

1 LEGAL STATUS AND ACTIVITIES

Barka Water and Power Company SAOG ("The Company") is an Omani public joint stock company. It was incorporated as a closely-held joint stock company in the Sultanate of Oman on 19 November 2000 under a trade license issued by the Ministry of Commerce, Industry and Investment Promotion ("MOCIIP"). Subsequently the Company was converted to a public joint stock company and was listed on the Muscat Stock Exchange (MSX) on 12 January 2005. The Company's registered address is at P.O. Box 572, Postal Code 320, Barka, Sultanate of Oman.

The parent company is ACWA Power Barka Project LLC and ultimate controlling party is ACWA Power Company ("ACWA Power").

The principal activities of the Company are to develop, design, finance, construct, operate, maintain, insure and own a power generating station and water desalination plants and associated gas inter-connection facilities and other relevant infrastructure under the generation and desalination license issued by the Authority for Public Services Regulation ("APSR"). The Company commenced its commercial operations from 11 June 2003.

2 Plants operated by the Company

Below are the major Plants operated by the Company and their dates of commencement of commercial operation:

- Main Plant which consists of 427MWH gas fired power generation facility and 20 MIGD Multi-Stage Flash Distillation (MSF) water facility commenced its commercial operations on 11 June 2003.
- Sea Water Reverse Osmosis (SWRO) Plant of 10 MIGD (Expansion – Phase I) commenced its commercial operations on 29 May 2014.
- Sea Water Reverse Osmosis (SWRO) Plant of 12.5 MIGD (Expansion – Phase II) commenced its commercial operations on 26 February 2016.

In addition, the Company also owns 50% shareholding interest in Barka Seawater Facilities Company SAOC (BSFC) which has been accounted for as a Joint Operation in the Company's financial statements under joint arrangement.

3 SIGNIFICANT AGREEMENTS

A) The Company has entered into the following significant agreements with respect to the Main Plant:

i. The Company signed a previous Power and Water Purchase Agreement (PWWA) in 2000 with Nama Power and Water Procurement Company (PWP), which expired in 2021. During the previous year Company signed new PWWA dated 30 May 2024 with PWP which includes Power plant for 8 years and 9 months and multi-stage flash evaporator (MSFE) water plant for 3 years term with extension option at PWP's discretion for a further term of 3 years and another term of 2 years & 9 months (total 8 years and 9 months term). The Company has satisfied the requirements of early power conditions on availability of plant on 6 June 2024 and achieved the commercial operation date on 11 November 2024.

ii. Usufruct agreement with the Government for grant of usufruct rights over the plant sites for twenty-five years. The initial term of the agreement has been completed on 25 November 2025 and the Company has already obtained the APSR's approval for its renewal. The administrative process for finalizing and signing the renewed Usufruct Agreement with the Ministry of Housing and Urban Planning (MOHUP) is at an advanced stage and is expected to be completed in due course.

iii. Operation and Maintenance Agreement (O&M Agreement) with First National Company for Operation and Maintenance Services LLC (NOMAC Oman) to operate and maintain the plant.

iv. Shareholders' agreement with SMN Barka Power Company SAOC for establishment of Barka Seawater Facilities Company SAOC (BSFC) pursuant to the PWWA.

These financial statements were approved and authorised for issue by the Board of Directors on 10 February 2026.

3 SIGNIFICANT AGREEMENTS (CONTINUED)**B) The Company has entered into following significant agreements with respect to 10MIGD Reverse Osmosis Water Expansion Project (Phase I):**

- i. The Water Purchase Agreement (WPA) expired on 29 September 2024 and the plant has ceased its operations.
- ii. Usufruct agreement with the Government for grant of usufruct rights over the project site for twenty-five years. The Company has an option to extend the lease term after 25 years.
- iii. Supplemental Operation and Maintenance Agreement with NOMAC Oman for the operation and maintenance of Expansion Project-Phase I which is expired along with WPA.

