STELCO
STATE ELECTRIC COMPANY LIMITED

STELCO QUARTERLY REPORT Q3 2026

CONTENTS

01 Financial Highlights
Quarterly financial performance

02 Operational Highlights
Major business activities and achievements

03 Board Activities
Board, committee and governance information

04 CSR Highlights
Corporate Social Responsibility activities — Q3 2026

05 Project Details
Project progress, contract values and disbursements

06 Income Statement
Statement of Comprehensive Income

07 Corporate Governance and Compliance Statement

01. Financial Highlights

Details	Amount	Percentage change from pre-quarter
Revenue	1,034,624,781	5%
Operating Profit	80,598,906	2%
Earnings per Share	439,576	40%
Net Profit	65,936,344	40%

Ratio	Q3 2026
Gross Profit Margin	22.11%
Net profit Margin	6.37%
ROCE	1.38%
Current Ratio	0.92
Acid test Ratio	0.75
Trade receivables Turnover (Days)	112
Trade payables Turnover (Days)	77
Gearing Ratio	52%

02. Operational Highlights

- **Major Business Activities:**
    - Construction of New Powerhouse, Customer Service Building in K. Thulusdhoo
    - Construction of New Powerhouse in AA. Bodufolhadhoo
    - Peak Handling 2026 - Supply of 15 Nos 2000kVA gensets
    - Construction of 50MW staff building
    - Concrete works of V. Thinadhoo Accommodation Building
    - Design and Fabrication of 80K litre Fuel tank for AA. Ukulhas powerhouse
    - Design and Fabrication of 250K litre Fuel tank at Hulhumale Annex 1
    - Design & Build of K. Guraidhoo Sewerage Project
    - Male' Fuel Pump House relocation
    - Fenaka Islands Takeover (Meemu, Baa, and Lhaviyani Atoll islands)
    - Adh. Dhigurah powerhouse extension
    - V. Thinadhoo Accommodation Building Finishing Works
    - Design and Fabrication of 02 100 m3 Fuel Storage Tank for K.Thulusdhoo Powerhouse
    - Design and Fabrication of 02 x 80m3 Fuel Storage Tank for Adh. Dhangethi Powerhouse
    - Design and Fabrication of 01 x 80m3 Fuel Storage Tank for AA. Bodufolhudhoo Powerhouse
    - Design and Building of Powerhouse and Supply of Electrical Distribution Network in K. Maafushi (Manta Island)
    - Peak Handling 2027 & 2028 (20MW powerhouse)
    - 5th Power Development Project – Phase 2 (5PDP-P2)
    - BESS Project (15 MW / 30 MWh BESS) in Male'
    - Peak handling 2027
      Supply of three (3) 2000 kVA containerized generator sets
    - Peak handling 2027
    - Supply of (2) 2000kVA Non-containerized open type generator sets
    - Peak handling 2027
      Supply of 4 x Nos 2000kVA Step-up transformer with Accessories
    - Peak handling 2027
    - Supply of 6 x Nos of Switchgears with Accessories
    - Peak handling 2027
    - Supply of MV, LV & Earth cables etc.

- **Major Achievements:**
  - Completion of Concrete works of V.Thinadhoo Accommodation Building on 31 July 2026
  - Taekover of Fenaka Islands (Meemu, Baa and Lhaviyani Atoll Islands)
  - Meemu atoll islands except (M. Maduvvari) was completed on 20 Jun 2026. Takeover of M. Maduvvari was completed on 22 June 2026
  - Takeover of Baa & Lhaviyani atoll islands were completed on 20 July 2026
  - Completion of Extension and Upgrade of ADh. Dhigurah Powerhouse on 01 Sep 2026

03. Board Activities

Directors Name	Designation	Board meeting	Audit committee	Risk Committee	Remuneration Committee	Compliance Committee
Mohamed Latheef	Chairman	5/5				
Dr. Ali Azwar	Executive Director	5/5				
Aishath Muzna	Executive Director	5/5				
Ahmed Hashim	Non-Executive Director	5/5	0/1			
Mariyam Sajida	Non-Executive Director	3/5	1/1			
Ahmed Aslam	Non-Executive Director	2/5	1/1			

Meeting	Number of Meeting
Board meeting	5
Audit committee and Risk Committee	1

- **Company Secretary**

- Uz. Ahmed Sameeh

- **Appointed Auditors of the Company**

- Auditor General's Office

04. CSR (Corporate Social Responsibility) Highlights of Year 2026

Quarter 3

#	Activity Carried out	Targeted at
1	Items given	General Public
2	Financial Aid	Ministry of Arts, Culture and Heritage
3	Financial Aid	Diabetes Society
4	Financial Aid	Diabetes Society
5	Financial Aid	Diabetes Society
6	Financial Aid	Diabetes Society
7	Items given	General Public
8	Financial Aid	Diabetes Society
9	Items given	General Public
10	Items given	General Public

05. Project details

#	Project Name	Start date	Completion date	Contract Value (MVR)	Disbursed Value	% of completion
1	Construction of New Powerhouse, Customer Service Building in Adh. Dhangethi	08-May-25	10-May-26	14,870.413.27	4,282,912.24	100%
2	Construction of New Powerhouse, Customer Service Building in K.Thulusdhoo	06-Oct-25	Q1 2027	11,954,501.00	1,283,994.26	30%
3	Construction of New Powerhouse in AA.Bodufolhudhoo	16-Aug-25	Q4 2026	5,146,212.94	1,327,199.86	62%
4	Peak Handling 2026 - Supply of 15 Nos 2000kVA gensets	16-Dec-25	Q4 2026	117,192,000 (USD 7,600,000)	31,396,492.38	44%
5	Peak Handling 2026 - Supply of 1 Nos 2000kVA and 6 Nos 3000kVA Step Up Transformers	28-Sep-25	20-Jan-26	16,000,000(USD 537,900)	-	100%
6	Peak Handling 2026 - Supply of Cables	04-Nov-25	27-Apr-26	USD 975,250	-	100%

