether the financial asset contains a contractual term that could change the timing or amount of contractual cash flows such that it would not meet this condition. In making this assessment, the Company considers:

- contingent events that would change the amount or timing of cash flows;
- terms that may adjust the contractual coupon rate, including variable-rate features;
- prepayment and extension features; and
- terms that limit the Company's claim to cash flows from specified assets (e.g. non-recourse features).

Subsequent measurement of debt instruments depends on the Company's business model for managing the asset and the cash flow characteristics of the asset. There are three measurement categories into which the Company classifies its financial assets:

Amortised cost: Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. Interest income from these financial assets is included in finance income using the effective interest rate method. Any gain or loss arising on derecognition is recognised directly in profit or loss and presented in other gains/(losses) together with foreign exchange gains and losses. Impairment losses are presented as separate line item in the statement of profit or loss.

FVOCI: Assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at FVOCI. Movements in the carrying amount are taken through OCI, except for the recognition of impairment gains or losses, interest income and foreign exchange gains and losses which are recognised in profit or loss. When the financial asset (debt instrument) is derecognised, the cumulative gain or loss previously recognised in OCI is reclassified from equity to profit or loss and recognised in other gains/(losses). Interest income from these financial assets is included in finance income using the effective interest rate method. Foreign exchange gains and losses are presented in other gains/(losses) and impairment expenses are presented as separate line item in the statement of profit or loss. For equity investment at FVOCI, assets are subsequently measured at fair value. Dividends are recognised as income in profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognised in OCI and are never reclassified to profit or loss.

FVPL: Assets that do not meet the criteria for amortised cost or FVOCI are measured at FVPL. A gain or loss on a debt investment that is subsequently measured at FVPL is recognised in profit or loss and presented net within other gains/(losses) in the period in which it arises.

###### *Impairment of financial assets*

The Company assesses on a forward looking basis the expected credit losses associated with its financial instruments carried at amortised cost and debt instrument classified as FVOCI.

**SEMBICORP SALALAH POWER AND WATER COMPANY SAOG**  
**NOTES TO THE UNAUDITED INTERIM FINANCIAL STATEMENTS**  
**FOR NINE MONTHS PERIOD ENDED 30 SEPTEMBER 2026**

**2 Basis of preparation and material accounting policy information (continued)**

**2.4 Material accounting policy information (continued)**

*(b) Financial instruments (continued)*

*(i) Financial assets (continued)*

*Impairment of financial assets (continued)*

Under IFRS 9, loss allowance are measured on either of the following bases:

- 12 month ECL: these are ECLs that result from possible default events within 12 months after the reporting date; and
- Lifetime ECL: these are ECLs that result from all possible default events over the expected life of a financial instrument.

The Company measures loss allowance at an amount equal to lifetime ECLs, except for the following, which are measured as 12- month ECLs:

- Debt securities that are determined to have low credit risk at the reporting date; and
- Other debt securities and bank balances for which credit risk (i.e. the risk of default occurring over the expected life of the financial instrument) has not increased significantly since initial recognition.

*General approach*

The Company applies three-stage approach to measuring ECL. Assets migrate through the three stages based on the change in credit quality since initial recognition. Financial assets with significant increase in credit risk since initial recognition, but not credit impaired, are transitioned to stage 2 from stage 1 and ECL is recognised based on the probability of default (PD) of the counter party occurring over the life of the asset. All other financial assets are considered to be in stage 1 unless it is credit impaired and an ECL is recognised based on the PD of the customer within next 12 months. Financial assets are assessed as credit impaired when there is a detrimental impact on the estimated future cash flows of the financial asset. The Company applies general approach to all financial assets except trade receivable without significant financing component.

*Simplified approach*

The Company applies simplified approach to measuring credit losses, which mandates recognition of lifetime expected loss allowance for trade receivables without significant financing component. Under simplified approach, there is no need to monitor for significant increases in credit risk and the Company will be required to measure lifetime expected credit losses at all times.

*Significant increase in credit risk*

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECLs, the Company considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Company's historical experience and informed credit assessment and including forward- looking information.

The Company assumes that the credit risk on a financial asset has increased significantly based on the certain delinquency period (days past due) or if exposure has moved from investment grade to non-investment grade on credit rating scale of independent credit rating agency in case of low credit risk instrument.

# SEMBICORP SALALAH POWER AND WATER COMPANY SAOG

## NOTES TO THE UNAUDITED INTERIM FINANCIAL STATEMENTS

### FOR NINE MONTHS PERIOD ENDED 30 SEPTEMBER 2026

## 2 Basis of preparation and material accounting policy information *(continued)*

### 2.4 Material accounting policy information *(continued)*

#### *(b) Financial instruments (continued)*

##### *(i) Financial assets (continued)*

#### *Significant increase in credit risk (continued)*

To determine whether a financial instrument has low credit risk, the Company uses internal credit ratings which are mapped to the external credit rating agencies such as Moody's etc. The Company considers that the rating within the investment grade, (the Company considers this to be Ba3 or higher per Moody's), are considered a low risk and have less likelihood of default. Where the external rating of a financial instrument is not available, the Company reviews the ability of the counterparty by reviewing their financial statements and other publicly available information.

The Company considers a financial asset to be in default when the borrower is unlikely to pay its credit obligations to the Company in full, without recourse by the Company to actions such as realizing security (if any is held) or based on the certain delinquency period (days past due).

#### *Measurement of ECLs*

ECLs are a probability weighted estimate of credit losses. Credit losses are measured as the present value of all cash shortfalls (i.e. the difference between the cash flows due to the Company in accordance with the contract and the cash flows that the Company expects to receive). ECLs are discounted at the effective interest rate of the financial asset. The maximum period considered when estimating ECLs is the maximum contractual period over which the Company is exposed to credit risk.

#### *Credit-impaired financial assets*

At each reporting date, the Company assesses whether financial assets carried at amortized cost are credit impaired. A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

##### *(ii) Financial liabilities*

#### *Classification, subsequent measurement and gains and losses*

Financial liabilities are measured at amortised cost or FVTPL. A financial liability is measured at FVTPL if it is classified as held-for-trading, it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognised in profit or loss. Other financial liabilities are subsequently measured at amortised cost under the effective interest method. Interest expense and foreign exchange gains and losses are recognised in profit or loss. Any gain or loss on derecognition is also recognised in profit or loss.

#### *Derecognition*

The Company derecognises a financial liability when its contractual obligations are discharged or cancelled, or expire. The Company also derecognises a financial liability when its terms are modified and the cash flows of the modified liability are substantially different, in which case a new financial liability based on the modified terms is recognised at fair value.

On derecognition of a financial liability, the difference between the carrying amount extinguished and the consideration paid (including any non-cash assets transferred or liabilities assumed) is recognised in profit or loss.

##### *(iii) Derivatives and hedging activities*

#### *Derivative financial instruments*

All derivatives in scope of IFRS 9, are initially recognised at fair value on the date a derivative contract is entered into and are subsequently remeasured to their fair value at the end of each reporting period. Fair value changes are recognised in profit or loss unless the entity has elected to apply hedge accounting by designating the derivative as a hedging instrument in an eligible hedging relationship.

**SEMBICORP SALALAH POWER AND WATER COMPANY SAOG**  
**NOTES TO THE UNAUDITED INTERIM FINANCIAL STATEMENTS**  
**FOR NINE MONTHS PERIOD ENDED 30 SEPTEMBER 2026**

**2 Basis of preparation and material accounting policy information (continued)**

**2.4 Material accounting policy information (continued)**

*(b) Financial instruments (continued)*

*(iii) Derivatives and hedging activities (continued)*

*Cash flow hedges*

When a derivative is designated as the hedging instrument in a hedge of the variability in cash flows attributable to a particular risk associated with a recognised asset or liability or a highly probable forecast transaction, the effective portion of changes in the fair value of the derivative is recognised in other comprehensive income and presented in the hedging reserve in equity. Any ineffective portion of changes in the fair value of the derivative is recognised immediately in profit or loss. If the hedging instrument no longer meets the criteria for hedge accounting, expires or is sold, terminated or is exercised, then hedge accounting is discontinued prospectively.

The gain or loss relating to the effective portion of the interest rate swaps hedging variable rate borrowings is recognised in profit or loss within finance cost at the same time as the interest expense on the hedged borrowings. Any ineffective portion of changes in the fair value of the derivative is recognised immediately in profit or loss.

When a hedging instrument expires or is sold, terminated or exercised, or the entity revokes designation of the hedge relationship but the hedged forecast transaction is still expected to occur, then hedge accounting is discontinued prospectively. The cumulative gain or loss at that point remains in equity and is recognised in accordance with the above policy when the transaction occurs. If the hedged transaction is no longer expected to take place, the cumulative unrealised gain or loss recognised in equity is recognised immediately in profit or loss.

*Embedded derivatives*

An embedded derivative is a component of a contract that also includes a non-derivative host with the effect that some of the cash flows of the combined contract vary in a way similar to a stand-alone derivative.

Embedded derivatives are separated from the host contract and accounted for separately if the host contract is not a financial asset and if the criteria below is met:

- a. The economic characteristics and risks of the embedded derivative are not closely related to the economic characteristics and risks of the host;
- b. A separate instrument with the same terms as the embedded derivative would meet the definition of a derivative, and;
- c. The contract is not measured at fair value with changes in fair value recognised in profit or loss.

Embedded derivatives which are required to be separated are recognised at fair value with all subsequent changes in fair value recognised in profit or loss. Embedded derivatives that are not required to be separated are considered as part of the host contract and not accounted for separately.

*(c) Interest bearing borrowings*

Interest-bearing borrowings are recognised initially at fair value less attributable costs such as loan arrangement fee. Subsequent to initial recognition, interest-bearing borrowings are stated at amortised cost with any difference between cost and redemption value being recognised in profit and loss over the expected period of borrowings on an effective interest rate basis.

Borrowings are removed from the statement of financial position when the obligation specified in the contract is discharged, cancelled or expired. The difference between the carrying amount of a financial liability that has been extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss as other income or finance costs.

*(d) Trade and other payables*

These amounts represent liabilities for goods and services provided to the Company prior to the end of financial year which are unpaid. The amounts are unsecured and are usually paid within 30 days of recognition. Trade and other payables are presented as current liabilities unless payment is not due within 12 months after the reporting period. They are recognised initially at their fair value and subsequently measured at amortised cost using the effective interest method.

**SEMBICORP SALALAH POWER AND WATER COMPANY SAOG**  
**NOTES TO THE UNAUDITED INTERIM FINANCIAL STATEMENTS**  
**FOR NINE MONTHS PERIOD ENDED 30 SEPTEMBER 2026**

**2 Basis of preparation and material accounting policy information (continued)**

**2.4 Material accounting policy information (continued)**

*(e) Trade receivables*

Trade receivables are amounts due from customers for goods sold or services performed in the ordinary course of business. They are generally due for settlement within 25 days and therefore are all classified as current. Trade receivables are recognised initially at the amount of consideration that is unconditional unless they contain significant financing components, when they are recognised at fair value. The Company holds the trade receivables with the objective to collect the contractual cash flows and therefore measures them subsequently at amortised cost using the effective interest method.

*(f) Cash and cash equivalents*

Cash and cash equivalents includes cash on hand and other short-term, highly liquid investments with original maturities of ninety days or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

*(g) Property, plant and equipment*

*(i) Recognition and measurement*

Items of property, plant and equipment are measured at cost less accumulated depreciation and accumulated impairment losses. Cost includes expenditure that is directly attributable to the acquisition of the asset. The cost of self-constructed assets includes the cost of materials, direct labour and any other costs directly attributable to bringing the assets to a working condition for their intended use, the costs of dismantling and removing the items and restoring the site on which they are located and capitalised borrowing costs.

When parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

Gains and losses on disposal of an item of property, plant and equipment are determined by comparing the proceeds from disposal with the carrying amount of property, plant and equipment, and are recognised net within other income in profit or loss.

*(ii) Subsequent expenditure*

Subsequent expenditure is capitalised only when it increases future economic benefits embodied in the specific asset to which it relates.

Subsequent expenditure relating to property, plant and equipment that has already been incurred is added to the carrying amount of the asset when it is probable that future economic benefits, in excess of the originally assessed standard of performance of the existing asset, will flow to the Company. All other subsequent expenditure is recognised as an expense in the period in which it is incurred.

*(iii) Depreciation*

Depreciation is calculated using the straight-line method to allocate the cost less its residual value so as to write off items of property, plant and equipment over their estimated useful lives. Each part of an item of property, plant and equipment with a cost that is significant in relation to the total cost of an item is depreciated separately. The estimated useful lives are as follows:

|                                           | <b>Years</b> |
|-------------------------------------------|--------------|
| Buildings                                 | 30 to 35     |
| Roads and pipelines                       | 10 to 35     |
| Plant and machinery                       | 20 to 35     |
| Plant and machinery (Tools and equipment) | 2 to 12      |
| Office equipment                          | 3 to 10      |
| Motor vehicles                            | 5 to 10      |
| Computer equipment                        | 3 to 5       |

Depreciation methods, useful lives and residual values are reviewed at each reporting date and adjusted if appropriate. Certain items of property, plant and equipment are subject to overhauls at regular intervals. The inherent components of the initial overhaul are determined based on the estimated costs of the next overhaul and are separately depreciated in order to reflect the estimated intervals between two overhauls. The costs of the overhauls subsequently incurred are capitalised as additions and the carrying amounts of the replaced components are written off to the profit or loss.

**SEMBICORP SALALAH POWER AND WATER COMPANY SAOG**  
**NOTES TO THE UNAUDITED INTERIM FINANCIAL STATEMENTS**  
**FOR NINE MONTHS PERIOD ENDED 30 SEPTEMBER 2026**

**2 Basis of preparation and material accounting policy information** *(continued)*

**2.4 Material accounting policy information** *(continued)*

*(g) Property, plant and equipment (continued)*

*(iv) Capital work in progress*

Capital work in progress is measured at cost less impairment (if any), and is not depreciated until it is transferred into one of the above categories, which occurs when the asset is ready for its intended use.

*(v) Asset retirement obligation*

In accordance with the Usufruct Agreement requirements, a provision for site restoration in respect of a liability for future site restoration is recognized as part of cost of the relevant asset. The liability is measured at the present value of the estimated future cash outflows to be incurred on the basis of current technology. The liability includes all costs associated with site restoration, including plant closure and monitoring costs. The estimated future costs are reviewed annually and adjusted as appropriate.

*(h) Impairment of non-financial assets*

The carrying amounts of the Company's non-financial assets, other than inventories and deferred tax assets, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, the assets' recoverable amounts are estimated. An impairment loss is recognised whenever the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount. A cash-generating unit is the smallest identifiable asset group that generates cash flows that largely are independent from other assets. Impairment losses are recognised in the profit or loss statement. Impairment losses recognised in respect of cash-generating units are allocated first to reduce the carrying amount of any goodwill allocated to the cash-generating units and then, to reduce the carrying amounts of the other assets in cash-generating units on a pro rata basis.