C) The Company has entered into following significant agreements with respect to 12.5MIGD Reverse Osmosis Water Expansion Project (Phase II):

- i. The Water Purchase Agreement (WPA) expired on 29 September 2024 and the plant has ceased its operations.
- ii. Usufruct agreement with the Government for grant of usufruct rights over the project site for twenty-five years. The Company has an option to extend the lease term after 25 years.
- iii. Supplemental Operation and Maintenance Agreement with NOMAC Oman for the operation and maintenance of Expansion Project - Phase II which is expired along with WPA.

The APSR has confirmed the removal of RO plants (Phase I and Phase II) capacities from the Company's generation and desalination license. Currently RO Plants are under utilisation for the Company's internal consumption. Once a small RO plant will be installed for internal consumption requirements, the Company will initiate the disposal process for the RO plants after obtaining the necessary approvals.

4 BASIS OF PREPARATION**(a) Basis of preparation and functional currencies**

The financial statements are prepared under the historical cost convention and going concern assumption, except for fair valuation of certain financial assets and liabilities. The preparation of financial statements is in conformity with International Financial Reporting Standards (IFRS) that requires the use of certain critical accounting estimates. It also requires management to exercise judgment in the process of applying the Company's accounting policies.

The financial statements are presented in Omani Rial (﷮) which is the functional and reporting currency of the Company.

(b) Statement of compliance

The financial statements have been prepared in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board (IFRS Accounting Standards). These financial statements also comply with the applicable requirements of the Commercial Companies Law of 2019 of the Sultanate of Oman and the rules and guidelines on disclosure issued by the Financial Services Authority (formerly known as Capital Market Authority).

These financial statements were approved and authorised for issue by the Board of Directors on 10 February 2026.

4 BASIS OF PREPARATION (CONTINUED)**(c) Standards, amendments and interpretations effective and adopted during the year**

Following are the standards that are effective from 01 January 2025.

New accounting standards or amendments	Effective for annual years beginning on or after
Lack of Exchangeability - Amendment to IAS 21	1 January 2025

The above standard and amendment do not have any material impact on the financial statements.

(d) New standards and interpretations not yet adopted

A number of new accounting standards and amendments to accounting standards are effective for annual periods beginning after 1 January 2026 and earlier application is permitted. The Company has not early adopted any of the forthcoming new or amended accounting standards in preparing these financial statements.

The Company is currently assessing the impact of the below not yet effective amendments on financial statements:

New accounting standards or amendments	Effective for annual years beginning on or after
Classification and Measurement of Financial Instruments – Amendments to IFRS 9 and IFRS 7	1 January 2026
Contracts Referencing Nature-dependent Electricity – Amendments to IFRS 9 and IFRS 7	1 January 2026
Annual Improvements to IFRS Accounting Standards – Volume 11	1 January 2026
IFRS 18 Presentation and Disclosure in Financial Statements.	01 January 2027
IFRS 19 Subsidiaries without Public Accountability: Disclosures	01 January 2027
Sale or Contribution of Assets between an Investor and its Associate or Joint Venture – Amendments to IFRS 10 Consolidated Financial Statements and IAS 28 Investments in Associates and Joint Ventures	Available for optional adoption / effective date deferred indefinitely

5 SUMMARY OF MATERIAL ACCOUNTING POLICIES

A summary of the material accounting policies adopted in the preparation of these financial statements is set out below. The accounting policies adopted are consistent with those of the previous financial year.

(a) Financial instruments recognition, measurement and subsequent measurement

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

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5 SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)**(a) Financial instruments recognition, measurement and subsequent measurement (Continued)****[A] Financial assets*****Initial recognition and measurement***

Financial assets are classified, at initial recognition, at fair value and subsequently measured at amortised cost, fair value through other comprehensive income (OCI), and fair value through profit or loss.

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Company's business model for managing them. With the exception of trade receivables that do not contain a significant financing component or for which the Company has applied the practical expedient, the Company initially measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs. Trade receivables that do not contain a significant financing component or for which the Company has applied the practical expedient are measured at the transaction price determined under IFRS 15.

In order for a financial asset to be classified and measured at amortised cost or fair value through OCI, it needs to give rise to cash flows that are 'solely payments of principal and interest (SPPI)' on the principal amount outstanding. This assessment is referred to as the SPPI test and is performed at an instrument level.