#	Project Name	Start date	Completion date	Contract Value (MVR)	Disbursed Value	% of completion
7	Construction of 50MW staff building	03-Jul-24	Q1 2027	9,376,515.21	478,930.68	67%
8	Concrete works of V. Thinadhoo Accommodation Building	06-Apr-25	Q4, 2026	1,499,198.63	136,909.96	77%
9	Design and Fabrication of 80K litre Fuel tank for AA. Ukulhas powerhouse	24-Dec-25	Q3 2026	1,146,411.27	-	50%
10	Design and Fabrication of 250K litre Fuel tank at Hulhumale Annex 1	14-Oct-25	Q3 2026	1,935,025.20	-	80%
11	Design & Build of K. Guraidhoo Sewerage Project	25-Nov-25	Q2 2027	59,830,018.20	-	Design Stage
12	Hulhumale' Phase 2 Electricity and GPON Network Project	01-Nov-19	Q3 2029	-	2,387,285.27	96%
13	Male' Fuel Pump House relocation	18-Jan-24	Ongoing	7,145,724.42	-	10%
14	Fenaka Islands Takeover (Meemu, Baa, and Lhaviyani Atoll islands)	22-Apr-26	22-Jul-26	-	-	40%
15	Design and Building of Powerhouse and Supply of Electrical Distribution Network in K. Maafushi (Manta Island)	Design Stage	-	-	-	-
16	Peak Handling 2027 & 2028 (20MW powerhouse)	Planning Stage	-	-	-	-
17	Majlis Powerhouse	Planning Stage	-	-	-	-

06. Income Statement & Statement of Comprehensive Income

STATE ELECTRIC COMPANY LIMITED
STATEMENT OF FINANCIAL POSITION
as of 30th September 2026
All amounts are stated in Maldivian Rufiyaa

	Note	30-Sep-26 MVR	31-Dec-25 MVR
ASSETS			
Non-Current Assets			
Property, plant and equipment	6	4,470,508,235	4,591,055,371
Intangible assets	6.7	17,900,570	21,982,273
Right of use assets	7	116,893,035	119,913,863
Financial asset	8	319,892,419	322,039,753
		4,925,194,259	**5,054,991,260**
Current Assets			
Inventories	9	297,391,589	308,553,044
Trade and other receivables	10	532,429,615	421,646,652
Due from related parties	10.2	831,438,172	787,350,197
Current tax asset	28	-	-
Cash and cash equivalents	11	58,143,177	91,039,819
		1,719,402,553	**1,608,589,712**
TOTAL ASSETS		**6,644,596,812**	**6,663,580,972**
EQUITY AND LIABILITIES			
Equity and Reserves			
Share capital	12	150,000,000	150,000,000
Revaluation reserve	13	625,583,088	625,583,086
Capital contribution	14	917,023,929	917,023,928
Retained earnings		1,044,994,790	917,811,990
		2,737,601,808	**2,610,419,004**
Non-Current Liabilities			
Borrowings	15	1,640,640,893	1,750,843,681
Lease liability	16	155,129,344	147,101,084
Deferred Income	17	27,049,430	27,979,909
Defined benefit obligation	18	60,102,151	58,474,007
Contractor payable	19	-	-
Deferred tax liability	30	167,971,909	208,047,645
		2,050,893,727	**2,192,446,326**
Current Liabilities			
Borrowings	15	920,260,671	927,032,811
Lease liability	16	1,908,006	2,076,623
Contractor payable	19	124,528,571	196,528,923
Trade and other payables	20	408,751,036	415,703,647
Due to related parties	21	195,122,991	165,909,308
Current tax liability	28	115,874,658	54,355,764
Bank Overdraft	11	89,655,345	99,108,566
		1,856,101,278	**1,860,715,642**
TOTAL EQUITY AND LIABILITIES		**6,644,596,812**	**6,663,580,972**

The Board of Directors is responsible for the preparation and presentation of these financial statements. Signed for and on behalf of the Board by,

Name of the Director	**Signature**
Dr. Ali Azwar (Managing Director)	.....
Ms. Fathimath Leena (Chief Financial Officer)	.....

The accounting policies and notes on pages form an integral part of the financial statements.

STATE ELECTRIC COMPANY LIMITED
STATEMENT OF COMPREHENSIVE INCOME
for the year ended 30th September 2026
All amounts are stated in Maldivian Rufiyaa

	Note	30-Sep-26 MVR	31-Dec-25 MVR
Revenue	22	2,808,834,646	3,341,296,013
Cost of revenue	24	(2,223,676,279)	(2,624,365,143)
Gross profit		**585,158,367**	**716,930,870**
Other income	23	3,600,840	12,079,294
Administrative expenses	25	(327,963,940)	(392,650,970)
Impairment reversal/(loss) on trade receivables and amounts due from related parties	10.1 & 10.3	(60,000,000)	19,344,659
Operating profit/(loss)		**200,795,267**	**355,703,853**
Finance income	26	21,525,169	29,367,332
Finance cost	26	(51,694,477)	(73,016,992)
Net finance costs		(30,169,308)	(43,649,660)
Profit/(loss) before tax		**170,625,959**	**312,054,193**
Income tax expense	27	(21,443,159)	(73,357,314)
Net profit/(loss) for the year		**149,182,800**	**238,696,879**
Other comprehensive income *Other comprehensive income that will not be reclassified to profit or loss in subsequent periods*			
Actuarial gain on retirement benefit obligation	18	-	(20,951,792)
Deferred tax on actuarial gain	30	-	3,142,769
Other comprehensive income, net of tax		**-**	**(17,809,023)**
Total comprehensive income for the year		**149,182,800**	**220,887,856**
Basic/diluted earnings/(loss) per share	31	994,552	1,591,313

The accounting policies and notes form an integral part of the financial statements.