The recoverable amount of an asset or cash-generating unit is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or cash-generating unit.

Management determines whether there are any indications of impairment to the carrying values of non-financial assets on an annual basis because of the difference between the duration of contracted cash flows and accounting depreciation of assets. This requires an estimation of the value in use of the cash generating units. Estimating the value in use requires the Company to make an estimate considering the expected future cash flows for the period lying beyond the term of the initial PWPA, probability of renewal of PWPA and also a suitable discount rate in order to calculate the present value of those cash flows.

In respect of other assets, impairment losses recognised in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists.

An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

*(i) Leases*

At inception of a contract, the Company assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

*(i) Company as a lessee*

Leases are recognised as a right-of-use asset and a corresponding liability at the date at which the leased asset is available for use by the Company. Each lease payment is allocated between the liability and finance cost. The finance cost is charged to profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period. The right-of-use asset is depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis.

**SEMBICORP SALALAH POWER AND WATER COMPANY SAOG**  
**NOTES TO THE UNAUDITED INTERIM FINANCIAL STATEMENTS**  
**FOR NINE MONTHS PERIOD ENDED 30 SEPTEMBER 2026**

**2 Basis of preparation and material accounting policy information** *(continued)*

**2.4 Material accounting policy information** *(continued)*

*(i) Leases (continued)*

*(i) Company as a lessee (continued)*

Assets and liabilities arising from a lease are initially measured on a present value basis. Lease liabilities include the net present value of the following lease payments:

- fixed payments (including in-substance fixed payments)
- variable lease payment that are based on an index or a rate, initially measured using the index or rate as at the commencement date
- amounts expected to be payable by the lessee under residual value guarantees
- the exercise price under a purchase option that the Company is reasonably certain to exercise that, lease payments in an optional renewal period if the Company is reasonably certain to exercise an extensive option, and penalties for early termination of a lease unless the Company is reasonably certain not to terminate early.

The lease payments are discounted using the interest rate implicit in the lease, if that rate can be determined, or the Company's incremental borrowing rate. Right-of-use assets are measured at cost comprising the following:

- the amount of the initial measurement of lease liability
- any lease payments made at or before the commencement date less any lease incentives received
- any initial direct costs, and
- restoration costs.

Payments associated with short-term leases and leases of low-value assets are recognised on a straight-line basis as an expense in profit or loss. Short-term leases are leases with a lease term of 12 months or less. The Company accounts for each lease component within the contract as a lease separately from non-lease components of the contract.

The lease term is considered to be the non-cancellable period for which the Company has the right to use an underlying asset. The lease term is adjusted for periods covered by an option to extend; if it is reasonably certain that the option will be exercised as well as periods covered by an option to terminate the lease; if it is reasonably certain that the option will not be exercised.

*(ii) Company as lessor*

At inception or on modification of a contract that contains a lease component, the Company allocates the consideration in the contract to each lease component on the basis of their relative standalone prices.

When the Company acts as a lessor, it determines at lease inception whether each lease is a finance lease or an operating lease.

To classify each lease, the Company makes an overall assessment of whether the lease transfers substantially all of the risks and rewards incidental to ownership of the underlying asset. If this is the case, then the lease is a finance lease; if not, then it is an operating lease. As part of this assessment, the Company considers certain indicators such as whether the lease is for the major part of the economic life of the asset.

When the Company is an intermediate lessor, it accounts for its interests in the head lease and the sub-lease separately. It assesses the lease classification of a sub-lease with reference to the right-of-use asset arising from the head lease, not with reference to the underlying asset. If a head lease is a short-term lease to which the Company applies the exemption described above, then it classifies the sub-lease as an operating lease.

If an arrangement contains lease and non-lease components, then the Company applies IFRS 15 to allocate the consideration in the contract.

The Company recognises lease payments received under operating leases as income on a straightline basis over the lease term as part of 'revenue'.

# SEMBICORP SALALAH POWER AND WATER COMPANY SAOG

## NOTES TO THE UNAUDITED INTERIM FINANCIAL STATEMENTS

### FOR NINE MONTHS PERIOD ENDED 30 SEPTEMBER 2026

## 2 Basis of preparation and material accounting policy information *(continued)*

### 2.4 Material accounting policy information *(continued)*

#### *(j) Provisions*

A provision is recognised in the statement of financial position when the Company has a legal or constructive obligation as a result of a past event, and it is probable that an outflow of economic benefits will be required to settle the obligation. If the effect is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability.

#### *(k) Revenue recognition*

Revenue is measured at the fair value of the consideration received or receivable, net of returns and allowances, trade discounts and volume rebates.

The Company's business is to supply power and water for which the Company has entered into a long-term agreements with PWP ("Contract"). Revenue is recognised at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer. Revenue from PWP comprises of the following:

- 1) Capacity charge covering the investment charges and fixed operation and maintenance charges; and
- 2) Variable charge covering the fuel, energy and water output charges.

#### *Capacity charge*

Investment charges is the amount payable to compensate the Company for the capital and related costs of the Project which are calculated based on fixed rate and guaranteed capacity till the end of the contract.

Fixed operation and maintenance charges is the amount payable to compensate the Project Company for fixed operation and maintenance and all related costs of the Plant which are calculated based on fixed rate adjusted with inflation year to year and guaranteed capacity till end of the contract.

#### *Variable charge*

For Variable energy and water output charges Company revenue is determined based on fixed rate adjusted with inflation year to year and output delivered.

Fuel charge is based actual fuel consumed adjusted for efficiency margin and mutually agreed rate with Integrated Gas Company.

There are no significant judgements that are involved while recognising revenue from the contract. Revenue is only recognised to the extent that it is highly probable that a significant reversal will not occur. There is no significant financing component attached to the receivable from customer. Services are provided on agreed credit terms of the contract and payment occurs within 25 days from the submission of invoice. The Company submits invoices on monthly basis in arrears and generally are submitted on or before the 5th day of the subsequent month.

#### *(l) Finance income and cost*

Finance income/cost comprises interest received on bank deposits, foreign exchange gains and losses and interest expense that are recognised using the effective interest method.

The 'effective interest rate' is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument to:

- the gross carrying amount of the financial asset; or
- the amortised cost of the financial liability.

In calculating interest income and expense, the effective interest rate is applied to the gross carrying amount of the asset (when the asset is not credit-impaired) or to the amortised cost of the liability. However, for financial assets that have become credit-impaired subsequent to initial recognition, interest income is calculated by applying the effective interest rate to the amortised cost of the financial asset. If the asset is no longer credit-impaired, then the calculation of interest income reverts to the gross basis.

# SEMBICORP SALALAH POWER AND WATER COMPANY SAOG

## NOTES TO THE UNAUDITED INTERIM FINANCIAL STATEMENTS

### FOR NINE MONTHS PERIOD ENDED 30 SEPTEMBER 2026

## 2 Basis of preparation and material accounting policy information *(continued)*

### 2.4 Material accounting policy information *(continued)*

#### *(m) Borrowing costs*

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use, are added to the cost of those assets, until such time that the assets are substantially ready for their intended use. Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the cost of those assets. All other borrowing costs are recognised as expenses in the period in which they are incurred.

#### *(n) Inventories*

Inventories are stated at the lower of cost and net realisable value. Costs are those expenses incurred in bringing each product to its present location and condition. The cost of raw materials and consumables and goods for resale is based on weighted average method and consists of direct costs of materials and related overheads.

Net realisable value is the estimated selling price in the ordinary course of business, less applicable variable selling expenses. Provision is made where necessary for obsolete, slow moving and defective items, based on management's assessment.

#### *(o) Income tax expense*

Income tax expense comprises current and deferred tax. It is recognised in profit or loss except to the extent that it relates to items recognised directly in equity or in OCI.

Current tax is the expected tax payable on the taxable income for the period, using tax rates enacted or substantially enacted at the reporting date, and any adjustment to tax payable in respect of previous years.

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes.

Deferred tax is not recognised for temporary differences on the initial recognition of assets or liabilities in a transaction that at the time of the transaction:

- i) affects neither accounting nor taxable profit or loss, and
- ii) does not give rise to equal taxable and deductible temporary differences.

Deferred tax assets are recognised for unused tax losses, unused tax credits and deductible temporary differences to the extent that it is probable that future taxable profits will be available against which they can be used. Future taxable profits are determined based on the reversal of relevant taxable temporary differences. If the amount of taxable temporary differences is insufficient to recognise a deferred tax asset in full, then future taxable profits, adjusted for reversals of existing temporary differences, are considered, based on the business plans for the Company. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised; such reductions are reversed when the probability of future taxable profits improves.

The measurement of deferred tax reflects the tax consequences that would follow from the manner in which the Company expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities. Deferred tax assets and liabilities are offset as there is a legally enforcement to offset these in Oman

#### *(p) Employee benefits*

Obligations for contributions to a defined contribution retirement plan, for Omani employees, in accordance with the Omani Social Insurance Scheme, are recognised as an expense in profit and loss as the related service is provided.

The Company's obligation in respect of non-Omani employees' terminal benefits is the amount of future benefit that such employees have earned in return for their service in the current and prior periods having regard to the employee contract and Oman Labour Law.

In accordance with the provisions of IAS 19, Employee benefits, management carries an exercise to assess the present value of the Company's obligations as of reporting date, using the actuarial techniques, in respect of employees' end of service benefits payable under the Oman aforesaid Labour Law. Under this method, an assessment is made of an employee's expected service life with the Company and the expected basic salary at the date of leaving the service.

**SEMBICORP SALALAH POWER AND WATER COMPANY SAOG**  
**NOTES TO THE UNAUDITED INTERIM FINANCIAL STATEMENTS**  
**FOR NINE MONTHS PERIOD ENDED 30 SEPTEMBER 2026**

**2 Basis of preparation and material accounting policy information** *(continued)*

**2.4 Material accounting policy information** *(continued)*

*(q) Directors' remuneration*

Directors' remunerations are computed in accordance with the Commercial Companies Law, as per the requirements of Financial Services Authority (formerly the Capital Market Authority) and are recognised as an expense in the statement of profit or loss.

*(r) Dividend*

The Board of Directors takes into account appropriate parameters including the requirements of the Commercial Companies Law while recommending the dividend.

Dividend distribution to the Company's shareholders is recognised as a liability in the Company's financial statements in the period in which the dividends are approved by the shareholders.

*(s) Earnings and net assets per share*

The Company presents earnings per share (EPS) and net assets per share data for its ordinary shares. Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the year.

Net assets per share is calculated by dividing the net assets attributable to ordinary shareholders of the Company by the number of ordinary shares outstanding during the year. Net assets for the purpose is defined as total equity less hedging deficit/surplus. Net assets per share is not a defined performance measure in IFRS standards.

*(t) Segmental reporting*

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The chief operating decision-maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the Chief Executive Officer.

*(u) Share capital*

Ordinary shares are classified as equity. Incremental costs directly attributable to the issuance of new ordinary shares and share options are deducted against the share capital account, net of any tax effects. Where the Company's ordinary shares are repurchased (treasury shares), the consideration paid, excluding any directly attributable incremental costs, is deducted from equity attributable to the Company's equity holders and presented as reserve for own shares within equity, until they are cancelled, sold or reissued.

*(v) Determination of fair values*

*(i) Trade and other receivables*

The fair value of trade and other receivables including cash and bank balances approximates to their carrying amount due to their short-term maturity.

*(ii) Derivatives*

The fair value of interest rate swaps is calculated by discounting estimated future cash flows based on the terms and maturity of each contract and using market interest rates for a similar instrument at the measurement date. This calculation is tested for reasonableness through comparison with the valuations received from the parties issuing the instruments.

*(iii) Non-derivative financial liabilities*

Fair value, which is determined for disclosure purposes, is calculated based on the present value of future principal and interest cash flows, discounted at the market rate of interest at the reporting date.

# SEMBACORP SALALAH POWER AND WATER COMPANY SAOG

## NOTES TO THE UNAUDITED INTERIM FINANCIAL STATEMENTS

### FOR NINE MONTHS PERIOD ENDED 30 SEPTEMBER 2026

## 2 Basis of preparation and material accounting policy information (continued)

### 2.4 Material accounting policy information (continued)

#### (w) New and amended standards and interpretations

The Company applied for certain standards and amendments for the first time, which are effective for annual periods beginning on or after 1 January 2026 (unless otherwise stated). The Company has not early adopted any other standard, interpretation or amendment that has been issued but is not yet effective.

#### **Standards issued but not yet effective**

The new amended standards and interpretations that are issued, but not yet effective, up to the date of issuance of the Company's financial statements are disclosed below. The Company intends to adopt these new and amended standards and interpretations, if applicable, when they become effective.

#### **IFRS 18 Presentation and Disclosure in Financial Statements**

In April 2024, the IASB issued IFRS 18, which replaces IAS 1 Presentation of Financial Statements. IFRS 18 introduces new requirements for presentation within the statement of profit or loss, including specified totals and subtotals. Furthermore, entities are required to classify all income and expenses within the statement of profit or loss into one of five categories: operating, investing, financing, income taxes and discontinued operations, whereof the first three are new.

The standard requires disclosure of newly defined management-defined performance measures, subtotals of income and expenses, and it also includes new requirements for aggregation and disaggregation of financial information based on the identified 'roles' of the primary financial statements (PFS) and the notes.

In addition, narrow-scope amendments have been made to IAS 7 Statement of Cash Flows, which include changing the starting point for determining cash flows from operations under the indirect method, from 'profit or loss' to 'operating profit or loss' and removing the optionality around classification of cash flows from dividends and interest. In addition, there are consequential amendments to several other standards.

IFRS 18, and the amendments to the other standards, are effective for reporting periods beginning on or after 1 January 2027, but earlier application is permitted and must be disclosed. IFRS 18 will apply retrospectively.

The Company is currently working to identify all impacts the amendments will have on the primary financial statements and notes to the financial statements. The initial expected material impacts on Company's financial statements are, as follows:

## 3 Revenue

|                                             | Unaudited<br>For three<br>months period<br>ended<br>30 September<br>2026 | Unaudited<br>For three<br>months period<br>ended<br>30 September<br>2025 | Unaudited<br>For nine<br>months period<br>ended<br>30 September<br>2026 | Unaudited<br>For nine<br>months period<br>ended<br>30 September<br>2025 |
|---------------------------------------------|--------------------------------------------------------------------------|--------------------------------------------------------------------------|-------------------------------------------------------------------------|-------------------------------------------------------------------------|
|                                             | <b>₹</b>                                                                 | <b>₹</b>                                                                 | <b>₹</b>                                                                | <b>₹</b>                                                                |
| Operating lease income - Investment charges | 10,575,343                                                               | 10,532,743                                                               | 32,529,965                                                              | 32,199,477                                                              |
| Fixed operation and maintenance charge      | 2,593,381                                                                | 2,503,620                                                                | 8,023,720                                                               | 7,661,475                                                               |
| Fuel charges                                | 8,128,023                                                                | 7,310,495                                                                | 24,524,913                                                              | 21,502,735                                                              |
| Energy charges                              | 406,293                                                                  | 403,536                                                                  | 1,169,680                                                               | 1,151,906                                                               |
| Water output charges                        | 230,865                                                                  | 237,839                                                                  | 657,455                                                                 | 641,254                                                                 |
|                                             | <b>21,933,905</b>                                                        | <b>20,988,233</b>                                                        | <b>66,905,733</b>                                                       | <b>63,156,847</b>                                                       |

The revenue has been disaggregated based on the key drivers by which the Company receives and recognises its revenue. The Company has no unsatisfied performance obligations with respect to the billed revenue. The Company has right to invoice for every unit of output and making available the designated capacity. Actual invoicing for the delivered output is done at the end of every month.