The Company's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both.

Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e., the date that the Company commits to purchase or sell the asset.

Subsequent Measurement

For purposes of subsequent measurement, financial assets are classified in four categories:

- Financial assets at amortised cost (debt instruments);
- Financial assets at fair value through OCI with recycling of cumulative gains and losses (debt instruments);
- Financial assets designated at fair value through OCI with no recycling of cumulative gains and losses upon derecognition (equity instruments); and
- Financial assets at fair value through profit or loss.

This category is the most relevant to the Company. The Company measures financial assets at amortised cost if both of the following conditions are met:

- Financial assets designated at fair value through OCI with no recycling of cumulative gains and losses upon derecognition (equity instruments), and
- The contractual terms of the financial asset give rise on specified dates to cash flows that are SPPI on the principal amount outstanding.

Financial assets at amortised cost are subsequently measured using the Effective Interest Rate (EIR) method and are subject to impairment. Gains and losses are recognised in profit or loss when the asset is derecognised, modified or impaired.

The Company's financial assets at amortised cost includes trade receivables and cash and cash equivalents.

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5 SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)**(a) Financial instruments recognition, measurement and subsequent measurement (Continued)****[A] Financial assets (continued)*****Financial assets at amortised cost (debt instruments)******Derecognition***

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised, (i.e. removed from the Company's statement of financial position) when:

- The rights to receive cash flows from the asset have expired, or
- The Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Company has transferred substantially all the risks and rewards of the asset, or (b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Company has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if, and to what extent, it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Company continues to recognise the transferred asset to the extent of its continuing involvement. In that case, the Company also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Company could be required to repay.

Impairment of financial assets

The Company recognises an allowance for expected credit losses (ECLs) for all debt instruments not held at fair value through profit or loss. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Company expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

ECLs are recognised in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12-months (a 12-months ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime ECL).

For trade receivables, the Company applies a simplified approach in calculating ECLs. Therefore, the Company does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date.

[B] Financial liabilities***Initial recognition and measurement***

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The Company's financial liabilities include trade and other payables, lease liabilities and long term loan.

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5 SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)**(a) Financial instruments recognition, measurement and subsequent measurement (Continued)****[B] Financial liabilities (Continued)*****Subsequent measurement***

The measurement of financial liabilities depends on their classification, as described below:

Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition at fair value through profit or loss.

Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. This category also includes derivative financial instruments entered into by the Company that are not designated as hedging instruments in hedge relationships as defined by IFRS 9. Separated embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments.

Gains or losses on liabilities held for trading are recognised in the profit or loss.

Financial liabilities designated upon initial recognition at fair value through profit or loss are designated at the initial date of recognition, and only if the criteria in IFRS 9 are satisfied. The Company has not designated any financial liability at fair value through profit or loss.

Financial liabilities measured at amortized cost

This is the category most relevant to the Company. After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the statement of profit or loss.

Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit or loss.

(b) Taxation

Taxation is provided in accordance with Omani fiscal regulations.

Income tax is recognised in profit or loss except to the extent that it relates to items recognised directly in equity, or other comprehensive income.

Current tax

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

Deferred tax

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.

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5 SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)**(b) Taxation (Continued)****Deferred tax (Continued)**

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.

(c) Property, plant and equipment

Property, plant and equipment is stated at historical cost less accumulated depreciation, any identified impairment loss and residual value.

Depreciation is calculated on a straight-line basis over the estimated useful lives of assets as follows:

Particulars	Number of Years
Plant and machinery	27 – 35 Years
Tools	5 Years
Furniture, fixtures and office equipment	5 Years
Motor vehicles	5 Years
Capital spares	8 – 16 Years

Spare parts that are major components of plant and machinery are recorded as capital spares upon purchase and depreciated over a period of 8 -16 years.

The carrying values of property, plant and equipment are reviewed for impairment when events or changes in circumstances indicate the carrying value may not be recoverable. If any such indication exists and where the carrying values exceed the estimated recoverable amount, the assets are written- down to their recoverable amount, being the higher of their fair value less costs to sell and their value-in-use.