6 Property, Plant and Equipment

6.1 Cost/valuation

	Balance As at 01-Jan-26	Additions	Disposals / Transfers	Balance As at 30-Sep-26
Generators and Distribution	3,224,518,232	90,760,138		3,315,278,370
Buildings and Oil Storage	1,067,260,786	46,000		1,067,306,786
Water Bottling Plant	153,215,350	41,935		153,257,285
Vehicle and launches	57,198,090	580,912		57,779,002
Machinery and Equipment	237,246,510	8,304,503		245,551,013
Furniture and Fittings	15,300,800	1,520,525		16,821,325
Computer Systems	38,403,023	977,862		39,380,885
Capital Work in Progress (Note 6.2)	512,157,322	(27,563,568)	(4,249,458)	480,344,296
	5,305,300,113	**74,668,307**	**(4,249,458)**	**5,375,718,962**

Depreciation	Balance As at 01-Jan-26	Charge for the year/ Impairment	Disposals	Balance As at 30-Sep-26
Generators and Distribution	330,265,002	132,697,140		462,962,142
Buildings and Oil Storage	87,698,901	33,851,653		121,550,554
Water Bottling Plant	52,827,652	6,224,157		59,051,809
Vehicle and launches	36,970,742	3,080,702		40,051,444
Machinery and Equipment	164,163,999	10,648,867		174,812,866
Furniture and Fittings	9,565,462	989,956		10,555,418
Computer Systems	32,752,984	3,473,510		36,226,494
	714,244,742	**190,965,985**	**-**	**905,210,727**
Net Book Value	**4,591,055,351**			**4,470,508,235**

6.2 Work in Progress

	Balance As at 01-Jan-26	Additions	Disposals / Transfers	Balance As at 30-Sep-26
Transmission & distribution	308,620,449		(3,324,257)	305,296,192
Combustion power plant	31,686,278		(925,200)	30,761,078
POISED project	26,207,169	-		26,207,169
SCADA project	1,058,232		(1)	1,058,231
Other projects	144,585,194	(27,563,568)		117,021,626
	512,157,322	**(27,563,568)**	**(4,249,458)**	**480,344,296**
	512,157,322			**480,344,296**

6.3.1 The value of fully depreciated property, plan and equiprnent as at December 31, 2024 amounted to MVR 181,842,605.

6.4 Generators and Distribution Equipment, Building and Oil Storage of the Company were revalued on 31 December 2023 by WikiFrank Chartered Valuers, an independent valuer with recognised and relevant qualifications, in reference to depreciated replacement cost method by analyzing information provided by the client. The results of such revaluation were incorporated in these financial statements company recongnized revaluation gain amounting MVR 726,586,698/- as at 31 December 2023.

Fairvalue technique, inputs and relatioship with fair value

Property	Fair Value measurement using Significant unobservable inputs(Level 3)	Sensitivity	Fair value technique
Generators and Distribution Equipment	Replacement cost	Estimated fair value would increase/decrease if a unit price increase/decrease	Depreciated replacement method
Disposals made in the year 2022, however, have not accounted in the system. Therefore, have made prior year adjustments by adjusting	Rate per square metre of Building: MVR 1,380 - MVR 6700	Estimated fair value would increase/decrease if rate per sq feet increase/decrease	

STATE ELECTRIC COMPANY LIMITED
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 30th September 2026
All amounts are stated in Maldivian Rufiyaa

6 Property, Plant and Equipment

6.5 Cost/ Valuatioon	Balance As at 01-Jan-25	Additions	Revaluation Surplus	Transfers on revaluation	Disposals / Transfers	Balance As at 31-Dec-25
Generators and Distribution Equipment	2,973,173,615	251,473,649	-	-	(129,032)	3,224,518,232
Buildings and Oil Storage	1,045,987,614	21,282,559	-	-	(9,387)	1,067,260,786
Water Bottling Plant	151,934,131	1,281,219	-	-	-	153,215,350
Vehicle and launches	53,466,629	3,731,461	-	-	-	57,198,090
Machinery and Equipment	225,717,131	14,036,122	-	-	(2,506,743)	237,246,510
Furniture and Fittings	14,232,798	1,579,765	-	-	(511,763)	15,300,800
Computer Systems	37,672,194	3,543,142	-	-	(2,812,313)	38,403,023
Capital Work in Progress	398,324,460	379,833,574	-	-	(266,000,712)	512,157,322
	4,900,508,572	**676,761,489**	**-**	**-**	**(271,969,948)**	**5,305,300,113**

6.6 Depreciation	Balance As at 01-Jan-25	Charge for the year/Impairment	Transfer on Revaluation	Disposals	Balance As at 31-Dec-25
Generators and Distribution Equipment	159,535,667	170,819,885		(90,550)	330,265,002
Buildings and Oil Storage	42,566,873	45,135,538		(3,510)	87,698,901
Water Bottling Plant	44,528,776	8,298,876	-	-	52,827,652
Vehicle and launches	32,863,140	4,107,602	-	-	36,970,742
Machinery and Equipment	146,312,545	20,308,125	-	(2,456,671)	164,163,999
Furniture and Fittings	8,751,153	1,319,941	-	(505,632)	9,565,462
Computer Systems	30,926,109	4,631,346	-	(2,804,471)	32,752,984
	465,484,263	**254,621,314**	**-**	**(5,860,835)**	**714,244,742**
Net Book Value	**4,435,024,309**				**4,591,055,371**

6.7 Intangible Assets	Balance As at 01-Jan-26	Additions	Balance As at 30-Sep-26
Software	27,424,543	-	27,424,543
	-	**-**	**27,424,543**

Amortisation	Balance As at 01-Jan-26	Charge for the year/ Impairment	Balance As at 30-Sep-26
Software	5,442,270	4,081,703	9,523,973
Net book value	**-**	**4,081,703**	**17,900,570**

7 Right of Use Assets

7.1 Cost	Balance As at 01-Jan-26	Additions	Balance As at 30-Sep-26
Land and Buidings	148,968,414		148,968,414
	148,968,414	**-**	**148,968,414**

7.2 Amortisation			
Land and Buidings	29,054,551	3,020,828	32,075,379
	29,054,551	**3,020,828**	**32,075,379**
Net Book Value	**119,913,863**		**116,893,035**

7 Right of Use Assets (Continued)

The Company have the following lease contracts as of March 31 , 2026. Incremental borrowing rate is 9.5%.