All the revenue of the Company accrues from contracts with customers within the Sultanate of Oman.

Revenue is recognised at a point in time upon delivery of electricity and water to the customer in accordance with the terms of the PWPA.

**SEMBICORP SALALAH POWER AND WATER COMPANY SAOG**  
**NOTES TO THE UNAUDITED INTERIM FINANCIAL STATEMENTS**  
**FOR NINE MONTHS PERIOD ENDED 30 SEPTEMBER 2026**

**4 Cost of sales**

|                                                        | Unaudited<br>For three<br>months<br>period ended<br>30 September<br>2026<br><b>£</b> | Unaudited<br>For three<br>months period<br>ended<br>30 September<br>2025<br><b>£</b> | Unaudited<br>For nine<br>months<br>period ended<br>30 September<br>2026<br><b>£</b> | Unaudited<br>For nine<br>months period<br>ended<br>30 September<br>2025<br><b>£</b> |
|--------------------------------------------------------|--------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------|
| Fuel cost                                              | 7,929,241                                                                            | 7,056,506                                                                            | 23,867,930                                                                          | 20,738,479                                                                          |
| Depreciation (notes 8 and 9)                           | 2,840,125                                                                            | 2,825,122                                                                            | 8,416,514                                                                           | 8,387,143                                                                           |
| Operation and maintenance cost (note 18)               | 2,336,225                                                                            | 2,166,170                                                                            | 6,416,965                                                                           | 6,222,490                                                                           |
| Contractual services maintenance cost                  | 1,604,277                                                                            | 1,318,640                                                                            | 6,523,268                                                                           | 4,037,312                                                                           |
| Repair and maintenance cost                            | -                                                                                    | 3,909                                                                                | -                                                                                   | 249,430                                                                             |
| Insurance cost                                         | 176,778                                                                              | 192,000                                                                              | 563,489                                                                             | 593,806                                                                             |
| Incentive payment (note 18)                            | 137,101                                                                              | 130,324                                                                              | 445,658                                                                             | 344,528                                                                             |
| Security charges                                       | 27,483                                                                               | 18,056                                                                               | 82,453                                                                              | 79,805                                                                              |
| License and permits                                    | 24,891                                                                               | 23,969                                                                               | 78,473                                                                              | 75,897                                                                              |
| Electricity import cost                                | 25,965                                                                               | 968                                                                                  | 72,551                                                                              | 25,410                                                                              |
| Provision for asset retirement obligation<br>(note 20) | 20,751                                                                               | 13,719                                                                               | 50,676                                                                              | 41,157                                                                              |
| Other overheads                                        | 7,360                                                                                | -                                                                                    | 63,229                                                                              | 46,587                                                                              |
|                                                        | <b>15,130,197</b>                                                                    | <b>13,749,383</b>                                                                    | <b>46,581,206</b>                                                                   | <b>40,842,044</b>                                                                   |

**5 Administrative and general expenses**

|                                                       | Unaudited<br>For three<br>months<br>period ended<br>30 September<br>2026<br><b>£</b> | Unaudited<br>For three<br>months period<br>ended<br>30 September<br>2025<br><b>£</b> | Unaudited<br>For nine<br>months period<br>ended<br>30 September<br>2026<br><b>£</b> | Unaudited<br>For nine<br>months<br>period ended<br>30 September<br>2025<br><b>£</b> |
|-------------------------------------------------------|--------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------|
| Staff costs                                           | 65,411                                                                               | 76,346                                                                               | 245,012                                                                             | 242,708                                                                             |
| Directors' remuneration and sitting fees<br>(note 18) | 31,664                                                                               | 39,364                                                                               | 97,592                                                                              | 110,342                                                                             |
| Fee and subscription                                  | 33,693                                                                               | 22,955                                                                               | 89,638                                                                              | 68,965                                                                              |
| Legal and professional charges                        | 18,572                                                                               | 25,989                                                                               | 55,096                                                                              | 67,683                                                                              |
| Charity and donations                                 | 12,000                                                                               | 12,000                                                                               | 12,000                                                                              | 12,000                                                                              |
| Depreciation (note 8)                                 | 1,508                                                                                | 1,647                                                                                | 3,582                                                                               | 4,745                                                                               |
| Other admin and general expenses                      | (2,447)                                                                              | 7,797                                                                                | 15,363                                                                              | 26,762                                                                              |
| Travelling expenses                                   | 1,761                                                                                | 5,238                                                                                | 2,606                                                                               | 5,427                                                                               |
|                                                       | <b>162,162</b>                                                                       | <b>191,336</b>                                                                       | <b>520,889</b>                                                                      | <b>538,632</b>                                                                      |

**6 Other income**

|                                            | Unaudited<br>For three<br>months<br>period ended<br>30 September<br>2026<br><b>£</b> | Unaudited<br>For three<br>months period<br>ended<br>30 September<br>2025<br><b>£</b> | Unaudited<br>For nine<br>months period<br>ended<br>30 September<br>2026<br><b>£</b> | Unaudited<br>For nine<br>months period<br>ended<br>30 September<br>2025<br><b>£</b> |
|--------------------------------------------|--------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------|
| Material adverse change claim              | -                                                                                    | (7,978)                                                                              | -                                                                                   | 55,391                                                                              |
| Amortization of deferred revenue (note 22) | 50,586                                                                               | 50,585                                                                               | 151,757                                                                             | 151,756                                                                             |
|                                            | <b>50,586</b>                                                                        | <b>42,607</b>                                                                        | <b>151,757</b>                                                                      | <b>207,147</b>                                                                      |

Material adverse change claim is a reimbursement of increase in the Company's cost resulting from buyer risk event in accordance with PWPA.

**SEMBICORP SALALAH POWER AND WATER COMPANY SAOG**  
**NOTES TO THE UNAUDITED INTERIM FINANCIAL STATEMENTS**  
**FOR NINE MONTHS PERIOD ENDED 30 SEPTEMBER 2026**

**7 Finance costs**

|                                                  | Unaudited<br>For three<br>months<br>period ended<br>30 September<br>2026<br> | Unaudited<br>For three<br>months period<br>ended<br>30 September<br>2025<br> | Unaudited<br>For nine<br>months<br>period ended<br>30 September<br>2026<br> | Unaudited<br>For nine<br>months period<br>ended<br>30 September<br>2025<br> |
|--------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Interest expense on project financing            | 504                                                                                                                                                           | 757,319                                                                                                                                                         | 662,297                                                                                                                                                        | 2,465,593                                                                                                                                                      |
| Interest expense/(income) on interest rate swaps | -                                                                                                                                                             | (66,609)                                                                                                                                                        | 15,271                                                                                                                                                         | (207,289)                                                                                                                                                      |
| Deferred financing cost (note 13.1)              | -                                                                                                                                                             | 54,854                                                                                                                                                          | 51,681                                                                                                                                                         | 164,561                                                                                                                                                        |
| Interest expense on short term borrowings        | -                                                                                                                                                             | -                                                                                                                                                               | -                                                                                                                                                              | 16,000                                                                                                                                                         |
| Interest expense on lease liability (note 21)    | 10,947                                                                                                                                                        | 10,278                                                                                                                                                          | 32,841                                                                                                                                                         | 30,834                                                                                                                                                         |
| Ineffective portion of cashflow hedge            | -                                                                                                                                                             | (632)                                                                                                                                                           | 2,041                                                                                                                                                          | 5,345                                                                                                                                                          |
|                                                  | <u>11,451</u>                                                                                                                                                 | <u>755,210</u>                                                                                                                                                  | <u>764,131</u>                                                                                                                                                 | <u>2,475,044</u>                                                                                                                                               |

**7.1 Finance income**

|                                  | Unaudited<br>For three<br>months<br>period ended<br>30 September<br>2026<br> | Unaudited<br>For three<br>months<br>period ended<br>30<br>September<br>2025<br> | Unaudited<br>For nine<br>months<br>period ended<br>30 September<br>2026<br> | Unaudited<br>For nine<br>months period<br>ended<br>30 September<br>2025<br> |
|----------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Interest income on term deposits | <u>55,744</u>                                                                                                                                                   | <u>210,378</u>                                                                                                                                                       | <u>306,325</u>                                                                                                                                                   | <u>532,889</u>                                                                                                                                                   |

**SEMBICORP SALALAH POWER AND WATER COMPANY SAOG****NOTES TO THE UNAUDITED INTERIM FINANCIAL STATEMENTS****FOR NINE MONTHS PERIOD ENDED 30 SEPTEMBER 2026****8 Property, plant and equipment**

Unaudited

|                                 | <b>Buildings</b>                                                                  | <b>Roads and pipelines</b>                                                        | <b>Plant and machinery</b>                                                        | <b>Office equipment</b>                                                           | <b>Motor vehicles</b>                                                               | <b>Computer equipment</b>                                                           | <b>Total</b>                                                                        |
|---------------------------------|-----------------------------------------------------------------------------------|-----------------------------------------------------------------------------------|-----------------------------------------------------------------------------------|-----------------------------------------------------------------------------------|-------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------|
|                                 |  |  |  |  |  |  |  |
| <b>Cost</b>                     |                                                                                   |                                                                                   |                                                                                   |                                                                                   |                                                                                     |                                                                                     |                                                                                     |
| At 1 January 2026               | 48,668,114                                                                        | 26,654,587                                                                        | 292,564,503                                                                       | 222,309                                                                           | 314,783                                                                             | 1,012,533                                                                           | 369,436,829                                                                         |
| Additions during the period     | 8,357                                                                             | -                                                                                 | 465,409                                                                           | 9,972                                                                             | -                                                                                   | 17,659                                                                              | 501,397                                                                             |
| At 30 September 2026            | 48,676,471                                                                        | 26,654,587                                                                        | 293,029,912                                                                       | 232,281                                                                           | 314,783                                                                             | 1,030,192                                                                           | 369,938,226                                                                         |
| <b>Accumulated depreciation</b> |                                                                                   |                                                                                   |                                                                                   |                                                                                   |                                                                                     |                                                                                     |                                                                                     |
| At 1 January 2026               | 20,245,667                                                                        | 11,238,593                                                                        | 119,954,906                                                                       | 214,933                                                                           | 295,170                                                                             | 825,752                                                                             | 152,775,021                                                                         |
| Charge for the period           | 1,101,165                                                                         | 608,592                                                                           | 6,580,858                                                                         | 3,089                                                                             | 2,663                                                                               | 104,164                                                                             | 8,400,531                                                                           |
| At 30 September 2026            | 21,346,832                                                                        | 11,847,185                                                                        | 126,535,764                                                                       | 218,022                                                                           | 297,833                                                                             | 929,916                                                                             | 161,175,552                                                                         |
| <b>Carrying amount</b>          |                                                                                   |                                                                                   |                                                                                   |                                                                                   |                                                                                     |                                                                                     |                                                                                     |
| At 30 September 2026            | 27,329,639                                                                        | 14,807,402                                                                        | 166,494,148                                                                       | 14,259                                                                            | 16,950                                                                              | 100,276                                                                             | 208,762,674                                                                         |

Unaudited

|                                 | <b>Buildings</b>                                                                  | <b>Roads and pipelines</b>                                                        | <b>Plant and machinery</b>                                                        | <b>Office equipment</b>                                                           | <b>Motor vehicles</b>                                                               | <b>Computer equipment</b>                                                           | <b>Total</b>                                                                        |
|---------------------------------|-----------------------------------------------------------------------------------|-----------------------------------------------------------------------------------|-----------------------------------------------------------------------------------|-----------------------------------------------------------------------------------|-------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------|
|                                 |  |  |  |  |  |  |  |
| <b>Cost</b>                     |                                                                                   |                                                                                   |                                                                                   |                                                                                   |                                                                                     |                                                                                     |                                                                                     |
| At 1 January 2025               | 48,652,121                                                                        | 26,654,587                                                                        | 292,097,443                                                                       | 220,619                                                                           | 300,583                                                                             | 1,004,935                                                                           | 368,930,288                                                                         |
| Additions during the period     | 9,910                                                                             | -                                                                                 | 342,562                                                                           | -                                                                                 | 14,200                                                                              | 6,868                                                                               | 373,540                                                                             |
| At 30 September 2025            | 48,662,031                                                                        | 26,654,587                                                                        | 292,440,005                                                                       | 220,619                                                                           | 314,783                                                                             | 1,011,803                                                                           | 369,303,828                                                                         |
| <b>Accumulated depreciation</b> |                                                                                   |                                                                                   |                                                                                   |                                                                                   |                                                                                     |                                                                                     |                                                                                     |
| At 1 January 2025               | 18,775,348                                                                        | 10,416,708                                                                        | 111,203,287                                                                       | 208,401                                                                           | 292,174                                                                             | 680,481                                                                             | 141,576,399                                                                         |
| Charge for the period           | 1,099,364                                                                         | 616,792                                                                           | 6,538,818                                                                         | 5,057                                                                             | 2,099                                                                               | 110,192                                                                             | 8,372,322                                                                           |
| At 30 September 2025            | 19,874,712                                                                        | 11,033,500                                                                        | 117,742,105                                                                       | 213,458                                                                           | 294,273                                                                             | 790,673                                                                             | 149,948,721                                                                         |
| <b>Carrying amount</b>          |                                                                                   |                                                                                   |                                                                                   |                                                                                   |                                                                                     |                                                                                     |                                                                                     |
| At 30 September 2025            | 28,787,319                                                                        | 15,621,087                                                                        | 174,697,900                                                                       | 7,161                                                                             | 20,510                                                                              | 221,130                                                                             | 219,355,107                                                                         |

Audited

|                                 | <b>Buildings</b>                                                                    | <b>Roads and pipelines</b>                                                          | <b>Plant and machinery</b>                                                          | <b>Office equipment</b>                                                             | <b>Motor vehicles</b>                                                                 | <b>Computer equipment</b>                                                             | <b>Total</b>                                                                          |
|---------------------------------|-------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------|
|                                 |  |  |  |  |  |  |  |
| <b>Cost</b>                     |                                                                                     |                                                                                     |                                                                                     |                                                                                     |                                                                                       |                                                                                       |                                                                                       |
| At 1 January 2025               | 48,652,121                                                                          | 26,654,587                                                                          | 292,097,443                                                                         | 220,619                                                                             | 300,583                                                                               | 1,004,935                                                                             | 368,930,288                                                                           |
| Additions during the year       | 15,993                                                                              | -                                                                                   | 467,060                                                                             | 1,690                                                                               | 14,200                                                                                | 7,598                                                                                 | 506,541                                                                               |
| At 31 December 2025             | 48,668,114                                                                          | 26,654,587                                                                          | 292,564,503                                                                         | 222,309                                                                             | 314,783                                                                               | 1,012,533                                                                             | 369,436,829                                                                           |
| <b>Accumulated depreciation</b> |                                                                                     |                                                                                     |                                                                                     |                                                                                     |                                                                                       |                                                                                       |                                                                                       |
| At 1 January 2025               | 18,775,348                                                                          | 10,416,708                                                                          | 111,203,287                                                                         | 208,401                                                                             | 292,174                                                                               | 680,481                                                                               | 141,576,399                                                                           |
| Charge for the year             | 1,470,319                                                                           | 821,885                                                                             | 8,751,619                                                                           | 6,532                                                                               | 2,996                                                                                 | 145,271                                                                               | 11,198,622                                                                            |
| At 31 December 2025             | 20,245,667                                                                          | 11,238,593                                                                          | 119,954,906                                                                         | 214,933                                                                             | 295,170                                                                               | 825,752                                                                               | 152,775,021                                                                           |
| <b>Carrying amount</b>          |                                                                                     |                                                                                     |                                                                                     |                                                                                     |                                                                                       |                                                                                       |                                                                                       |
| At 31 December 2025             | 28,422,447                                                                          | 15,415,994                                                                          | 172,609,597                                                                         | 7,376                                                                               | 19,613                                                                                | 186,781                                                                               | 216,661,808                                                                           |

The property, plant and equipment (Buildings, Roads & pipelines and Plant & machinery) are subject to operating lease arrangement with PWP as mentioned in note 2.2(a) of these financial statements.