Expenditure incurred to replace a component of an item of property, plant and equipment that is accounted for separately is capitalised and the carrying amount of the component that is replaced is written-off. Other subsequent expenditure is capitalised only when it increases future economic benefits of the related item of property, plant and equipment. All other expenditure is recognised in the statement of profit or loss as the expense is incurred.

When each major inspection is performed, its cost is recognised in the carrying amount of the property, plant and equipment as a replacement if the recognition criteria are satisfied.

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5 SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)**(c) Property, plant and equipment (Continued)**

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gains or losses arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the statement of profit or loss in the year the asset is derecognised.

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively, if appropriate, at each financial year-end.

(d) Intangible Asset

Intangible asset consists of computer software and it is stated at historical cost less accumulated amortisation and, any identified impairment loss. Amortisation is calculated on a straight-line basis over its estimated useful life which is expected to be five years.

(e) Capital work-in-progress

Capital work-in-progress is stated at cost. When commissioned, capital work-in-progress is transferred to the appropriate property, plant and equipment category and depreciated in accordance with the Company's policy.

(f) Leases

The determination of whether an arrangement is (or contains) a lease is based on the substance of the arrangement at the inception of the lease. The arrangement is, or contains, a lease if fulfilment of the arrangement is dependent on the use of a identified asset (or assets) and the arrangement conveys a right to use the asset (or assets), even if that asset is (or those assets are) not explicitly specified in an arrangement.

Amounts receivable under operating leases, as lessor, are recognised as lease income on a straight-line basis over the lease term, unless another systematic basis is more representative of the time pattern in which benefit derived from the leased asset is diminished. In accordance with IFRS, revenue stemming from (substantial) services in connection with the leased asset is not considered as lease revenue and is accounted for separately.

The lease arrangements have been determined to be operating leases under IAS 17 and continue to be treated as operating leases under IFRS 16: Leases.

Company as a lessee

The Company applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Company recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

a. Right-of-use assets

The Company recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right of use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right of use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date. Unless the Company is reasonably certain to obtain ownership of the leased asset at the end of the lease term, the recognised right of use assets are depreciated on a straight-line basis over the shorter of its estimated useful life and the lease term. Right-of-use assets are subject to impairment.

5 SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)**(f) Leases (Continued)****b. Lease liabilities**

At the commencement date of the lease, the Company recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in- substance fixed payments) less any variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Company and payments of penalties for terminating a lease, if the lease term reflects the Company exercising the option to terminate. The variable lease payments that do not depend on an index or a rate are recognised as expense in the period on which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Company uses the incremental borrowing rate at the lease commencement date if the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g., a changes in future payments resulting from a change in index or rate used to determine such lease payments) or a change in the assessment to purchase the underlying asset. When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

c. Short-term leases and leases of low-value assets

The Company applies the short-term lease recognition exemption to its short-term leases (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases that are considered to be low value. Lease payments on short-term leases and leases of low-value assets are recognised as expense on a straight-line basis over the lease term.

(g) Interest in Joint Operation

A Joint Operation is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the assets, and obligations for the liabilities, relating to the arrangement. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require unanimous consent of the parties sharing control.

When the Company undertakes its activities under a Joint Operation, the Company as a joint operator recognises its assets, liabilities, revenue and expenses and its share of the assets, liabilities, revenue and expenses in accordance with the IFRS applicable to those particular assets, liabilities, revenue and expenses.

When the Company transacts with the Joint Operation, profits and losses resulting from the transactions with the Joint Operation are recognised in the Company's financial statements only to the extent of interests in the Jointly Operation that are not related to the Company.

(g) Interest in Joint Operation

The management has assessed the shareholders' agreement dated 6 February 2008 between the Company and SMN Barka Power Company SAOC committed to establish a shared facility company owned 50:50 between the shareholders and, has concluded that, it falls within the scope of IFRS 11, 'Joint Arrangements' and the arrangement is a Joint Operation. The primary basis for this conclusion is that both shareholders have collective/joint control over the arrangement, its activities which primarily aim to provide the parties with an output and it depends on the shareholders on a continuous basis for settling the liabilities relating to the activity conducted through the arrangement. The Joint Operation is structured as a closed public joint stock company and provides the Company and the parties to the agreements with rights to their respective share of the assets, liabilities, income and expenses of the Joint Operation.