Lease	Agreement Date	Lease Start Date	Lease End Date	Lease Period
Thilafushi Land	17-02-2013	01-01-2012	31-12-2026	15 Years
Gulhifalhu Power House	28-03-2017	28-03-2017	25-12-2025	8 Years, 8 Months and 29 Days
Hulhumale Part 1	31-03-2016	01-04-2009	31-03-2034	25 Years
Hulhumale Part 2	21-08-2016	21-08-2016	20-08-2066	50 Years
Hulhumale Power House	23-03-2010	01-07-2004	01-07-2029	25 Years
Hulhumale Apollo Tower	24-03-2022	24-03-2022	23-03-2042	20 Years
Male and Villimale' Power House	05-09-2012	05-09-2012	05-09-2111	99 Years

8 Financial Asset (STELCO Hiya)

8.1 As per the agreement dated November 15, 2017 between STELCO ("Company") and Housing Development Corporation Limited ("HDC"), the Company was assigned to develop a two residential apartments blocks in Hulhumale phase II plots no. N3-35(B), N3-35(C) by HDC.

According to the agreement, HDC granted the exclusive rights to construct, develop and sell residential units under the project in the designated land area to the Company. The Company agreed to finance the construction and development of the project and to sell the residential units developed under the project to eligible STELCO staff. It was the sole responsibility of the Company to raise and manage the finance required for the development of the project and HDC shall not be liable towards any party under any circumstances.

During the year 2022, sale and purchase agreements were signed between the staffs and STELCO for the sales of the apartments. As per the agreement, apartment handover date was January 1, 2023.

The employees eligible to obtain a Hiya flat were supposed to pay a down payment and the remaining payment is to be paid on installment basis over 18-24 years. The interest rate assigned for deferred payment was computed as 4%. The difference between the market rate of interest (9% p.a) and the concessionary rate of 4% was identified in statement of Comprehensive Income as a staff benefit during year 2023.

8.2 Financial Asset

	30-Sep-26 MVR	31-Dec-25 MVR
Opening balance as at 01 January	322,039,753	328,647,011
Recognised during the year	-	-
Add: Fine income accrued for the year	-	1,163,108
Add: Interest income accrued for the year	21,523,500	29,350,188
Less: Repayments by tenants during the year	(23,670,834)	(37,120,554)
Closing balance as at 31 December	**319,892,419**	**322,039,753**

			30-Sep-26 MVR	31-Dec-25 MVR
9	**Inventories**			
	Fuel		33,852,016	65,502,410
	Spares, cables and consumables		440,256,960	369,727,149
	Stationary		1,312,967	1,095,195
	Lubricating oil		2,544,188	7,802,832
			477,966,131	444,127,586
	Provision for Slow Moving Inventories	Note 9.1	(180,574,542)	(135,574,542)
	Total		**297,391,589**	**308,553,044**
9.1	**Provision for Slow Moving Inventories**			
	As at 1st January		135,574,542	123,307,829
	(Decrease) / Increase in provision		45,000,000	12,266,713
	As at 31st December		**180,574,542**	**135,574,542**

Provision for Inventory Policy was approved by the board of directors on December 28, 2021. The provision against fast, slow and non moving categories of inventories for the year 2024 has been calculated based on the criteria defined in the policy.

			30-Sep-26 MVR	31-Dec-25 MVR
10	**Trade and Other Receivables**			
	Accounts receivable		582,199,573	459,771,000
	Less: Provision for doubtful debts	Note 10.1	(126,309,009)	(96,309,009)
			455,890,564	363,461,991
	Prepayments		51,049,980	46,532,875
	Other receivables		25,489,071	11,651,786
			76,539,051	58,184,661
			532,429,615	**421,646,652**
10.1	**Provision for Impairment of Trade Receivables**			
	As at 1st of January		96,309,009	88,450,585
	Recognized / (reversal) during the year		30,000,000	7,858,424
	As at 31st December		**126,309,009**	**96,309,009**
10.2	**Due from Related Parties**			
	Indira Gandhi Memorial Hospital			4,391,440
	Male' Water and Sewage Company (Private) Limited			24,250,715
	State Trading Organisation PLC			8,977,209
	Maldives Transport and Contracting Company PLC			7,760,259
	Maldives Customs Services			1,052,726
	Maldives Industrial Fisheries Company Limited			1,404,596
	Bank of Maldives PLC			1,090,494
	Public Service Media			163,253,250
	Road Development Corporation Limited			14,055,801
	National Centre For the Arts			2,229,764
	Housing Development Corporation Limited			33,493,379
	National Social Protection Agency			60,065
	Maldives Port Limited			1,863,872
	Ministry of Finance and Planning			333,299,517
	Male' City Council			53,879,430
	Ministry of National Planning Housing and Infrastructure			43,430,901
	Local Government Authority			55,189
	Fenaka Corporation Limited			14,964,402
	Ministry of Climate Change, Environment and Energy			18,053,880
	Other Government Owned Organisations		1,022,673,442	221,018,579
			1,022,673,442	**948,585,467**
	Provision for impairment loss	Note 10.3	(191,235,270)	(161,235,270)
	Total		**831,438,172**	**787,350,197**
10.3	**Provision for Impairment Loss**			
	As at 1st of January		161,235,270	188,438,353
	Recognised during the year		30,000,000	(27,203,083)
	As at 31st December		**191,235,270**	**161,235,270**

		30-Sep-26 MVR	31-Dec-25 MVR
11	**Cash and Cash Equivalent**		
	Cash at bank	55,430,433	87,794,472
	Cash in hand	2,712,744	3,245,347
	Total	**58,143,177**	**91,039,819**
	Bank overdraft	89,655,345	99,108,566
	Cash and Cash Equivalent in statement in cashflow	**(31,512,168)**	**(8,068,747)**
12	**Share Capital**		
	Issued share capital 150 ordinary shares of MVR 1,000,000 each	150,000,000	150,000,000
	Total	**150,000,000**	**150,000,000**

12.1 The total authorised number of ordinary shares is 150 shares (2023: 150 shares) with a par value of MVR 1,000,000 per share (2023: MVR 1,000,000 per share). The issued and fully paid share capital comprises of 150 (2023 :150) ordinary shares of MVR 1,000,000 each.