**SEMBICORP SALALAH POWER AND WATER COMPANY SAOG**  
**NOTES TO THE UNAUDITED INTERIM FINANCIAL STATEMENTS**  
**FOR NINE MONTHS PERIOD ENDED 30 SEPTEMBER 2026**

**8 Property, plant and equipment (continued)**

*(a) Leased land*

Land on which the plant is constructed has been leased by the Government of Sultanate of Oman to the Company for a period of 25 years expiring on 23 November 2034 under the term of the Usufruct Agreement, with an option for additional extension. Lease rental for the initial term of 25 years has already been paid in advance. (note 9).

*(b) Security*

The Company's property, plant and equipment had been pledged as security against the term loans (note 19). Following full repayment of the term loan facilities on 30 June 2026, the release of security is subject to completion of the relevant legal and administrative formalities.

*(c) The depreciation charge has been allocated as set out below:*

|                                  | Unaudited<br>For three<br>months<br>period ended<br>30 September<br>2026<br> | Unaudited<br>For three<br>months<br>period ended<br>30 September<br>2025<br> | Unaudited<br>For nine<br>months<br>period ended<br>30<br>September<br>2026<br> | Unaudited<br>For nine<br>months<br>period ended<br>30 September<br>2025<br> |
|----------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Cost of sales (note 4)           | 2,833,606                                                                                                                                                     | 2,818,528                                                                                                                                                      | 8,396,949                                                                                                                                                         | 8,367,577                                                                                                                                                      |
| Administration expenses (note 5) | 1,508                                                                                                                                                         | 1,647                                                                                                                                                          | 3,582                                                                                                                                                             | 4,745                                                                                                                                                          |
|                                  | <b>2,835,114</b>                                                                                                                                              | <b>2,820,175</b>                                                                                                                                               | <b>8,400,531</b>                                                                                                                                                  | <b>8,372,322</b>                                                                                                                                               |

**9 Right of use assets**

|                                                        | Unaudited<br>30 September<br>2026<br>Land<br> | Unaudited<br>30 September<br>2025<br>Land<br> | Audited<br>31 December<br>2025<br>Land<br> |
|--------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------|
| <b>Cost</b>                                            |                                                                                                                                   |                                                                                                                                    |                                                                                                                                 |
| At 1 January                                           | 813,149                                                                                                                           | 813,149                                                                                                                            | 813,149                                                                                                                         |
| At 30 September/31 December                            | 813,149                                                                                                                           | 813,149                                                                                                                            | 813,149                                                                                                                         |
| <b>Accumulated depreciation</b>                        |                                                                                                                                   |                                                                                                                                    |                                                                                                                                 |
| At 1 January                                           | 263,780                                                                                                                           | 237,620                                                                                                                            | 237,620                                                                                                                         |
| Charge for the period (note 4)                         | 19,565                                                                                                                            | 19,566                                                                                                                             | 26,160                                                                                                                          |
| At 30 September/31 December                            | 283,345                                                                                                                           | 257,186                                                                                                                            | 263,780                                                                                                                         |
| <b>Net carrying amount at 30 September/31 December</b> | <b>529,804</b>                                                                                                                    | <b>555,963</b>                                                                                                                     | <b>549,369</b>                                                                                                                  |

The above carrying amount includes asset retirement obligation amounting to  216,301 (30 September 2025:  226,983 31 December 2025:  224,291).

**SEMBICORP SALALAH POWER AND WATER COMPANY SAOG**  
**NOTES TO THE UNAUDITED INTERIM FINANCIAL STATEMENTS**  
**FOR NINE MONTHS PERIOD ENDED 30 SEPTEMBER 2026**

**10 Hedging reserve**

|                                                                             | Unaudited<br>30 September<br>2026<br> | Unaudited<br>30 September<br>2025<br> | Audited<br>31 December<br>2025<br> |
|-----------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------|
| <u>Interest rate swaps:</u>                                                 |                                                                                                                         |                                                                                                                          |                                                                                                                       |
| SMBC Capital Market Limited                                                 | -                                                                                                                       | (6,245)                                                                                                                  | (6,694)                                                                                                               |
| Standard Chartered Bank                                                     | -                                                                                                                       | (2,846)                                                                                                                  | (9,405)                                                                                                               |
| KfW-IPEX                                                                    | -                                                                                                                       | (5,106)                                                                                                                  | (6,061)                                                                                                               |
| Hedging instrument at the end of the period                                 | -                                                                                                                       | (14,197)                                                                                                                 | (22,160)                                                                                                              |
| Less: Ineffective portion of cashflow hedge                                 | -                                                                                                                       | (2,445)                                                                                                                  | (2,041)                                                                                                               |
| Effective portion of cashflow hedge                                         | -                                                                                                                       | (16,642)                                                                                                                 | (24,201)                                                                                                              |
| Deferred tax liability [note 17 (c)]                                        | -                                                                                                                       | 2,496                                                                                                                    | 3,630                                                                                                                 |
| Hedging reserve at the end of the period (net of tax)                       | -                                                                                                                       | (14,146)                                                                                                                 | (20,571)                                                                                                              |
| Less: Hedging reserve at the beginning of the period                        | 20,571                                                                                                                  | (95,567)                                                                                                                 | (95,567)                                                                                                              |
| Effective portion of change in fair value of cash flow hedge for the period | (20,571)                                                                                                                | (109,713)                                                                                                                | (116,138)                                                                                                             |
| Hedging instrument classification                                           |                                                                                                                         |                                                                                                                          |                                                                                                                       |
| Non-current portion of hedging instruments – (liabilities)                  | -                                                                                                                       | -                                                                                                                        | -                                                                                                                     |
| Current portion of hedging instrument – (liabilities) / assets              | -                                                                                                                       | (14,197)                                                                                                                 | (22,160)                                                                                                              |
|                                                                             | -                                                                                                                       | (14,197)                                                                                                                 | (22,160)                                                                                                              |

In accordance with the Common Terms Agreement (“CTA”), the Company had fixed the rate of interest through Interest Rate Swap Agreements (“IRS”) entered into with SMBC Capital Market Limited, KfW IPEX-Bank GmbH and Standard Chartered Bank dated 20 November 2009, 23 March 2010 and 8 April 2010 respectively, covering 95.32% of its USD loan facility.

In July 2017, the United Kingdom Financial Conduct Authority (“FCA”), which regulated the London Interbank Offered Rate (“LIBOR”), announced that 6-month USD LIBOR would cease after September 2023. As part of the LIBOR transition, the Company entered into revised IRS Agreements on 27 September 2023, changing the reference rate from LIBOR to Daily Cumulative Compounded Secured Overnight Financing Rate (“SOFR”) together with the International Swaps and Derivatives Association (“ISDA”) fallback Credit Adjustment Spread. Prior to their termination, the interest rate swaps had substantially similar critical terms to the hedged item, including reference rates, reset dates, payment dates, maturities and notional amounts, except that the Sinasure Covered Facility had a slightly different reference rate as it did not account for the compounding effect.

On 30 June 2026, the Company fully prepaid its outstanding term loan facilities and simultaneously unwound and settled all related interest rate swap agreements. Accordingly, no borrowings or interest rate swaps remained outstanding as at 30 September 2026 (30 September 2025:  16 million (USD 42 million) at a fixed rate of 4.345% per annum and  4 million (USD 11 million) at a fixed rate of 3.8% per annum).

**11 Inventories**

|                             | Unaudited<br>30 September<br>2026<br> | Unaudited<br>30 September<br>2025<br> | Audited<br>31 December<br>2025<br> |
|-----------------------------|---------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------|
| Fuel and chemical inventory | 1,366,713                                                                                                                 | 1,412,007                                                                                                                  | 1,299,560                                                                                                               |
| Spare parts and consumables | 4,933,541                                                                                                                 | 4,609,204                                                                                                                  | 4,690,514                                                                                                               |
|                             | 6,300,254                                                                                                                 | 6,021,211                                                                                                                  | 5,990,074                                                                                                               |

**SEMBICORP SALALAH POWER AND WATER COMPANY SAOG**  
**NOTES TO THE UNAUDITED INTERIM FINANCIAL STATEMENTS**  
**FOR NINE MONTHS PERIOD ENDED 30 SEPTEMBER 2026**

**12 Trade and other receivables**

|                                            | Unaudited<br>30 September<br>2026<br> | Unaudited<br>30 September<br>2025<br> | Audited<br>31 December<br>2025<br> |
|--------------------------------------------|------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------|
| Trade receivable, net ( <i>note 12.1</i> ) | 8,199,518                                                                                                              | 7,158,006                                                                                                                | 7,149,842                                                                                                             |
| Advances to vendors                        | 4,314,112                                                                                                              | 1,664,181                                                                                                                | 1,580,943                                                                                                             |
| Other receivable                           | 55,731                                                                                                                 | 270,227                                                                                                                  | 1,485,683                                                                                                             |
| Prepayments                                | 77,435                                                                                                                 | 146,789                                                                                                                  | 27,524                                                                                                                |
|                                            | <u>12,646,796</u>                                                                                                      | <u>9,239,203</u>                                                                                                         | <u>10,243,992</u>                                                                                                     |

The Company has one customer (PWP) which accounts for the trade receivables balance as at 30 September 2026 (30 September 2025, 31 December 2025 - one customer).

**12.1 Trade receivable**

|                                      | Unaudited<br>30 September<br>2026<br> | Unaudited<br>30 September<br>2025<br> | Audited<br>31 December<br>2025<br> |
|--------------------------------------|------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------|
| Gross trade receivable               | 8,223,453                                                                                                              | 7,181,941                                                                                                                | 7,173,777                                                                                                             |
| Allowance for expected credit losses | (23,935)                                                                                                               | (23,935)                                                                                                                 | (23,935)                                                                                                              |
|                                      | <u>8,199,518</u>                                                                                                       | <u>7,158,006</u>                                                                                                         | <u>7,149,842</u>                                                                                                      |

The ageing of trade receivables at the reporting date is disclosed in note 23 (b).

**13 Cash and bank balances**

|                                                                 | Unaudited<br>30 September<br>2026<br> | Unaudited<br>30 September<br>2025<br> | Audited<br>31 December<br>2025<br> |
|-----------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------|
| Cash in hand                                                    | 678                                                                                                                      | 837                                                                                                                        | 827                                                                                                                     |
| Cash at bank                                                    | 9,223,459                                                                                                                | 9,059,976                                                                                                                  | 1,375,216                                                                                                               |
| Short term deposits                                             | 3,578,508                                                                                                                | -                                                                                                                          | 3,852,000                                                                                                               |
| <b>Cash and cash equivalents</b>                                | <u>12,802,645</u>                                                                                                        | <u>9,060,813</u>                                                                                                           | <u>5,228,043</u>                                                                                                        |
| Fixed term deposits (3 to 6 months) and DSRA                    | 3,900,000                                                                                                                | 11,367,870                                                                                                                 | 12,716,070                                                                                                              |
| <b>Cash and bank balances</b>                                   | <u>16,702,645</u>                                                                                                        | <u>20,428,683</u>                                                                                                          | <u>17,944,113</u>                                                                                                       |
| <b>Cash and cash equivalents in the statement of cash flows</b> | <u>12,802,645</u>                                                                                                        | <u>9,060,813</u>                                                                                                           | <u>5,228,043</u>                                                                                                        |

*Debt Service Reserve Account (DSRA) (Restricted cash)*

As at 30 September 2026, no funds were required to be maintained in the Debt Service Reserve Account (DSRA) following the full repayment of the Company's term loan facilities. Accordingly, Nil DSRA balance was maintained as at 30 September 2026 (30 September 2025:  11,367,870; 31 December 2025:  11,371,571)

*Term deposits*

The short and fixed term deposits of RO 7,478,508 (30 September 2025: 11,367,870 31 December 2025: RO 16,568,070) have a weighted average interest rate of 3.5% (30 September 2025: 4.08%, 31 December 2025: 3.85% per annum).