These financial statements were approved and authorised for issue by the Board of Directors on 10 February 2026.

5 SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)**(h) Segment reporting**

A segment is a distinguishable component of the Company engaged in providing products or services (business segment) or in providing products or services within a particular economic environment (geographical segment) which is subject to risks and rewards that are different from those of other segments.

(i) 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 or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale. 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.

(j) Impairment of non-financial assets

At each reporting date, the Company reviews the carrying amounts of its assets (or cash-generating units) to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any).

The loss arising on an impairment of an asset is determined as the difference between the recoverable amount and the carrying amount of the asset and is recognised immediately in the statement of profit or loss. An asset's recoverable amount is the higher of an asset's or CGU's fair value less costs of disposal and its value-in-use. The recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets.

In assessing value-in-use, the estimated future cash flows are discounted to their present value using a post-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded companies or other available fair value indicators.

Where an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount and the increase is recognised as income immediately, provided that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised earlier.

(k) 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. Cost is calculated using the weighted average method. Net realisable value represents the estimated selling price for inventories less all estimated costs of completion and costs necessary to make the sale.

(l) Director's remuneration

The Company follows the Commercial Companies Law 2019, and other latest relevant directives issued by the FSA, with regards to determining the amount to be paid as Directors' remuneration. Directors' remuneration is charged to the statement of profit or loss in the year to which it relates.

(m) 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.

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5 SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)**(m) Revenue Recognition (Continued)**

The Company's business is to supply power and water for which the Company has entered into PWPA. 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:

- 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 charges

Capacity charges include investment charge and fixed operation and maintenance charge against the capital and operational costs of the Project. These are calculated based on fixed rate and guaranteed capacity till the 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 on actual fuel consumed adjusted for efficiency margin and mutually agreed rate with MEM.

The Company sells electricity and water to OPWP in Oman, as its primary customer. Invoices are generated at the end of the month. 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. The revenue disclosed in note 25.

(n) Provisions

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. When the Company expects some or all of a provision to be reimbursed, for example, under an insurance contract, the reimbursement is recognised as a separate asset, but only when the reimbursement is virtually certain. The expense relating to a provision is presented in the profit or loss net of any reimbursement.

If the effect of the time-value of money is material, provisions are discounted using a current rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as finance costs.

(o) Site restoration costs

The Company records a provision for site restoration costs as there is a present obligation as a result of activities undertaken pursuant to the usufruct and PWPA/WPAs. These costs are provided for at the present value of expected costs to settle the obligation using estimated cash flows and are recognised as part of the cost of the relevant asset.

The cash flows are discounted at a current rate that reflects the risks specific to the liability. The unwinding of the discount is expensed as incurred and recognised in the profit or loss as finance costs.

The estimated future costs are reviewed annually and adjusted as appropriate. Changes in the estimated future costs, or in the discount rate applied, are added to or deducted from the cost of the asset.

These financial statements were approved and authorised for issue by the Board of Directors on 10 February 2026.

5 SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)**(p) Employee benefit liabilities**

In respect of Omani employees, contributions are made in accordance with the Oman Social Insurance Law and recognised as an expense in the profit or loss as incurred.

For non-Omani employees, provision is made for amounts payable under the Oman Labour Law, based on the employees' accumulated periods of service at the statement of financial position date. This provision is classified as a non-current liability.

Employee entitlements to annual leave and air passage are recognised when they accrue to the employees and an accrual is made for the estimated liability for annual leave and air passage as a result of services up to the reporting date. The accruals relating to annual leave and air passage is disclosed as a part of current liabilities.

(q) Earnings per share

The Company presents basic and diluted earnings per share ("EPS") for its ordinary shares. Basic EPS is calculated by dividing the net profit or loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the year. Diluted earnings per share is calculated by adjusting the weighted average number of ordinary shares outstanding to assume conversion of all dilutive potential ordinary shares.