12.2 Dividends and voting rights
The holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to vote per share at the shareholders' meetings of the Company. No dividends declared during the year ended December 31, 2024 (2023 : Nil).

13	**Revaluation reserve**			
	As at 1st January		625,583,087	684,153,190
	Revaluation surplus recognised during the year net of tax		-	-
	Transfer to Retained earnings	Note 13.2		(68,906,004)
	Deferred tax transferred to retained earnings		-	10,335,901
	Transfer of disposed assets		-	-
	Deferred tax transferred to retained earnings		-	-
	As at 31st December		**625,583,088**	**625,583,087**

13.2 Transfer of Revaluation Surplus to Retained Earnings

Revaluation surplus is realized to retained earnings on the basis of utilization of the asset. An amount equal to the difference between the depreciation based on the revalued carrying amount of the asset and the depreciation based on the asset's original cost is transferred from revaluation surplus (net of deferred tax) to retained earnings on an annual basis.

14	**Capital Contribution**		
	As at 1st January	917,023,928	905,473,042
	Grant converted to capital	1	11,550,886
	Received during the year	-	-
	As at 31st December	**917,023,929**	**917,023,928**

The Company has received a capital contribution amounted to MVR 246,690,839 from the Ministry of Finance and Treasury of the Republic of Maldives during the period of 2017 to 2020 for the construction and installation of Hulhumale Power Plant (5th Power Project) and MVR 154,007,552 for repayment of the loan obtained from China Exim bank for construction of the Hulhumale' Power Plant (5th Pover Project) . Further, MVR 181,716,143 were received in 2018, 2019 and 2020 for the installation of greater Male' Grid connection.

During the year 2021, the Company has received an additional MVR 92,856,020 for greater Male' Grid Connection Project and MVR 66,075,213 for repayment of the loan obtained from China Exim bank for construction of the Hulhumale' Power Plant (5th Power Project). During the year 2022, the Company has received an additional MVR 45,096,838 for greater Male' Grid Connection Project and MVR 65,030,438 for repayment of the loan obtained from China Exim bank for construction of the Hulhumale' Power Plant (5th Power Project).

During the year 2023, the Company has received an additional MVR 54,000,000 for repayment of the loan obtained from China Exim bank for construction of the Hulhumale' Povver Plant (5th Power Project).

These amounts have been considered as capital contribution from Ministry of Finance since Ministry of Finance provides these contributions at its capacity of Shareholder of the Company.

During the year 2025, The MOFT waived off MVR 11,550,886/- which was provisionaly accrued as interest expense related to loans granted by MOFT. The amount waived off have been considered as capital contribution.

		30-Sep-26 MVR	31-Dec-25 MVR
15	**Borrowings**		
	As at 1st January	2,677,876,492	2,829,082,001
	Loans obtained during the year	-	-
	Interest for the year	38,831,951	52,683,673
	Repayments during the year	(116,974,928)	(139,654,623)
	Interest paid during the year	(38,831,951)	(52,683,673)
	Converted to capital (Note 16.3)	-	(11,550,886)
	As at 31st December	**2,560,901,564**	**2,677,876,492**
15.1	**Maturity Analysis**		
	Non- Current		
	Loan and borrowings	1,640,640,893	1,750,843,681
		1,640,640,893	**1,750,843,681**
	Current		
	Loan and borrowings	920,260,671	927,032,811
		920,260,671	**927,032,811**
	Total borrowings	**2,560,901,564**	**2,677,876,492**

15.2 Terms and repayment schedule

Source of finance	Purpose to Finance	Interest Rate 2024	Interest Rate 2023	Maturity	30-Sep-26 MVR Carrying Amount	31-Dec-25 MVR Carrying Amount
Ministry of Finance *	Third Power System	-	0%*	01-Aug-21	130,042,977	130,042,977
Ministry of Finance *	Third Power System	-	0%*	01-May-24	124,743,553	124,743,553
Ministry of Finance *	Third Power System	-	0%*	01-Sep-24	132,077,542	132,077,542
Ministry of Finance *	5.4V Generator set	-	0%*	15-Feb-16	52,279,303	52,279,303
Ministry of Finance *	Second Power System	-	0%*	31-Jul-25	84,436,686	84,436,686
Ministry of Finance *	Power System	-	0%*	01-Sep-18	17,995,791	17,995,791
Ministry of Finance (Nordea Bank Danmark)	Fourth Power System	-	4.25% & 8.5%	30-Sep-35	1,287,824,888	1,287,824,888
Ministry of Finance *	POISED Project	-	0%*	15-May-33	215,265,640	215,265,640
Exim Bank of China	Fifth Power Project	3% + 6 Months SOFR		31-Jul-31	491,074,305	601,277,093
MIB MGAF	Peak Handling	8%		30-Jun-24	25,160,879	31,933,019
					2,560,901,564	**2,677,876,492**

**With effect from 1st January 2023 the Ministry of Finance suspended charging interest on these loans.*

15.3 Bank Borrowings

All of the above Loans (except for MIB - MGAF) have been secured by a guarantee from Government of Maldives.

The Ministry of Finance and Treasury ("MOFT") through its letter dated February 4, 2019, has taken over the settlement of these loans and instructed the Company to transfer the loan balances (including accrued interest) as a capital contribution. However, part of the transaction has been finalized by the parties for the year ended December 31, 2024.