**SEMBCORP SALALAH POWER AND WATER COMPANY SAOG**  
**NOTES TO THE UNAUDITED INTERIM FINANCIAL STATEMENTS**  
**FOR NINE MONTHS PERIOD ENDED 30 SEPTEMBER 2026**

**13 Cash and bank balances (continued)**

*13.1 Reconciliation of liabilities arising from financing activities*

|                                            |                 |                 | Non-cash items  |                       |                   |
|--------------------------------------------|-----------------|-----------------|-----------------|-----------------------|-------------------|
|                                            | 1 January 2026  | Cash flows      | Interest Cost   | Deferred finance cost | 30 September 2026 |
| <b>30 September 2026</b>                   | <b><u>₪</u></b> | <b><u>₪</u></b> | <b><u>₪</u></b> | <b><u>₪</u></b>       | <b><u>₪</u></b>   |
| Long term loans (notes 7 and 19)           | 25,526,520      | (25,578,201)    | -               | 51,681                | -                 |
| Long term Lease liability (notes 7 and 21) | 673,536         | -               | 32,841          | -                     | 706,377           |
|                                            |                 |                 |                 |                       |                   |
|                                            |                 |                 | Non-cash items  |                       |                   |
|                                            | 1 January 2025  | Cash flows      | Interest Cost   | Deferred finance cost | 30 September 2025 |
|                                            | <b><u>₪</u></b> | <b><u>₪</u></b> | <b><u>₪</u></b> | <b><u>₪</u></b>       | <b><u>₪</u></b>   |
| Long term loans (notes 7 and 19)           | 51,056,066      | (25,691,129)    | -               | 164,561               | 25,529,498        |
| Long term lease liability (notes 7 and 21) | 632,424         |                 | 30,834          |                       | 663,258           |
|                                            |                 |                 |                 |                       |                   |
|                                            |                 |                 | Non-cash items  |                       |                   |
|                                            | 1 January 2025  | Cash flows      | Interest Cost   | Deferred finance cost | 31 December 2025  |
|                                            | <b><u>₪</u></b> | <b><u>₪</u></b> | <b><u>₪</u></b> | <b><u>₪</u></b>       | <b><u>₪</u></b>   |
| Long term loans (notes 7 and 19)           | 51,056,066      | (25,691,129)    | -               | 161,583               | 25,526,520        |
| Long term Lease liability (notes 7 and 21) | 632,424         | -               | 41,112          | -                     | 673,536           |

**SEMBICORP SALALAH POWER AND WATER COMPANY SAOG****NOTES TO THE UNAUDITED INTERIM FINANCIAL STATEMENTS****FOR NINE MONTHS PERIOD ENDED 30 SEPTEMBER 2026****14 Equity***(a) Share capital*

The Company's registered capital (issued and fully paid) amount to ~~SR~~ 95,457,195 comprising of 954,571,950 shares at nominal value of 100 Baiza each (30 September 2025 and 31 December 2025: 954,571,950 of 100 Baiza 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 meetings of the Company. All shares rank equally with regard to the Company's residual assets.

The details of Shareholders are as follows:

| <b>30 September 2026</b>         |                              |                                                                          |                   |
|----------------------------------|------------------------------|--------------------------------------------------------------------------|-------------------|
|                                  | <b>Nationality</b>           | <b>Number of<br/>shares held of<br/>nominal value<br/>100 baiza each</b> | <b>% of total</b> |
| <b>SOFIH<br/>IPWC<br/>Public</b> | <b>British Virgin Island</b> | <b>381,828,780</b>                                                       | <b>40.00%</b>     |
|                                  | <b>Oman</b>                  | <b>125,431,511</b>                                                       | <b>13.14%</b>     |
|                                  | <b>Other</b>                 | <b>447,311,659</b>                                                       | <b>46.86%</b>     |
|                                  |                              | <b>954,571,950</b>                                                       | <b>100.00%</b>    |

| <b>30 September 2025</b>         |                              |                                                                          |                   |
|----------------------------------|------------------------------|--------------------------------------------------------------------------|-------------------|
|                                  | <b>Nationality</b>           | <b>Number of<br/>shares held of<br/>nominal value<br/>100 baiza each</b> | <b>% of total</b> |
| <b>SOFIH<br/>IPWC<br/>Public</b> | <b>British Virgin Island</b> | <b>381,828,780</b>                                                       | <b>40.00%</b>     |
|                                  | <b>Oman</b>                  | <b>125,431,511</b>                                                       | <b>13.14%</b>     |
|                                  | <b>Other</b>                 | <b>447,311,659</b>                                                       | <b>46.86%</b>     |
|                                  |                              | <b>954,571,950</b>                                                       | <b>100.00%</b>    |

| <b>31 December 2025</b>          |                              |                                                                          |                   |
|----------------------------------|------------------------------|--------------------------------------------------------------------------|-------------------|
|                                  | <b>Nationality</b>           | <b>Number of<br/>shares held of<br/>nominal value<br/>100 baiza each</b> | <b>% of total</b> |
| <b>SOFIH<br/>IPWC<br/>Public</b> | <b>British Virgin Island</b> | <b>381,828,780</b>                                                       | <b>40.00%</b>     |
|                                  | <b>Oman</b>                  | <b>125,431,511</b>                                                       | <b>13.14%</b>     |
|                                  | <b>Other</b>                 | <b>447,311,659</b>                                                       | <b>46.86%</b>     |
|                                  |                              | <b>954,571,950</b>                                                       | <b>100.00%</b>    |

*(b) Legal reserve*

Article 132 of the Oman Commercial Companies Law of 2019 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 at least one-third of the company's issued share capital. This reserve is not available for distribution to shareholders.

*(c) Hedging reserve*

The hedging reserve comprises the effective portion of the cumulative net change in the fair value of hedging instruments used in cash flow hedges pending subsequent recognition in profit or loss or directly included in the initial cost or other carrying amount of a non-financial asset or non-financial liability. (note 10).

**SEMBICORP SALALAH POWER AND WATER COMPANY SAOG**  
**NOTES TO THE UNAUDITED INTERIM FINANCIAL STATEMENTS**  
**FOR NINE MONTHS PERIOD ENDED 30 SEPTEMBER 2026**

**15 Trade and other payables**

|                                    | Unaudited<br>30 September<br>2026<br>S | Unaudited<br>30 September<br>2025<br>S | Audited<br>31 December 2025<br>S |
|------------------------------------|----------------------------------------|----------------------------------------|----------------------------------|
| Due to related party (note 18)     | 3,583,753                              | 3,053,800                              | 1,830,867                        |
| Trade payable                      | 3,155,141                              | 2,606,709                              | 162,666                          |
| Accrued expenses and other payable | 3,142,107                              | 3,775,321                              | 3,124,609                        |
| VAT Payable                        | 823,858                                | 910,151                                | 841,811                          |
| Interest payable                   | -                                      | -                                      | 501,914                          |
|                                    | <u>10,704,859</u>                      | <u>10,345,981</u>                      | <u>6,461,867</u>                 |

**16 Short term borrowings**

The Company entered into a working capital facility agreement with Bank Muscat on 26 February 2013, last amended on 11 January 2026. The working capital facility ("the Facility") limit is S 3.85 million and carries interest rate of maximum 4% per annum. The balance outstanding as of 30 September 2026 is Nil (30 September 2025 Nil, 31 December 2025: Nil). The security against the facility is as per the Common Terms Agreement and mentioned in note 19 of the financial statements.

**17 Income tax**

The Company is liable for income tax, in accordance with the income tax laws of Sultanate of Oman, at the rate of 15% of taxable income.

A deferred tax liability charge of S 3,630 (30 September 2025: S 14,514, 31 December 2025: deferred tax asset S 20,495) has been recognised directly in OCI in respect of the changes in fair values of interest rate swaps (note 10).

|                                        | Unaudited<br>For three<br>months period<br>ended<br>30 September<br>2026<br>S | Unaudited<br>For three<br>months<br>period ended<br>30 September<br>2025<br>S | Unaudited<br>For nine<br>months period<br>ended<br>30<br>September<br>2026<br>S | Unaudited<br>For nine<br>months period<br>ended<br>30<br>September<br>2025<br>S |
|----------------------------------------|-------------------------------------------------------------------------------|-------------------------------------------------------------------------------|---------------------------------------------------------------------------------|---------------------------------------------------------------------------------|
| <b>a) Recognised in profit or loss</b> |                                                                               |                                                                               |                                                                                 |                                                                                 |
| Current tax for the year               | 1,243,767                                                                     | 1,107,456                                                                     | 3,463,605                                                                       | 3,374,670                                                                       |
| Deferred tax expense for the period    | (231,525)                                                                     | (123,435)                                                                     | (533,604)                                                                       | (387,800)                                                                       |
|                                        | <u>1,012,242</u>                                                              | <u>984,021</u>                                                                | <u>2,930,001</u>                                                                | <u>2,986,870</u>                                                                |

*(b) Reconciliation*

The following is the tax reconciliation of income taxes calculated at the applicable tax rate with the income tax expenses.

|                                          | Unaudited<br>For three<br>months period<br>ended<br>30 September<br>2026<br>S | Unaudited<br>For three<br>months<br>period ended<br>30 September<br>2025<br>S | Unaudited<br>For nine<br>months period<br>ended<br>30<br>September<br>2026<br>S | Unaudited<br>For nine<br>months period<br>ended<br>30<br>September<br>2025<br>S |
|------------------------------------------|-------------------------------------------------------------------------------|-------------------------------------------------------------------------------|---------------------------------------------------------------------------------|---------------------------------------------------------------------------------|
| Profit before tax                        | <u>6,736,425</u>                                                              | <u>6,545,289</u>                                                              | <u>19,497,589</u>                                                               | <u>20,041,163</u>                                                               |
| Income tax as per rates mentioned above  | (1,010,463)                                                                   | (981,792)                                                                     | (2,924,638)                                                                     | (3,006,174)                                                                     |
| Expenses not deductible for tax purposes | (1,779)                                                                       | (2,229)                                                                       | (5,363)                                                                         | (7,690)                                                                         |
| Others                                   | -                                                                             | -                                                                             | -                                                                               | 26,994                                                                          |
| Income tax expense for the period        | <u>(1,012,242)</u>                                                            | <u>(984,021)</u>                                                              | <u>(2,930,001)</u>                                                              | <u>(2,986,870)</u>                                                              |

**SEMBICORP SALALAH POWER AND WATER COMPANY SAOG****NOTES TO THE UNAUDITED INTERIM FINANCIAL STATEMENTS****FOR NINE MONTHS PERIOD ENDED 30 SEPTEMBER 2026****17 Income tax (continued)***(c) Deferred tax asset / (liability)*

|                                                              | At 1 January        | (Charged) / reversal<br>during the period | At 30<br>September  |
|--------------------------------------------------------------|---------------------|-------------------------------------------|---------------------|
|                                                              | <u>£</u>            | <u>£</u>                                  | <u>£</u>            |
| <b>As at 30 September 2026</b>                               |                     |                                           |                     |
| <b>Charged to profit or loss</b>                             |                     |                                           |                     |
| Property, plant and equipment                                | (23,951,923)        | 517,835                                   | (23,434,088)        |
| Asset retirement obligation                                  | 104,275             | 8,799                                     | 113,074             |
| Lease liability                                              | 36,014              | 4,927                                     | 40,941              |
| Right of use asset                                           | 16,254              | 1,737                                     | 17,991              |
| Fair value of cash flow hedge (in-effective portion)         | (306)               | 306                                       | -                   |
|                                                              | <u>(23,795,686)</u> | <u>533,604</u>                            | <u>(23,262,082)</u> |
| <b>Deferred tax recognised in other comprehensive income</b> |                     |                                           |                     |
| Derivative financial instruments                             | 3,630               | (3,630)                                   | -                   |
| Deferred tax liability (net)                                 | <u>(23,792,056)</u> | <u>529,974</u>                            | <u>(23,262,082)</u> |
|                                                              | At 1 January        | (Charged) / reversal<br>during the period | At 30<br>September  |
|                                                              | <u>£</u>            | <u>£</u>                                  | <u>£</u>            |
| <b>As at 30 September 2025</b>                               |                     |                                           |                     |
| <b>Charged to profit or loss</b>                             |                     |                                           |                     |
| Property, plant and equipment                                | (24,440,765)        | 373,264                                   | (24,067,501)        |
| Asset retirement obligation                                  | 94,441              | 7,372                                     | 101,813             |
| Lease liability                                              | 29,848              | 4,625                                     | 34,473              |
| Right of Use asset                                           | 13,932              | 1,737                                     | 15,669              |
| Fair value of cashflow hedge (ineffective portion)           | (1,168)             | 802                                       | (366)               |
|                                                              | <u>(24,303,712)</u> | <u>387,800</u>                            | <u>(23,915,912)</u> |
| <b>Deferred tax recognised in other comprehensive income</b> |                     |                                           |                     |
| Derivative financial instrument                              | (16,865)            | 19,361                                    | 2,496               |
| Deferred tax liability (net)                                 | <u>(24,320,577)</u> | <u>407,161</u>                            | <u>(23,913,416)</u> |
|                                                              | At 1 January        | (Charged) / reversal<br>during the year   | At<br>31 December   |
|                                                              | <u>£</u>            | <u>£</u>                                  | <u>£</u>            |
| <b>As at 31 December 2025</b>                                |                     |                                           |                     |
| <b>Charged to profit or loss</b>                             |                     |                                           |                     |
| Property, plant and equipment                                | (24,440,765)        | 488,842                                   | (23,951,923)        |
| Asset retirement obligation                                  | 94,441              | 9,834                                     | 104,275             |
| Lease liability                                              | 29,848              | 6,166                                     | 36,014              |
| Right of Use asset                                           | 13,932              | 2,322                                     | 16,254              |
| Fair value of cashflow hedge (ineffective portion)           | (1,168)             | 862                                       | (306)               |
|                                                              | <u>(24,303,712)</u> | <u>508,026</u>                            | <u>(23,795,686)</u> |
| <b>Deferred tax recognised in other comprehensive income</b> |                     |                                           |                     |
| Derivative financial instrument                              | (16,865)            | 20,495                                    | 3,630               |
| Deferred tax liability (net)                                 | <u>(24,320,577)</u> | <u>528,521</u>                            | <u>(23,792,056)</u> |

**SEMBCORP SALALAH POWER AND WATER COMPANY SAOG**  
**NOTES TO THE UNAUDITED INTERIM FINANCIAL STATEMENTS**  
**FOR NINE MONTHS PERIOD ENDED 30 SEPTEMBER 2026**

**17 Income tax (continued)**

(d) The movement in the current tax liability for the period comprise of:

|                        | Unaudited<br>30 September<br>2026<br>S | Unaudited<br>30 September<br>2025<br>S | Audited<br>31 December<br>2025<br>S |
|------------------------|----------------------------------------|----------------------------------------|-------------------------------------|
| At 1 January           | 4,633,947                              | 4,338,811                              | 4,338,811                           |
| Charge for the period  | 3,463,605                              | 3,374,670                              | 4,595,375                           |
| Paid during the period | (4,595,045)                            | (4,300,239)                            | (4,300,239)                         |
|                        | <u>3,502,507</u>                       | <u>3,413,242</u>                       | <u>4,633,947</u>                    |

(e) Status of prior year returns

The Company's assessment for the tax year 2023 to 2025 have not yet been finalized with the Secretariat General for Taxation at the Ministry of Finance. Management of the Company believe that additional taxes, if any in respect of open tax years, would not be significant to the Company's financial position as at 30 September 2026.

(f) BEPS Pillar Two

On 31 December 2024, Oman issued Royal Decree Number 70/2024, enacting new global minimum tax rules to align with the Organization for Economic Co-operation and Development (OECD) Base Erosion and Profit Shifting (BEPS) Pillar Two rules (GloBE Rules). The enacted law introduces a domestic minimum top-up tax (DMTT) and an Income Inclusion Rule (IIR), effective from 1 January 2025. This tax applies to entities that are part of an Multinational Entity (MNE) Group with annual revenues amounting to or exceeding the Omani rial equivalent of EUR 750 million or more in two of the last four financial years.

For Oman, the taxable income and effective tax rate will be calculated in accordance with the Executive Regulations to the Royal Decree, which are expected to be issued in 2026.