Dividend on ordinary shares

The Board of Directors recommend to the shareholders the dividend to be paid out of the Company's profits. The Directors take into account appropriate parameters including the requirements of the Commercial Companies Law 2019, while recommending the dividend. Dividends on ordinary shares are recognised as a liability and deducted from shareholders' equity when they are approved by the Company's shareholders.

(r) Foreign currency transactions

The Company's financial statements are presented in , which is also the Company's functional currency. Transactions in foreign currencies are initially recorded by the Company at its functional currency spot rates at the date the transaction first qualifies for recognition.

Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rates of exchange at the reporting date.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined. The gains or losses arising on translation of non-monetary items measured at fair value is treated in line with the recognition of the gains or losses on the change in fair value of the item (i.e. translation differences on items whose fair value gains or losses is recognised in OCI or profit or loss are also recognised in OCI or profit or loss, respectively).

(s) Cash and cash equivalents

For the purposes of the statement of cash flows, the Company considers all bank and cash balances that are free of lien and fixed deposits with a maturity of less than three months from the date of placement, less bank overdrafts, to be part of cash and cash equivalents.

These financial statements were approved and authorised for issue by the Board of Directors on 10 February 2026.

6 CRITICAL ACCOUNTING JUDGMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

Preparation of financial statements in accordance with IFRS requires the Company's management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenue and expenses during the reporting period. The determination of estimates requires judgments which are based on historical experience, current and expected economic conditions, and all other available information. Actual results could differ from those estimates.

(a) Classification of plants as a lease

Judgement is required to ascertain whether the PWPA and WPAs 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 interest is controlled by the Company and not PWP.

(b) Identification of lease and lease classification

The determination of whether an arrangement is, or contains, a lease is based on the substance of the arrangement at inception date whether fulfilment of the arrangement is dependent on the use of an identified asset or assets and the arrangement conveys a right to use the asset.

Once a determination is reached that an arrangement contains a lease, the lease arrangement is classified as either financing or operating according to the principles in IFRS 16. A lease that conveys the majority of the risks and rewards of operation is a finance lease. A lease other than a finance lease is an operating lease.

Operating lease

Based on management's evaluation, the PWPA with PWP has been classified as an operating lease under IFRS 16 since significant risks and rewards associated with the ownership of the plant lies with the Company. The primary basis for this conclusion is that the PWPA is for a term of 8 years and 9 months while the remaining economic life of the plant is estimated to be higher. 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. Further, the residual risk is borne by the Company.

(c) Useful lives and residual values of property, plant and equipment

Depreciation is charged so as to write-off the cost of assets, less their residual values, 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 calculation of the residual value is based on the managements best estimates.

(d) Provision for site restoration

Upon expiry of their respective Usufruct, the Company has an obligation to remove the facilities and restore the affected area. The estimated costs, discount rates and risk-rates used in the calculation are based on management's best estimates.

(e) Impairment Indicator

In accordance with IAS 36 "Impairment of Assets", the Company conducted an annual review for indicators of impairment as at 31 December 2025 for its cash-generating units, which include the Main Plant and SWRO Plants. Under IFRS, an entity is required to assess at each reporting date whether there is any indication that an asset or cash-generating unit may be impaired. This involves evaluating both internal and external sources of information for potential indicators.

As part of this review, the Company also assessed whether there was any indication that a previously recognised impairment loss may no longer exist or may have decreased, as required by IAS 36.

Based on the outcome of this assessment, no indicators of impairment or of potential reversal of previously recognised impairment losses were identified as at the reporting date. Accordingly, no detailed impairment testing or impairment reversal assessment was required or performed during the current year.

These financial statements were approved and authorised for issue by the Board of Directors on 10 February 2026.

6 CRITICAL ACCOUNTING JUDGMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY (CONTINUED)

(f) Lease liability

The Company has a usufruct agreement executed in year 2000 for the Main Plant site with Ministry of Housing and Urban Planning (MOHUP) for 25 years, with an option to extend the lease term at the Company's discretion. The initial term of the agreement has been completed on 25 November 2025 and the Company has already obtained the APSR's approval for its renewal as per the Ministerial Decision 570/2025 which determines the lease rates for Government lands. The administrative process for finalizing and signing the renewed Usufruct Agreement with the Ministry of Housing and Urban Planning (MOHUP) is at an advanced stage and is expected to be completed in due course.