The Company entered subsidiary loan agreement on April 2, 1998, between Ministry of Finance and Treasury for the amount of MVR 80,702,185 at an Interest rate of 8% for the purpose of Third Power System Development Project. This loan is to be repaid in 40 installments on 01 February and 01 August each year.

The Company entered subsidiary loan agreement on August 27, 2003, between Ministry of Finance and Treasury for the amount of MVR 60,396,877 at an Interest rate of 8% for the purpose of Third Power System Development Project. This loan is to be repaid in 40 installments on 01 May and 01 November each year.

The Company entered subsidiary loan agreement on June 9, 1998 between Ministry of Finance and Treasury for the amount of MVR 64,634,001 at an Interest rate of 8% for the purpose of Third Power System Development Project. This loan is to be repaid in 40 installments on 01 February and 01 August each year.

The Company entered subsidiary loan agreement on February 15, 1998, between Ministry of Finance and Treasury for the amount of MVR 41,246,314 at an Interest rate of 8% for the purpose of acquisition of 5.4Mv Generator Set. This loan is to be repaid in 30 installments on 15 February and 15 August each year.

The Company entered subsidiary loan agreement on April 11, 1992, between Ministry of Finance and Treasury for the amount of MVR 105,084,231 at an Interest rate of 8% for the purpose of Second Power System Project. This loan is to be repaid in 34 installments on 31 January and 31 July each year.

The Company entered subsidiary loan agreement on March 10, 1998, between Ministry of Finance and Treasury for the amount of MVR 59,622,880 at an Interest rate of 8% for the purpose of Power System Development Project. This loan is to be repaid in 35 installments on 01 March and 01 September each year.

DANIDA grant and Nordea Bank loan agreement signed between Nordea Bank Denmark A/S and Government of Maldives on January 15, 2009 for a loan amount of EUR 18,140,000 and grant amount of EUR 6,560,000. The loan was entered to for the purpose of Fourth Power System Development Project.

Subsidiary loan terms proposed by the Government of Maldives are as follows.
1. Component 1: Interest bearing portion - Nordea Loan Funds and Fees of EUR 23,534,579.78 at an interest rate of 8.5% p.a, with loan period of 27 years (grace period of 7 years) and first repayment date on March 31, 2016.

2. Component 2: Interest bearing portion - DANIDA Grant Funds of EUR 4,269,568.02 at an interest rate of 4.25% p.a, with loan period of 27 years (grace period of 7 years) and first repayment date on March 31, 2016.

The Company entered subsidiary loan agreement on August 10, 2015, between Ministry of Finance and Treasury for the amount of MVR 150,847,779 at an Interest rate of 8% for the purpose of Preparing Outer Island for Sustainable Energy Development Project. This loan is to be repaid in 30 installments on 15th May and 15th November each year.

The Company entered loan agreement on May 28, 2015, between Export-Import Bank of China (Exim Bank) and Bank of China Limited for the amount of USD 79,946,000 for the purpose of Fifth Power Development Project. This loan is to be repaid in 24 installments on 21 January and 21 July each year.

The Company entered into a loan agreement with Maldives Islamic Bank during the year for purchasing 1500kVA package substation as a diminishing Musharakah financing equivalent to 70% of shares. The tenure is 06 months from the date of delivery of the asset at a rate of 8%. The Company will obtain the full ownership of the asset over the period after repaymentst at the termination of the financing arrangement.

		30-Sep-26 MVR	31-Dec-25 MVR
16	**Lease Liability**		
	Non- current		
	Lease liability	155,129,344	147,101,084
	Total	**155,129,344**	**147,101,084**
	Current		
	Lease liability	1,908,006	2,076,623
	Total	**1,908,006**	**2,076,623**
16.1	**Movement of lease liability**		
	As at 1st January	149,177,707	140,225,993
	Additions/(disposals) of lease liabilities	-	-
	Adjustments to recognise prior year payments and interest	-	-
	Interest expense for the year	9,755,814	13,182,418
	Repayment during the year	(1,896,171)	(4,230,704)
	As at 31st December	**157,037,350**	**149,177,707**
16.2	**Maturity Analysis of Undiscounted Future Lease Payments are as follows;**		
	Less than one year	1,908,006	2,076,623
	Between two and five years	5,784,437	5,356,727
	More than five years	149,344,908	141,744,357
	Total	**157,037,350**	**149,177,707**
17	**Deferred Income**		
	As at 1st January	27,979,909	29,220,548
	Amortisation	(930,479)	(1,240,639)
	As at 31st December	**27,049,430**	**27,979,909**

17.1 Deferred income comprises of grants received from the Ministry of Finance and Treasury of the Republic of Maldives. An amount of MVR 25,287,089 was received in 2006 for the installation of 6 sets of 1250 k Diesel Generators. During the year 2020, the Company received MVR 34,490,853 for construction of Peak Handling Project and these grants are amortized over the useful life of the assets.

		30-Sep-26 MVR	31-Dec-25 MVR
18	**Defined benefit Obligation**		
	As at 01st January	58,474,007	38,045,487
	Amount recognised in Profit or Loss		
	Current service cost for the year	1,800,000	1,800,525
	Interest cost for the year	2,000,000	1,997,388
		62,274,007	41,843,400
	Amount recognised in Other Comprehensive Income		
	Actuarial gain on obligation	-	20,951,792
	Payments during the year	(2,171,856)	(4,321,185)
	As at 31st December	**60,102,151**	**58,474,007**

18.2 The Company has engaged a qualified actuary to estimate the retirement benefit obligation. The project unit credit method is used to determine the present value of the defined benefit obligation. Key assumption used in the calculation are as follows;

Expected salary increment	2.87%	3.14%
Discount rate	7.00%	4.60%
Staff turnover factor	3.69%	3.72%

18.3 Sensitivity analysis for the key assumptions

Impact of the change in discount rate		
Present value of obligation at the end of the period	38,045,487	58,474,007
Impact due to increase of 0.5%	(2,256,855)	(2,583,562)
Impact due to decrease of 0.5%	2,658,696	2,562,118
Impact of the change in salary increase		
Present value of obligation at the end of the period	38,045,487	58,474,007
Impact due to increase of 0.5%	2,322,601	2,580,641
Impact due to decrease of 0.5%	(2,527,601)	(2,573,622)

		up to 2 years MVR	3 to 5 years MVR	Over 5 years MVR
18.4	Maturity profile	8,882,948	11,716,379	37,877,680

19 Contractor Payable

The Company has entered into an agreement with Dongfang Electricity International Corporation ("DEC") to construct a power interconnect network project between Male and Hulhumale via a bridge on February 12, 2018 for a contract price of USD 45,619,736. Contract is payable over the period of 8 years based on the percentage of completion of the project. The contractual cashflows have been discounted at a rate of 4.8%.