Based on management's assessment, the Company is not within the scope of the Pillar Two Globe Rules for the period ending 30 September 2026, as the company is not a subsidiary of a foreign parent, nor does the company have any foreign subsidiaries or branches. Accordingly, no Pillar Two top-up tax exposure arises for the current reporting period.

Management will continue to monitor the issuance of the Executive Regulations, further OECD guidance, and global implementation developments. Should the Group's structure, operations, or revenue levels change in a manner that could bring it within the scope of Pillar Two, the Company will update its assessment and related disclosures accordingly.

**18 Related party transactions**

The Company maintains balances with related parties which arise in the normal course of business from commercial transactions on mutually agreed terms. Outstanding receivable or payable balances from related parties as at the reporting period are unsecured, interest free, repayable on demand and settlement occurs in cash.

Sembcorp Oman First Investment Holding Co Ltd is the shareholder and Sembcorp Industries Limited (SIL) are exercising significant influence, whereas Sembcorp Salalah O&M Services Company LLC (SSOM) is an entity controlled by entity which is exercising significant influence over the Company.

The Company had the following significant transactions with related parties during the period:

|                                                                 | Unaudited<br>For three<br>months<br>period ended<br>30 September<br>2026<br>S | Unaudited<br>For three<br>months<br>period ended<br>30 September<br>2025<br>S | Unaudited<br>For nine<br>months<br>period ended<br>30 September<br>2026<br>S | Unaudited<br>For nine<br>months<br>period ended<br>30 September<br>2025<br>S |
|-----------------------------------------------------------------|-------------------------------------------------------------------------------|-------------------------------------------------------------------------------|------------------------------------------------------------------------------|------------------------------------------------------------------------------|
| <i>Sembcorp Salalah O&amp;M Services<br/>Company LLC (SSOM)</i> |                                                                               |                                                                               |                                                                              |                                                                              |
| - Operation and maintenance cost (note 4)                       | 2,336,225                                                                     | 2,166,170                                                                     | 6,416,965                                                                    | 6,222,490                                                                    |
| - *Incentive payment (note 4)                                   | 137,101                                                                       | 130,324                                                                       | 445,658                                                                      | 344,528                                                                      |
|                                                                 | <u>2,473,326</u>                                                              | <u>2,296,494</u>                                                              | <u>6,862,623</u>                                                             | <u>6,567,018</u>                                                             |

\*Incentive payments reward the O&M company for exceeding contractually obligated efficiency targets in fuel, power, water, and budget.

# SEMBICORP SALALAH POWER AND WATER COMPANY SAOG

## NOTES TO THE UNAUDITED INTERIM FINANCIAL STATEMENTS

### FOR NINE MONTHS PERIOD ENDED 30 SEPTEMBER 2026

#### 18 Related party transactions (continued)

Due to related party at the period end comprised:

|      | Unaudited<br>30 September<br>2026<br>₹ | Unaudited<br>30 September<br>2025<br>₹ | Audited<br>31 December<br>2025<br>₹ |
|------|----------------------------------------|----------------------------------------|-------------------------------------|
| SSOM | 3,583,753                              | 3,053,800                              | 1,830,867                           |
|      | <u>3,583,753</u>                       | <u>3,053,800</u>                       | <u>1,830,867</u>                    |

#### Key management benefits

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the Company, directly or indirectly, including any director (whether executive or otherwise). Total compensation accrued to key management personnel for the period is as follows:

|                              | Unaudited<br>For three<br>months period<br>ended<br>30 September<br>2026<br>₹ | Unaudited<br>For three<br>months period<br>ended<br>30 September<br>2025<br>₹ | Unaudited<br>For nine<br>months period<br>ended<br>30 September<br>2026<br>₹ | Unaudited<br>For nine<br>months period<br>ended<br>30 September<br>2025<br>₹ |
|------------------------------|-------------------------------------------------------------------------------|-------------------------------------------------------------------------------|------------------------------------------------------------------------------|------------------------------------------------------------------------------|
| Directors' remuneration      | 26,114                                                                        | 26,114                                                                        | 78,342                                                                       | 78,342                                                                       |
| Directors' sitting fees      | 5,550                                                                         | 13,250                                                                        | 19,250                                                                       | 32,000                                                                       |
| Short term employee benefits | 31,500                                                                        | 46,740                                                                        | 202,668                                                                      | 200,507                                                                      |
| Social security and gratuity | 1,763                                                                         | 1,781                                                                         | 6,649                                                                        | 5,303                                                                        |
|                              | <u>64,927</u>                                                                 | <u>87,885</u>                                                                 | <u>306,909</u>                                                               | <u>316,152</u>                                                               |

As of 30 September 2026, the Company has one key management personnel. (30 September 2025: one key management personnel). In addition to the above, an amount of ₹ 241,364 (30 September 2025: ₹ 318,243) was paid to Sembcorp Salalah O&M Services Company LLC in accordance with O&M agreement for key managerial positions.

#### 19 Term loans

|                                               | Maturity  | Unaudited<br>30 September<br>2026<br>₹ | Unaudited<br>30 September<br>2025<br>₹ | Audited<br>31 December<br>2025<br>₹ |
|-----------------------------------------------|-----------|----------------------------------------|----------------------------------------|-------------------------------------|
| Non-current                                   |           | ₹                                      | ₹                                      | ₹                                   |
| Project financing loan (USD equivalent to RO) | 2012-2026 | -                                      | 21,175,041                             | 21,175,041                          |
| Project financing loan (RO)                   | 2012-2026 | -                                      | 4,403,160                              | 4,403,160                           |
|                                               |           | -                                      | 25,578,201                             | 25,578,201                          |
| Less: Unamortised transaction cost            |           | -                                      | (48,703)                               | (51,681)                            |
|                                               |           | -                                      | 25,529,498                             | 25,526,520                          |
| Less: Current portion of term loans           |           | -                                      | (25,529,498)                           | (25,526,520)                        |
|                                               |           | -                                      | -                                      | -                                   |

On 19 November 2009, the Company entered into a Common Terms Agreement (“CTA”) for credit facilities with a consortium of international and local banks, with Standard Chartered Bank acting as the Dollar Commercial Facility Agent, Bank Muscat SAOG as the Rial Commercial Facility Agent and Bank of China, Shandong Branch as the Sinosure Facility Agent, collectively referred to as the “Mandated Lead Arrangers”.

In July 2017, the United Kingdom Financial Conduct Authority (“FCA”), which regulated the London Interbank Offered Rate (“LIBOR”), announced that 6-month USD LIBOR would cease after September 2023. As part of the LIBOR transition, the Company entered into an Amendment Agreement on 27 September 2023, changing the benchmark rate from LIBOR to SOFR plus the ISDA fallback Credit Adjustment Spread.

On 30 June 2026, the Company fully prepaid all outstanding amounts under the term loan facilities, three months ahead of the final scheduled maturity date of 30 September 2026. Accordingly, no term loan balances were outstanding as at 30 September 2026.

**SEMBICORP SALALAH POWER AND WATER COMPANY SAOG**  
**NOTES TO THE UNAUDITED INTERIM FINANCIAL STATEMENTS**  
**FOR NINE MONTHS PERIOD ENDED 30 SEPTEMBER 2026**

**19 Term loans (continued)**

*Repayments*

Under the terms of the financing arrangements, the aggregate amount of drawdowns was repayable in 29 semi-annual instalments commencing on 30 September 2012, with the final instalment originally scheduled to fall due on 30 September 2026. The Company fully prepaid the outstanding term loan facilities on 30 June 2026 and all obligations under the facilities were settled in full on that date.

*Interest*

- (i) Interest on USD Commercial facilities is charged at a floating rate of Non-Cumulative Compounded SOFR plus Credit Adjustment Spread plus margin (3.55% p.a.). The Company has entered into an interest rate swap to cap its obligation against unfavorable interest rate changes.

The margins are indicated below:

|                                                                       | Margin<br>(% per annum) |
|-----------------------------------------------------------------------|-------------------------|
| Tenth anniversary up to the thirteenth anniversary of completion date | 3.55%                   |
| Thereafter                                                            | 3.95%                   |

- (ii) Interest on Sinosure Covered (USD) facilities is charged at a floating rate of Daily Simple SOFR rate plus Credit Adjustment Spread (CAS) plus margin (3% p.a.). The Company has entered into an interest rate swap to cap its obligation against unfavourable interest rate changes.

- (iii) Interest under the Rial Commercial Facilities Agreement is charged at a fixed rate, as shown in the table below:

| Period                                            | Margin<br>(% per annum) |
|---------------------------------------------------|-------------------------|
| From the fifteenth anniversary of financial close | 5.75%                   |

*Securities*

The term loans and the debt reserve account facility are secured, under the security documents as a whole, by the following collateral:

- a charge on all project assets (refer to note 8 and 11) through commercial/legal mortgage;
- an assignment of its insurance/reinsurance;
- a security over Company’s shares (apart from those held by public);
- a charge over all the project accounts; and
- direct agreements.

*Covenants*

The term loan facilities contained certain covenants pertaining to, amongst other things, liquidation and merger, entering into material new agreements, negative pledge, disposal of assets, granting of loans and guarantees, acquisition of capital assets, debt service coverage ratio, debt to equity ratio, change of business, hedging agreements, etc, with which the Company was required to comply. Prior to the prepayment, the Company was in compliance with the covenants attached with the mentioned term loans.

# SEMBICORP SALALAH POWER AND WATER COMPANY SAOG

## NOTES TO THE UNAUDITED INTERIM FINANCIAL STATEMENTS

### FOR NINE MONTHS PERIOD ENDED 30 SEPTEMBER 2026

#### 20 Assets retirement obligation (“ARO”)

Under the Usufruct Agreement, the Company has a legal obligation to remove the Plant at the end of its useful life and restore the land. The Company shall at its sole cost and expense dismantle, demobilise, safeguard and transport the assets, eliminate soil and ground water contamination, fill all excavation and return the surface to grade of the designated areas.

The carrying value of the ARO provision has been calculated using an expected present value technique. This technique reflects assumptions such as costs, plant useful life, inflation and profit margin that third parties would consider to assume the settlement of the obligation. The movement in ARO provision is as follows:

|                                | Unaudited<br>30 September<br>2026<br> | Unaudited<br>30 September<br>2025<br> | Audited<br>31 December<br>2025<br> |
|--------------------------------|------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------|
| At 1 January                   | 919,457                                                                                                                | 864,581                                                                                                                  | 864,581                                                                                                               |
| Unwinding of discount (note 4) | 50,676                                                                                                                 | 41,157                                                                                                                   | 54,876                                                                                                                |
| At 30 September/ 31 December   | 970,133                                                                                                                | 905,738                                                                                                                  | 919,457                                                                                                               |

Because of the long term nature of the liability, there is significant uncertainty in estimating the cost that will be incurred. It has been assumed that the site will be restored using technology and material that are currently available. The provision has been calculated using a discount rate of 6.5% (30 September 2025: 6.5%, 31 December 2025: 6.5%).

#### 21 Long term lease liability

The Company recognised lease liabilities in relation to lease of land [notes 1 and 8 (a)]. These liabilities were measured at the present value of the remaining lease payments, discounted using the lessee’s incremental borrowing rate 6.5%.

|                                                      | Unaudited<br>30 September<br>2026<br> | Unaudited<br>30 September<br>2025<br> | Audited<br>31 December<br>2025<br> |
|------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------|
| Land                                                 | 706,377                                                                                                                  | 663,258                                                                                                                    | 673,536                                                                                                                 |
| <i>Amounts recognised in profit and loss</i>         |                                                                                                                          |                                                                                                                            |                                                                                                                         |
|                                                      | Unaudited<br>30 September<br>2026<br> | Unaudited<br>30 September<br>2025<br> | Audited<br>31 December<br>2025<br> |
| Amortization expense on right-of-use assets (note 9) | 19,565                                                                                                                   | 19,566                                                                                                                     | 26,160                                                                                                                  |
| Interest expense on lease liabilities (note 7)       | 32,841                                                                                                                   | 30,834                                                                                                                     | 41,112                                                                                                                  |
|                                                      | 52,406                                                                                                                   | 50,400                                                                                                                     | 67,272                                                                                                                  |
| <i>Amounts recognised in cash flows</i>              |                                                                                                                          |                                                                                                                            |                                                                                                                         |
| Total cash flow for leases                           | Nil                                                                                                                      | Nil                                                                                                                        | Nil                                                                                                                     |

Lease rental charges for initial term of 25 years were paid at inception of the lease.

|                                             | Unaudited<br>30 September<br>2026<br> | Unaudited<br>30 September<br>2025<br> | Audited<br>31 December<br>2025<br> |
|---------------------------------------------|--------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------|
| At 1 January                                | 673,536                                                                                                                  | 632,424                                                                                                                    | 632,424                                                                                                                 |
| Interest accrued during the period (note 7) | 32,841                                                                                                                   | 30,834                                                                                                                     | 41,112                                                                                                                  |
| At 30 September                             | 706,377                                                                                                                  | 663,258                                                                                                                    | 673,536                                                                                                                 |

**SEMBICORP SALALAH POWER AND WATER COMPANY SAOG**  
**NOTES TO THE UNAUDITED INTERIM FINANCIAL STATEMENTS**  
**FOR NINE MONTHS PERIOD ENDED 30 SEPTEMBER 2026**

**21 Long term lease liability (continued)**

|                   | Unaudited<br>30 September 2026        |                                      | Unaudited<br>30 September 2025        |                                      | Audited<br>31 December 2025           |                                      |
|-------------------|---------------------------------------|--------------------------------------|---------------------------------------|--------------------------------------|---------------------------------------|--------------------------------------|
|                   | Total<br>minimum<br>lease<br>Payments | PV of<br>minimum<br>Lease<br>payment | Total<br>minimum<br>lease<br>payments | PV of<br>minimum<br>Lease<br>payment | Total<br>minimum<br>lease<br>Payments | PV of<br>minimum<br>Lease<br>payment |
|                   | <u>₹</u>                              | <u>₹</u>                             | <u>₹</u>                              | <u>₹</u>                             | <u>₹</u>                              | <u>₹</u>                             |
| More than 5 years | 1,794,832                             | 706,377                              | 1,794,832                             | 663,258                              | 1,794,832                             | 673,536                              |

**22 Deferred revenue**

The Company received contribution from PWP towards cost of Cyber Security Implementation arising from Material Adverse Change claim. The Company assessed whether each transferred item meets the definition of an asset, and if so, recognises the asset as property, plant and equipment. These contributions are deferred and recognise as other income over the life of the relevant property, plant and equipment.

|                                       | Unaudited<br>30 September<br>2026<br><u>₹</u> | Unaudited<br>30 September<br>2025<br><u>₹</u> | Audited<br>31 December<br>2025<br><u>₹</u> |
|---------------------------------------|-----------------------------------------------|-----------------------------------------------|--------------------------------------------|
| At 1 January                          | 477,839                                       | 680,181                                       | 680,181                                    |
| Amortisation during the year (note 6) | (151,757)                                     | (151,756)                                     | (202,342)                                  |
| At 30 September/ 31 December          | <u>326,082</u>                                | <u>528,425</u>                                | <u>477,839</u>                             |

**23 Financial risk management**

Financial assets are assessed for impairment at each reporting date as disclosed below in credit risk.