The Company has considered the extension option in determining the lease term, aligning it with the useful life of the plant. The usufruct agreement specifies the rates for both the initial 25-year term and the extended period. However, for determining the lease liabilities and right-of-use assets under IFRS 16, management has applied significant judgment regarding the lease rates for the extended term and has considered the rates prescribed in the Ministerial Decision issued in 2025 based on APSR's approval and consultation with external advisors. Management believes there is a reasonable likelihood that the rates under the Ministerial Decision will be applicable for the extended term.

7 PROPERTY, PLANT AND EQUIPMENT

(a) The movement in property, plant and equipment is as set out below:

	Plant and machinery	Tools	Furniture, fixtures and equipment	Motor vehicles	Capital spares	Capital work-in-progress	Total
31 December 2025							
Cost :							
At 1 January 2025	221,521,846	110,063	700,941	131,083	3,894,083	60,629	226,418,645
Additions during the year	383,490	-	-	24,050	-	499,258	906,798
Transfer from CWIP (f)	49,189	-	-	-	-	(49,189)	-
Disposals	-	-	-	(41,200)	-	-	(41,200)
At 31 December 2025	221,954,525	110,063	700,941	113,933	3,894,083	510,698	227,284,243
Accumulated depreciation:							
At 1 January 2025	162,521,321	110,063	700,941	131,083	2,823,092	-	166,286,500
Depreciation charge for the year	4,839,373	-	-	4,409	68,406	-	4,912,188
Disposals	-	-	-	(41,200)	-	-	(41,200)
At 31 December 2025	167,360,694	110,063	700,941	94,292	2,891,498	-	171,157,488
Net book values							
At 31 December 2025	54,593,831	-	-	19,641	1,002,585	510,698	56,126,755
31 December 2024							
Cost:							
At 1 January 2024	220,107,217	110,063	700,941	131,083	3,894,083	-	224,943,387
Additions during the year	1,108,494	-	-	-	-	60,629	1,169,123
Cost adjustment	306,135	-	-	-	-	-	306,135
At 31 December 2024	221,521,846	110,063	700,941	131,083	3,894,083	60,629	226,418,645
Accumulated depreciation and impairment losses:							
At 1 January 2024	160,061,408	110,063	700,475	131,083	2,639,448	-	163,642,477
Impairment (reversal) / charge - net (Note 31)	(948,643)	-	-	-	94,240	-	(854,403)
Depreciation charge for the year	3,408,556	-	466	-	89,404	-	3,498,426
At 31 December 2024	162,521,321	110,063	700,941	131,083	2,823,092	-	166,286,500
Net book values							
At 31 December 2024	59,000,525	-	-	-	1,070,991	60,629	60,132,145

These financial statements were approved and authorised for issue by the Board of Directors on 10 February 2026.

7 PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

(b) The plant is established on a leased land from the MOHUP for a term of twenty-five years from their effective date (Note 9(b)).

(c) The depreciation charge has been allocated in the statement of profit or loss as follows:

	2025	2024
Direct costs (Note 26)	4,907,779	3,497,960
Administrative expenses (Note 28)	4,409	466
	<u>4,912,188</u>	<u>3,498,426</u>

Depreciation charge for property, plant and equipment includes depreciation of ~~£~~ 9,354 (2024: ~~£~~ 7,969) related to the assets of BSFC which is accounted as Joint Operator's share of BSFC and is recorded within the category of direct costs.

(d) The Company has leased out the power plant and MSFE under operating lease.

(e) All property, plant and equipment are mortgaged with banks against the term loan (note 17).

(f) Capital work in progress will be capitalized and transferred to fixed assets upon completion and when assets are available for use.