During the year 2023, the Company received an additional claim from Dongfang Electricity International Corporation ("DEC") on account of project delays and extra work requested by the Company amounting to USD 7,888,165.97.Based on the settlement agreement entered on September 14, 2023, with DEC for the settelement of claim is to be made by 36 monthly installments starting from 1st October 2023. The contractual cashflows have been discounted at a rate of 9%.

19.1	**Breakdown of Contractor Payable**		
	As at 1st January	196,528,923	268,034,882
	Interest charge during the year	3,106,712	7,150,901
	Repayment during the year	(75,107,064)	(78,656,860)
	Additions during the year	-	-
	Fine accrued due to delays	-	-
	As at 31st December	**124,528,571**	**196,528,923**
	Non- Current		
	Contractor payable	-	-
	Total	**-**	**-**
	Current		
	Contractor payable	124,528,571	196,528,923
	Total	**124,528,571**	**196,528,923**

20	**Trade and Other Payables**			
	Trade payables		100,077,396	205,328,024
	Accrued expenses		103,281,103	30,667,497
	Dividend Payable to Ministry of Finance	Note 20.1	152,845,423	152,845,423
	Retention payable		8,375,416	8,938,478
	Deposit received		7,779	3,735,274
	Other payables		44,163,905	14,188,951
	Total		**408,751,022**	**415,703,647**

603,874,015

			30-Sep-26 MVR	31-Dec-25 MVR
20.1	**Dividend Payable to Ministry of Finance**			
	As at 1st January		152,845,423	44,000,000
	Dividend set off during the year		-	-
	Dividend declared during the year		-	108,845,423
	As at 31st December		**152,845,423**	**152,845,423**
21	**Due to Related Parties**			
	State Trading Organisation PLC		160,101,628	130,541,517
	Waste Management Corporation		23,352,042	26,003,402
	Maldives Transport and Contracting Company PLC		9,573,703	5,017,601
	Male' Water and Sewerage Company Limited		318,975	370,875
	Dhivehi Raajjeyge Gulhun PLC		557,618	2,808,694
	Other Government owned Organizations		1,219,025	1,167,218
	Total		**195,122,991**	**165,909,308**

			30-Sep-26	31-Dec-25
22	**Revenue**		**MVR**	**MVR**
	The breakdown of the revenue is as follows:			
	Electricity revenue		2,690,507,337	3,118,522,941
	Non-electricity revenue	Note 22.1	70,926,870	176,822,591
	Water and sewerage revenue		47,400,439	45,950,481
	Total		**2,808,834,646**	**3,341,296,013**

22.1 Non-electricity revenue include revenue from sale of electronic equipment and other electrical services provided for customers.

23	**Other income**			
	Amortization of deferred income - Government grant amortization	Note 17	930,479	1,240,639
	Rental income		731,790	599,328
	Miscellaneous income		15,000	1,916,701
	Writeback of payables		1,923,571	8,322,626
			3,600,840	**12,079,294**

STATE ELECTRIC COMPANY LIMITED
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 30th September 2026
All amounts are stated in Maldivian Rufiyaa

			30-Sep-26 MVR	31-Dec-25 MVR
24	**Cost of Revenue**			
	Direct Expenses		1,893,683,974	2,236,021,595
	Direct Labour		329,992,305	388,343,548
	Total		**2,223,676,279**	**2,624,365,143**
25	**Administrative Expenses**			
	Personnel cost	Note 25.1	148,257,413	174,473,187
	Service Cost on retirment benefit obligation		1,800,000	3,081,052
	Bank charges		22,423,499	4,631,346
	Provision for slow and Non-moving inventories		45,000,000	5,667,842
	Unclaimed GST		11,984,809	12,266,712
	Repair and maintenance		3,719,265	7,027,708
	Depreciation/Impairment of Property Plant and equipment		8,291,592	7,036,418
	Amortization of Right of Use Asset		3,020,828	-
	Directors' remuneration		134,784	894,660
	Rent expenses		946,226	1,254,292
	Loss on disposal of FA		-	94,296
	Other expenses		142,385,524	176,223,457
			387,963,940	**392,650,970**
25.1	**Personnel costs**			
	Staff salaries and wages		181,707,686	208,682,565
	Staff allowances		195,560,024	222,150,452
	Overtime expenses		66,934,198	86,906,335
	Employer's contribution to government pension fund		11,101,181	14,552,570
	Staff medical expenses		9,107,639	12,036,202
	Employee retirement benefits		4,356,300	960,975
	Other staff expenses		9,482,689	17,527,636
	Total		**478,249,717**	**562,816,735**
	Cost of sales portion		329,992,305	388,343,548
	Administrative expense portion		148,257,413	174,473,187
			478,249,718	**562,816,735**
26	**Finance Cost**			
	Interest on Borrowings- Foreign		30,100,301	49,740,669
	Interest on Borrowings - Local		8,731,650	2,943,004
	Interest on leases		9,755,814	13,182,418
	Interest on other financial arrangements		3,106,712	7,150,901
			51,694,477	**73,016,992**
	Finance Income			
	Interest income		(21,525,169)	(29,367,332)
	Net Finance Costs		**30,169,308**	**43,649,660**