The classification of financial assets depends on the purpose for which the financial assets were acquired. Management determines the classification of its financial assets at initial recognition.

The Company has exposure to the following risks from its use of financial instruments:

- Market risk
- Credit risk
- Liquidity risk

This note presents information about the Company's exposure to each of the above risks, the Company's objectives, policies and processes for measuring and managing risk, and the Company's management of capital. Further quantitative disclosures are included throughout these financial statements.

The Board of Directors has overall responsibility for the establishment and oversight of the Company's risk management framework. The Board has entrusted the Management with the responsibility of developing and monitoring the Company's risk management policies and procedures and its compliance with them.

*(a) Market risk*

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and prices will affect the Company's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

*Interest rate risk*

Prior to the full repayment of loan, the Company adopted a policy of ensuring that 95 percent of its interest rate risk exposure is at a fixed rate. This was achieved partly by entering into fixed-rate instruments and partly by borrowing at a floating rate and using interest rate swaps as hedges of the variability in cash flows attributable to movements in interest rates. The Company applied a hedge ratio of 0.95:1. Following the full repayment of the term loan facilities and settlement of all related interest rate swaps on 30 June 2026, the Company had no material interest rate risk exposure as at the reporting date.

**SEMBICORP SALALAH POWER AND WATER COMPANY SAOG**  
**NOTES TO THE UNAUDITED INTERIM FINANCIAL STATEMENTS**  
**FOR NINE MONTHS PERIOD ENDED 30 SEPTEMBER 2026**

**23 Financial risk management (continued)**

*(a) Market risk (continued)*

*Interest rate risk (continued)*

At the reporting date, the interest rate profile of the Company's interest-bearing financial assets and liabilities is:

|                                        | Interest rate | Unaudited<br>30 September<br>2026 | Unaudited<br>30 September<br>2025 | Audited<br>31 December 2025 |
|----------------------------------------|---------------|-----------------------------------|-----------------------------------|-----------------------------|
|                                        | %             | <u>₪</u>                          | <u>₪</u>                          | <u>₪</u>                    |
| -                                      | -             | -                                 | -                                 | -                           |
| <b>Financial assets</b>                |               |                                   |                                   |                             |
| Short and fixed term deposits and DSRA | 3.5%          | <u>7,478,508</u>                  | <u>11,367,870</u>                 | <u>16,568,070</u>           |
| <b>Financial liabilities</b>           |               |                                   |                                   |                             |
| <i>Term loans</i>                      |               |                                   |                                   | -                           |
| - USD variable rate loans              | SOFR + 3%     | -                                 | (11,761,003)                      | (11,761,003)                |
| - USD variable rate loans              | SOFR +3.55%   | -                                 | (9,414,038)                       | (9,414,038)                 |
| - RO fixed rate loans                  | 5.75%         | -                                 | (4,403,160)                       | (4,403,160)                 |
|                                        |               | <u>-</u>                          | <u>(25,578,201)</u>               | <u>(25,578,201)</u>         |

As no variable rate borrowings or interest rate swaps were outstanding at 30 September 2026, changes in interest rates would not have had a material impact on equity or profit.

*Fair value sensitivity analysis for fixed rate instruments*

The Company does not account for any fixed rate financial liabilities at fair value through profit or loss and the Company does not designate hedging instruments under a fair value hedge accounting model. Therefore, a change in interest rate at the reporting date would not affect profit or loss.

*Currency risk*

The majority of the transactions and balances are either in RO or USD. As the RO is pegged to the USD, balances in USD are not considered to represent significant currency risk. The Company is not exposed to significant currency risk as at 30 September 2026 (30 September 2025 and 31 December 2025: No significant exposure to currency risk).

# SEMBACORP SALALAH POWER AND WATER COMPANY SAOG

## NOTES TO THE UNAUDITED INTERIM FINANCIAL STATEMENTS

### FOR NINE MONTHS PERIOD ENDED 30 SEPTEMBER 2026

#### 23 Financial risk management (continued)

##### (b) Credit risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations and arises principally from the Company's receivables from customers and cash balances held with banks. Under the terms of the PWP, the Company's sales are billed wholly to PWP. The Company manages its credit risk with PWP by monitoring its credit rating. The Company limits its credit risk with regard to bank deposits by only dealing with reputable banks and financial institutions with strong credit ratings. The carrying amount of financial assets represents the maximum credit exposure.

##### Impairment of financial assets

The Company has trade receivables from the provision of operation and maintenance services and leasing of assets, which are subject to the expected credit loss model. While fixed term cash deposits, cash and cash equivalents and other receivables are also subject to the impairment requirements of IFRS 9, the identified impairment loss was immaterial.

##### Trade receivables

The Company applies the IFRS 9 simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for all trade receivables. The Company has a single customer, PWP, which accounts for substantially all trade receivables. ECL allowance on receivable from that customer has been computed based on rating grades issued by external rating agency. The ratings by external agency is based on historic default rate and is adjusted for forward-looking macro-economic information (e.g., economic data from industry groups, associations or bodies).

Trade receivables are written off when there is no reasonable expectation of recovery. Indicators that there is no reasonable expectation of recovery include, amongst others, the failure of a debtor to engage in a repayment plan with the Company, and a failure to make contractual payments for a period of greater than 360 days past due.

The trade receivables have been guaranteed by the Government of Sultanate of Oman. The maximum exposure to credit risk at the reporting date, without taking into account collateral or other credit enhancements was:

|                                                                  | Unaudited<br>30 September<br>2026<br>S | Unaudited<br>30 September<br>2025<br>S | Audited<br>31 December<br>2025<br>S |
|------------------------------------------------------------------|----------------------------------------|----------------------------------------|-------------------------------------|
| <b>Classified as financial assets measured at amortised cost</b> |                                        |                                        |                                     |
| Cash and cash equivalents                                        | 12,802,645                             | 9,060,813                              | 5,228,043                           |
| Fixed term deposits and DSRA                                     | 3,900,000                              | 11,367,870                             | 12,716,070                          |
| Trade receivable                                                 | 8,223,453                              | 7,181,941                              | 7,173,777                           |
| Other receivable                                                 | 55,731                                 | 270,227                                | 1,485,683                           |
|                                                                  | <b>24,981,829</b>                      | <b>27,880,851</b>                      | <b>26,603,573</b>                   |

The table below shows the balances with banks categorised by short-term credit rating as published by Moody's investor's service at the reporting date. The management does not foresee any default risk.

| Bank                                          | Rating | Unaudited<br>30 September<br>2026<br>S | Unaudited<br>30 September<br>2025<br>S | Audited<br>31 December<br>2025<br>S |
|-----------------------------------------------|--------|----------------------------------------|----------------------------------------|-------------------------------------|
| <b>Bank balances</b>                          |        |                                        |                                        |                                     |
| Bank Muscat SAOG                              | Baa3   | 9,205,630                              | 8,055,366                              | 1,370,385                           |
| Bank of China                                 | A1     | 3,596,337                              | 1,004,610                              | 4,831                               |
|                                               |        | <b>12,801,967</b>                      | <b>9,059,976</b>                       | <b>1,375,216</b>                    |
| <b>Short and fixed term deposits and DSRA</b> |        |                                        |                                        |                                     |
| Bank Muscat SAOG                              | Baa3   | 3,900,000                              | 1,922,381                              | 1,927,000                           |
| Bank of China                                 | A1     | -                                      | 9,445,489                              | 14,641,070                          |
|                                               |        | <b>3,900,000</b>                       | <b>11,367,870</b>                      | <b>16,568,070</b>                   |
| <b>Trade receivables</b>                      |        |                                        |                                        |                                     |
| PWP                                           | Baa3   | 8,223,453                              | 7,181,941                              | 7,173,777                           |

**SEMBICORP SALALAH POWER AND WATER COMPANY SAOG**  
**NOTES TO THE UNAUDITED INTERIM FINANCIAL STATEMENTS**  
**FOR NINE MONTHS PERIOD ENDED 30 SEPTEMBER 2026**

**23 Financial risk management (continued)**

Age analysis of trade receivables is as follows:

|                                      | Unaudited<br>30 September<br>2026<br><u>£</u> | Unaudited<br>30 September<br>2025<br><u>£</u> | Audited<br>31 December 2025<br><u>£</u> |
|--------------------------------------|-----------------------------------------------|-----------------------------------------------|-----------------------------------------|
| Not past dues                        | 8,206,439                                     | 7,166,405                                     | 7,173,777                               |
| Past due 0 to 3 months               | -                                             | -                                             | -                                       |
| Past due 3 to 9 months               | 17,014                                        | 15,536                                        | -                                       |
| <b>Gross trade receivables</b>       | <b>8,223,453</b>                              | <b>7,181,941</b>                              | <b>7,173,777</b>                        |
| Allowance for expected credit losses | (23,935)                                      | (23,935)                                      | (23,935)                                |
| <b>Net trade receivables</b>         | <b>8,199,518</b>                              | <b>7,158,006</b>                              | <b>7,149,842</b>                        |

None of the amounts have been considered as credit impaired.

The closing loss allowances for trade receivables as at 31 December 2025 reconcile to the opening loss allowances as follows:

|                                                                                             | Unaudited<br>30 September<br>2026<br><u>£</u> | Unaudited<br>30 September<br>2025<br><u>£</u> | Audited<br>31 December<br>2025<br><u>£</u> |
|---------------------------------------------------------------------------------------------|-----------------------------------------------|-----------------------------------------------|--------------------------------------------|
| <b>Opening allowance for expected credit losses as at 1 January calculated under IFRS 9</b> | <b>23,935</b>                                 | <b>23,935</b>                                 | <b>23,935</b>                              |
| <b>Closing allowance for expected credit losses</b>                                         | <b>23,935</b>                                 | <b>23,935</b>                                 | <b>23,935</b>                              |

*(c) Liquidity risk*

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation.

The Company limits its liquidity risk by ensuring bank facilities are available, where required. Liquidity requirements are monitored on a monthly basis and management ensures that sufficient liquid funds are available to meet any commitments as they arise.

The following are the contractual maturities of financial liabilities, including interest payments and excluding the impact of netting agreements.

|                                             | Cash flows        |                       |                     |                        |                    |
|---------------------------------------------|-------------------|-----------------------|---------------------|------------------------|--------------------|
|                                             | Carrying Amount   | Contractual cash flow | Less than 1 year    | More than 1 to 5 years | More than 5 years  |
| <b>Unaudited 30 September 2026</b>          | <b><u>£</u></b>   | <b><u>£</u></b>       | <b><u>£</u></b>     | <b><u>£</u></b>        | <b><u>£</u></b>    |
| <b>Non-derivative financial liabilities</b> |                   |                       |                     |                        |                    |
| Trade and other payables                    | 10,704,859        | (10,704,859)          | (10,704,859)        | -                      | -                  |
| Long term lease liability                   | 706,377           | (1,794,832)           | -                   | -                      | (1,794,832)        |
|                                             | <b>11,411,236</b> | <b>(12,499,691)</b>   | <b>(10,704,859)</b> | <b>-</b>               | <b>(1,794,832)</b> |

**SEMBICORP SALALAH POWER AND WATER COMPANY SAOG**  
**NOTES TO THE UNAUDITED INTERIM FINANCIAL STATEMENTS**  
**FOR NINE MONTHS PERIOD ENDED 30 SEPTEMBER 2026**

**23 Financial risk management (continued)**

(c) *Liquidity risk (continued)*

|                                      | Cash flows        |                       |                     |                        |                    |
|--------------------------------------|-------------------|-----------------------|---------------------|------------------------|--------------------|
|                                      | Carrying Amount   | Contractual cash flow | Less than 1 year    | More than 1 to 5 years | More than 5 years  |
| Unaudited 30 September 2025          | RO                | RO                    | RO                  | RO                     | RO                 |
| Derivatives                          |                   |                       |                     |                        |                    |
| Interest rate swaps                  | 14,197            | (14,197)              | (14,197)            |                        | -                  |
| Non-derivative financial liabilities |                   |                       |                     |                        |                    |
| Term loans                           | 25,529,498        | (26,944,280)          | (26,944,280)        | -                      | -                  |
| Trade and other payables             | 10,345,981        | (10,345,981)          | (10,345,981)        | -                      | -                  |
| Long term lease liability            | 663,258           | (1,794,832)           | -                   | -                      | (1,794,832)        |
|                                      | <u>36,552,934</u> | <u>(39,099,290)</u>   | <u>(37,304,458)</u> | <u>-</u>               | <u>(1,794,832)</u> |
| Audited 31 December 2025             |                   |                       |                     |                        |                    |
| Derivative instrument                | 22,160            | (22,160)              | (22,160)            | -                      | -                  |
| Non-derivative financial liabilities |                   |                       |                     |                        |                    |
| Term loan                            | 25,526,520        | (26,473,203)          | (26,473,203)        | -                      | -                  |
| Trade and other payables             | 6,461,867         | (6,461,867)           | (6,461,867)         | -                      | -                  |
| Long term lease liability            | 673,536           | (1,794,832)           | -                   | -                      | (1,794,832)        |
|                                      | <u>32,684,083</u> | <u>(34,752,062)</u>   | <u>(32,957,230)</u> | <u>-</u>               | <u>(1,794,832)</u> |

The Company have undrawn working capital facility of RO 3.85 million with bank muscat. It is not expected that the cash flows included in the maturity analysis could occur significantly earlier, or at a significantly different amount.

**Embedded derivatives**

The following agreements contain embedded derivatives:

(i) The PWPA between the Company and PWP contains embedded derivatives in pricing the fixed operation and maintenance charge and variable operation and maintenance charge rate for the power facility as well as the desalination facility. Fixed percentages of the fixed operation and maintenance charge rate and variable operation and maintenance charge rate for both facilities get adjusted to reflect changes in the US Consumer price index and the Omani Consumer price index.

(ii) The NGSA between the Company and MOG contains embedded derivatives in gas price for provision of natural gas to the plant. The gas price gets adjusted to reflect changes in US Consumer price index.

(iii) The LTSA between the Company and GEIL contains embedded derivatives in pricing the fixed monthly fee and variable monthly fee for provision of long term maintenance services. Fixed percentage of the fixed monthly fee and variable monthly fee gets adjusted to reflect changes in US labour and material price index.

These embedded derivatives are not separated from the host contract, as the management believes that the economic characteristics and risk associated with the embedded derivatives are closely related to those of the host contract.

# SEMBACORP SALALAH POWER AND WATER COMPANY SAOG

## NOTES TO THE UNAUDITED INTERIM FINANCIAL STATEMENTS

### FOR NINE MONTHS PERIOD ENDED 30 SEPTEMBER 2026

#### 23 Financial risk management (continued)

##### Capital management

The Company's objectives when managing capital are to safeguard the entity's ability to continue as a going concern, so that it can continue to provide returns to members and benefits to other stakeholders, and to provide an adequate return to members by pricing products and services commensurately with the level of risk.