		30-Sep-26 MVR	31-Dec-25 MVR
27	**Taxation**		
	Income Tax Expense for the year		
	Current tax expense	61,518,894	33,712,296
	Deferred tax asset recognised	(15,994,221)	(17,355,992)
	Deferred tax liability recognized	(24,081,514)	57,001,010
	Total Tax Expense	**21,443,159**	**73,357,314**
27.1	**Reconciliation Between Accounting Profit and Taxable Income :**		
	Profit /(loss) before tax	170,625,959	312,054,193
	Aggregate disallowable items	240,000,000	342,695,553
	Aggregate allowable items		(429,501,106)
	Adjustment related to restatement (Noted 42)	-	-
	Tax losses utilized during the year	-	-
	Tax free allowance	(500,000)	(500,000)
	Tax (loss) / Income tax for the year	**410,125,959**	**224,748,640**
	Income tax @ 15%	**61,518,894**	**33,712,296**
28	**Current Tax Liability**		
	Tax refunds receivable	54,355,764	23,609,902
	Interim taxes paid	(2,966,435)	(2,966,434)
	Tax provision for the year	61,518,894	33,712,296
	Total	**112,908,223**	**54,355,764**
	Total current tax liability	**115,874,658**	**54,355,764**
29	**Net deferred tax liability**		
	Deferred Tax Liability	241,369,154	275,786,569
	Deferred Tax Asset	(83,733,146)	(67,738,924)
	As at 31 December	**157,636,008**	**208,047,645**
30.1	**Deferred Tax Asset**		
	As at 1st January	67,738,925	47,240,164
	Recognised in other comprehensive income		
	(Reversal) / recognised during the year	-	3,142,769
	Recognised in profit or loss		
	Recognised during the year	15,994,221	17,355,992
	As at 31st December	**83,733,146**	**67,738,925**

30.2 The recognized deferred tax asset is attributable to the following:

	30-Sep-26		31-Dec-25	
	Temporary Difference MVR	Tax effect MVR	Temporary Difference MVR	Tax effect MVR
On debtors provision	317,544,279	47,631,642	257,544,279	38,631,642
On other provision	60,102,151	9,015,323	58,474,007	8,771,101
On inventory provision	180,574,542	27,086,181	135,574,542	20,336,181
	558,220,972	**83,733,146**	**451,592,828**	**67,738,924**

30	**Deferred Tax Liability**		
	As at 1st January	275,786,569	229,121,460
	Recognised in profit or loss		
	recognised during the year	(24,081,514)	57,001,010
	Recognised in other comprehensive income		
	recognised during the year	-	-
	Recognised directly in equity		
	Reversed during the year (Note 13)	(10,335,901)	(10,335,901)
	As at 31st December	**241,369,154**	**275,786,569**

30.1 The recognized deferred tax liability is attributable to the following:

	30-Sep-26		31-Dec-25	
	Temporary Difference MVR	Tax effect MVR	Temporary Difference MVR	Tax effect MVR
Recognised in profit or loss				
Property, plant and Equipment	1,609,127,697	241,369,154	1,838,577,128	275,786,569
Recognised in other comprehensive income				
Revaluation reserve				
	1,609,127,697	**241,369,154**	**1,838,577,128**	**275,786,569**

31 Earnings/ (loss) Per Share

Basic/dilued (loss)/earnings per share is calculated by dividing the net (loss)/profit for the year attributable to ordinary shareholders by the weighted average number of ordinary shares outstanding during the year.

Profit/ (loss) for the year	149,182,800	238,696,879
Weighted average number of ordinary shares	150	150
Earnings/ (loss) per share	**994,552**	**1,591,313**

	30-Sep-26 MVR	31-Dec-25 MVR
32 Operating Profit before Working Capital Changes		
Profit before tax	170,625,959	312,054,193
Depreciation	190,965,985	254,621,313
Re-assessment of Right of Use Assets	-	-
Amortization of Right of Use Assets	3,020,828	4,316,275
Interest Income from Financial Asset	(21,523,500)	(30,513,296)
Increase/(Reversal) provision for slow moving inventories	45,000,000	12,266,713
Provision for impairment loss on trade receivables	30,000,000	7,858,424
Reversal of impairment loss on related parties	30,000,000	(27,203,083)
Interest expense	51,694,477	73,016,992
Amortization of deferred income	(930,479)	(1,240,639)
Defined benefit obligation for the year	1,800,000	1,800,525
Dividend declared	(108,845,423)	-
Interest income	-	-
Provision for impairment loss on investment in Hiyaa Project	-	-
Adjustments made for prior year lease expenses	-	-
Loss on disposal of PPE	-	94,296
Fines on contractor payable		-
Employee benefit expense	-	1,997,388
Amortization of Intangible Assets	2,000,000	5,442,270
Total	**393,807,847**	**614,511,371**

33 Related Party Transactions

33.1 Due from Related Parties

Name	**Nature of relationship**		
Indira Gandhi Memorial Hospital	***Affiliate***		
Opening balance		2,559,843	3,707,365
Sales of Services		27,809,400	21,454,660
Payments made		(20,246,075)	(22,602,182)
Closing balance		**10,123,168**	**2,559,843**
Male' Water and Sewage Company Pvt Ltd	***Affiliate***		
Opening balance		19,565,954	9,241,574
Sales of Services		85,158,912	28,249,467
Payments made		(92,450,303)	(17,925,087)
Closing balance		**12,274,563**	**19,565,954**

Corporate Governance and Compliance Statement

Throughout the quarter, STELCO has adhered to the good governance practices outlined in the Corporate Governance Code for SOEs, maintained adequate internal controls across our operations, and conducted our business with transparency and accountability. We also confirm that this report has been prepared in accordance with all provisions of the Minimum Quarterly Reporting Requirements for State Owned Enterprises prescribed by the Privatization and Corporatization Board.