During the period, the Company fully repaid its term loan. Accordingly, the Company has no outstanding borrowings at the reporting date and the gearing ratio, calculated as borrowings to equity, is nil. The Company continues to monitor its capital structure to maintain adequate liquidity, support operations and capital requirements, and optimise shareholder returns.

|                              | Unaudited<br>30 September<br>2026<br>₪ | Unaudited<br>30 September<br>2025<br>₪ | Audited<br>31 December 2025<br>₪ |
|------------------------------|----------------------------------------|----------------------------------------|----------------------------------|
| Debt (Long-term loan)        | Nil                                    | 25,529,498                             | 25,526,520                       |
| Equity                       | 205,470,133                            | 190,286,412                            | 188,881,974                      |
| Debt to equity ratio (times) | Nil                                    | 0.13                                   | 0.14                             |

##### Fair value of financial instruments

The management believes that the fair value of the financial assets and liabilities are not significantly different from their carrying amounts as shown in the financial statements at the reporting date.

When measuring the fair value of an asset or a liability, the Company uses observable market data as far as possible. Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows.

- Level 1 fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2 fair value measurements are those derived from inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3 fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data (unobservable inputs)

|                                                         | Carrying amount                            |                                                  |                                     |              |
|---------------------------------------------------------|--------------------------------------------|--------------------------------------------------|-------------------------------------|--------------|
| 30 September 2026 (Unaudited)                           | Fair value -<br>hedging<br>instrument<br>₪ | Financial<br>assets at<br>amortised<br>cost<br>₪ | Other financial<br>liabilities<br>₪ | Total<br>₪   |
| <b>Financial assets not measured at fair value</b>      |                                            |                                                  |                                     |              |
| Trade and other receivables                             | -                                          | 8,279,184                                        | -                                   | 8,279,184    |
| Cash and cash equivalents                               | -                                          | 12,802,645                                       | -                                   | 12,802,645   |
| Bank deposits                                           | -                                          | 3,900,000                                        | -                                   | 3,900,000    |
|                                                         | -                                          | 24,981,829                                       | -                                   | 24,981,829   |
| <b>Financial liabilities not measured at fair value</b> |                                            | -                                                |                                     |              |
| Trade and other payables                                | -                                          | -                                                | (10,704,859)                        | (10,704,859) |
|                                                         | -                                          | -                                                | (10,704,859)                        | (10,704,859) |

**SEMBICORP SALALAH POWER AND WATER COMPANY SAOG**  
**NOTES TO THE UNAUDITED INTERIM FINANCIAL STATEMENTS**  
**FOR NINE MONTHS PERIOD ENDED 30 SEPTEMBER 2026**

**23 Financial risk management (continued)**

*Fair value of financial instruments (continued)*

| (Unaudited)                                         | Fair value -<br>hedging<br>instrument | Carrying amount                       |                                | Total        | Fair value |
|-----------------------------------------------------|---------------------------------------|---------------------------------------|--------------------------------|--------------|------------|
|                                                     |                                       | Financial assets at<br>amortised cost | Other financial<br>liabilities |              | Level 2    |
| 30 September 2025                                   |                                       |                                       | At amortised cost              |              |            |
| Financial assets not measured<br>at fair value      |                                       |                                       |                                |              |            |
| Trade and other receivables                         | -                                     | 7,428,233                             | -                              | 7,428,233    | -          |
| Cash and cash equivalents                           | -                                     | 9,060,813                             | -                              | 9,060,813    | -          |
| Bank deposits                                       | -                                     | 11,367,870                            | -                              | 11,367,870   | -          |
|                                                     | -                                     | 27,856,916                            | -                              | 27,856,916   | -          |
| Financial liabilities<br>measured at fair value     |                                       |                                       |                                |              |            |
| Derivative instruments                              | (14,197)                              | -                                     | -                              | (14,197)     | (14,197)   |
| Financial assets not measured at<br>fair value      |                                       |                                       |                                |              |            |
| Financial liabilities not<br>measured at fair value |                                       |                                       |                                |              |            |
| Term loan                                           | -                                     | -                                     | (25,529,498)                   | (25,529,498) | -          |
| Trade and other payables                            | -                                     | -                                     | (10,345,981)                   | (10,345,981) | -          |
|                                                     | -                                     | -                                     | (35,875,479)                   | (35,875,479) | -          |

|                                                     | Fair value -<br>hedging<br>instrument | Carrying amount                       |                                | Total        | Fair value |
|-----------------------------------------------------|---------------------------------------|---------------------------------------|--------------------------------|--------------|------------|
|                                                     |                                       | Financial assets at<br>amortised cost | Other financial<br>liabilities |              | Level 2    |
| 31 December 2025                                    |                                       |                                       | At amortised cost              |              |            |
| Financial assets not measured<br>at fair value      |                                       |                                       |                                |              |            |
| Trade and other receivables                         | -                                     | 8,635,525                             | -                              | 8,635,525    | -          |
| Cash and cash equivalents                           | -                                     | 5,228,043                             | -                              | 5,228,043    | -          |
| Bank deposits                                       | -                                     | 12,716,070                            | -                              | 12,716,070   | -          |
|                                                     | -                                     | 26,579,638                            | -                              | 26,579,638   | -          |
| Financial assets measured at<br>fair value          |                                       |                                       |                                |              |            |
| Derivative instrument                               | (22,160)                              | -                                     | -                              | -            | (22,160)   |
| Financial liabilities not<br>measured at fair value |                                       |                                       |                                |              |            |
| Term loan                                           | -                                     | -                                     | (25,526,520)                   | (25,526,520) | -          |
| Trade and other payables                            | -                                     | -                                     | (6,461,867)                    | (6,461,867)  | -          |
|                                                     | -                                     | -                                     | (31,988,387)                   | (31,988,387) | -          |

For financial asset not measured at fair value, their carrying amount is a reasonable approximation of fair value.

The following tables show the valuation techniques used in measuring Level 2 fair values for financial instruments in the statement of financial position, as well as the significant unobservable inputs used.

**Type**

Interest rate swaps

**Valuation technique**

The fair value is calculated as the present value of the estimated future cash flows. Estimates of future floating-rate cash flows are based on quoted swap rates, futures prices and interbank borrowing rates. Estimated cash flows are discounted using a yield curve constructed from similar sources and which reflects the relevant benchmark interbank rate used by market participants for this purpose when pricing interest rate swaps.

The fair value and carrying value of financial assets is same as these are expected to mature within ninety days or less.

**SEMBICORP SALALAH POWER AND WATER COMPANY SAOG**  
**NOTES TO THE UNAUDITED INTERIM FINANCIAL STATEMENTS**  
**FOR NINE MONTHS PERIOD ENDED 30 SEPTEMBER 2026**

**23 Financial risk management** (continued)

**24 Commitments**

(a) *Performance guarantees*

|                        | Unaudited<br>30 September<br>2026<br><b>₹</b> | Unaudited<br>30 September<br>2025<br><b>₹</b> | Audited<br>31 December<br>2025<br><b>₹</b> |
|------------------------|-----------------------------------------------|-----------------------------------------------|--------------------------------------------|
| Performance guarantees | <b>1,540,800</b>                              | 1,540,800                                     | 1,540,800                                  |

The Company has taken bank guarantees from Bank Muscat for the amount of USD 4,000,000 and provided to Oman Electricity Transmission Company SAOG under the electrical connection agreement.

(b) *Operation and maintenance commitment*

As per O&M Agreement, SSOMC operates and maintains the Company's plant at Salalah. Under O&M agreement, the Company has to pay the fixed operator's fee:

The minimum future payments under the O&M agreement are as follows:

|                                                   | Unaudited<br>30 September<br>2026<br><b>₹</b> | Unaudited<br>30 September<br>2025<br><b>₹</b> | Audited<br>31 December<br>2025<br><b>₹</b> |
|---------------------------------------------------|-----------------------------------------------|-----------------------------------------------|--------------------------------------------|
| Due:                                              |                                               |                                               |                                            |
| Not later than one year                           | <b>627,405</b>                                | 1,227,264                                     | 1,236,266                                  |
| Later than one year but not later than five years | -                                             | 627,405                                       | 424,451                                    |
|                                                   | <b>627,405</b>                                | <b>1,854,669</b>                              | <b>1,660,717</b>                           |

(c) *Capital Commitment*

Total capital commitment as at 30 September 2026 are in the amount of **₹** 1,716,178 (30 September 2025: **₹** 459,158, 31 December 2025: **₹** 390,229).

**25 Basic and diluted earnings per share**

Basic earnings per share are calculated by dividing the profit for the period by the weighted average number of shares outstanding during the period as follows:

|                                                                  | Unaudited<br>For three<br>months period<br>ended<br>30 September<br>2026 | Unaudited<br>For three<br>months<br>period ended<br>30 September<br>2025 | Unaudited<br>For nine<br>months period<br>ended<br>30 September<br>2026 | Unaudited<br>For nine<br>months period<br>ended<br>30 September<br>2025 |
|------------------------------------------------------------------|--------------------------------------------------------------------------|--------------------------------------------------------------------------|-------------------------------------------------------------------------|-------------------------------------------------------------------------|
| Profit for the period ( <b>₹</b> )                               | <b>5,724,183</b>                                                         | 5,561,268                                                                | <b>16,567,588</b>                                                       | 17,054,293                                                              |
| Weighted average number of shares<br>outstanding during the year | <b>954,571,950</b>                                                       | 954,571,950                                                              | <b>954,571,950</b>                                                      | 954,571,950                                                             |
| Earnings per share - Basic and diluted                           | <b>0.0060</b>                                                            | 0.0058                                                                   | <b>0.0174</b>                                                           | 0.0179                                                                  |

Since the Company has no potentially dilutive instruments, the basic and dilutive earnings per share are same.

# SEMBACORP SALALAH POWER AND WATER COMPANY SAOG

## NOTES TO THE UNAUDITED INTERIM FINANCIAL STATEMENTS

### FOR NINE MONTHS PERIOD ENDED 30 SEPTEMBER 2026

#### 26 Net assets per share

Net assets per share are calculated by dividing the shareholders' funds by the number of shares at the end of the reporting period. Net assets per share is not a defined performance measure in IFRS standards.

|                                                                                                            | Unaudited<br>30 September<br>2026<br> | Unaudited<br>30 September<br>2025<br> | Audited<br>31 December<br>2025<br> |
|------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------|
| Net assets - (  )         | 205,470,133                                                                                                            | 190,286,412                                                                                                              | 188,881,974                                                                                                           |
| Number of shares at the end of the period                                                                  | 954,571,950                                                                                                            | 954,571,950                                                                                                              | 954,571,950                                                                                                           |
| Net assets per share (  ) | 0.215                                                                                                                  | 0.199                                                                                                                    | 0.198                                                                                                                 |

#### 27 Investors' Trust Fund

Record of Investors Trust Fund indicates that the amount of  12,786 (30 September 2025:  12,792, 31 December 2025:  11,329) have not been claimed from the Company by the shareholders as at 30 September 2026.

#### 28 Segmental reporting

The Company has only one segment in accordance with IFRS 8. Segment information is, accordingly, presented in respect of the Company's business segments. The primary format, business segments, is based on the Company's management and internal reporting structure. The requirements of IFRS 8, paragraphs 31 to 34 relating the entity wide disclosures have been covered under statements of financial position, profit and loss and other comprehensive income and also in note 3 to these financial statements.

#### 29 Operating lease agreement for which the Company acts as a lessor

The Company has entered into a PWPA with PWP for a substantial element of the production of power and water with 100% 'take-or-pay' clauses in favour of the company. The below lease receipts are investment charge revenue and does not include other types of revenue as disclosed in note 3 of the financial statements.

Management has determined that the take-or-pay arrangements with PWP under PWPA are covered by IFRS 16 'Leases' as such arrangements convey the right to use the assets to PWP. Management further determined that such arrangement in substance represents an operating lease under IFRS 16 Leases [note 2.2 (a)]. The lease commenced on 25 May 2012. The following is the total of future lease receipts expected to be received under existing PWPA:

|                    | Unaudited<br>30 September<br>2026<br> | Unaudited<br>30 September<br>2025<br> | Audited<br>31 December<br>2025<br> |
|--------------------|---------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------|
| Due:               |                                                                                                                           |                                                                                                                            |                                                                                                                         |
| Less than one year | 20,322,970                                                                                                                | 43,142,996                                                                                                                 | 43,142,996                                                                                                              |
| One to two years   | -                                                                                                                         | 20,322,970                                                                                                                 | 10,346,227                                                                                                              |
|                    | <u>20,322,970</u>                                                                                                         | <u>63,465,966</u>                                                                                                          | <u>53,489,223</u>                                                                                                       |

On 12 October 2025, the Company was awarded the new PWPA. The new PWPA will commence on 4 April 2027, immediately following the expiry of the current agreement, and will remain in effect for a period of 10 years, ending on April 2037. Followings are the total lease receipts expected to be received under new PWPA.

|                         | Unaudited<br>30 September<br>2026<br> | Unaudited<br>30 September<br>2025<br> | Audited<br>31 December<br>2025<br> |
|-------------------------|---------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------|
| Less than one year      | 9,989,702                                                                                                                 | -                                                                                                                          | -                                                                                                                       |
| One to two years        | 17,731,140                                                                                                                | -                                                                                                                          | 17,731,140                                                                                                              |
| Two to three years      | 17,694,317                                                                                                                | -                                                                                                                          | 17,694,317                                                                                                              |
| Three to four years     | 17,694,317                                                                                                                | -                                                                                                                          | 17,694,317                                                                                                              |
| Four to five years      | 17,694,317                                                                                                                | -                                                                                                                          | 17,694,317                                                                                                              |
| Greater than five years | 96,286,669                                                                                                                | -                                                                                                                          | 106,276,371                                                                                                             |
|                         | <u>177,090,461</u>                                                                                                        | <u>-</u>                                                                                                                   | <u>177,090,461</u>                                                                                                      |

**SEMBCORP SALALAH POWER AND WATER COMPANY SAOG**  
**NOTES TO THE UNAUDITED INTERIM FINANCIAL STATEMENTS**  
**FOR NINE MONTHS PERIOD ENDED 30 SEPTEMBER 2026**

**30 Dividend**

Pursuant to shareholders' resolution in the Annual General Meeting dated 11 March 2026, the Board of Directors in their meeting held on 21 October 2026 distributed cash dividend of Baizas 16 per share amounting to ~~₪~~ 15.3 million (2025: ~~₪~~ 7.6 million) to the Shareholders who are registered with MCD on 1 November 2026.

Pursuant to shareholders' resolution in the Annual General Meeting dated 19 March 2025, the Board of Directors in their meeting held on 27 October 2025 distributed cash dividend of Baizas 8.0 per share amounting to ~~₪~~ 7.6 million (2024: ~~₪~~ 10.02 million) to the Shareholders who are registered with MCD on 2 November 2025.