(g) In prior year the Company had reassessed site restoration liability (Note 19) as at 31 December 2024. The revised liability of the Company had increased by ~~£~~ 462,921 while the liability related to BSFC share had been decreased by ~~£~~ 195,924 (net liability increased by ~~£~~ 266,997). The difference between the carrying value of liability and revised liability were incorporated as an adjustment to the carrying value of the asset by ~~£~~ 306,135 and as other income by ~~£~~ 39,138. No such reassessment in current year.

8 INTANGIBLE ASSETS**31 December 2025****Computer software****Cost**

At 1 January 2025

Additions during the period

At 31 December 2025

432,976

209,426

642,402

Accumulated amortisation

At 1 January 2025

Charge for the year (Note 26)

At 31 December 2025

432,976

31,414

464,390

Net book amount

At 31 December 2025

178,012

These financial statements were approved and authorised for issue by the Board of Directors on 10 February 2026.

8 INTANIGIBLE ASSETS (Continued)**31 December 2024****Cost**

At 1 January and

31 December 2024

432,976

Accumulated amortisation

At 1 January 2024

429,266

Charge for the year

3,710

At 31 December 2024

432,976

Net book amount

At 31 December 2024

-

During the year, the Company acquires invoicing software which is depreciated over the useful life of five years as per IAS 38.

9 RIGHT-OF-USE ASSETS**31 December 2025****Leasehold land****Cost**

At 1 January 2025

654,977

Lease modification impact (b)

(181,693)

At 31 December 2025

473,284

Accumulated depreciation

At 1 January 2025

420,302

Charge for the year (Note 26)

14,918

At 31 December 2025

435,220

Net carrying amount

At 31 December 2025

38,064

31 December 2024

Leasehold land**Cost**

At 1 January and

31 December 2024

654,977

Accumulated depreciation

At 1 January 2024

266,629

Charge for the year (Note 26)

29,160

Impairment Charge (Note 31)

124,513

At 31 December 2024

420,302

Net carrying amount

At 31 December 2024

234,675

(a) The depreciation has been charged to direct costs (Note 26).

These financial statements were approved and authorised for issue by the Board of Directors on 10 February 2026.

9 RIGHT-OF-USE ASSETS (CONTINUED)

(b) Right-of-use assets originate from the long-term land lease contracts entered into by the Company with the Ministry of Housing in relation to land acquired for the plants. Under IFRS 16: Leases, these rights are reflected as an assets in the financial statements. Initial lease term is for 25 year with an option to renew the lease. Company has considered that the lease term will be renewed and has calculated the Right-of-Use (ROU) asset based on the useful life of the underlying assets (note 6(f)). The Company has re-assessed the lease liabilities as explained in note 6(f) and a corresponding adjustment to right of use assets. There was no impact on profit and loss for the year.

(c) The Company's right-of-use assets include its 50% share of the assets of BSFC of which cost and accumulated depreciation as at the statement of financial position date amounts to ~~£~~ 48,087 (2024: ~~£~~ 48,087) and ~~£~~ 13,464 (2024: ~~£~~ 11,541), respectively.

(d) Depreciation charge for the year includes ~~£~~ 1,923 (2024: ~~£~~ 1,923) accounted as Joint Operator's share of BSFC.

(e) The Company has elected not to recognize right-of-use assets and lease liabilities for the short term leases that have a lease term of 12 months or less and leases of low value assets. The Company recognises the lease payment associated with these leases an expense on the straight-line basis over the lease term.

10 INVENTORIES

	2025	2024
Consumable spare parts	3,980,935	3,964,056
Fuel oil	1,296,664	445,798
Chemicals	84,951	85,681
	<u>5,362,550</u>	<u>4,495,535</u>

Management carries out an annual assessment of Inventories at every year-end, it is considered to bring the assets to its lower of cost or net realisable value. Currently, no provision has been considered for the year ended 31 December 2025 (31 December 2024: ~~£~~ Nil).

11 TRADE AND OTHER RECEIVABLES

	2025	2024
Trade receivables (f)	3,784,623	9,822,309
Material Adverse Claim (MAC) receivable from PWP (d)	521,505	612,237
Other receivables (e)	725,243	732,466
Due from related parties (Note 24)	247,771	64,997
Financial assets assessed for ECL	<u>5,279,142</u>	<u>11,232,009</u>
Less: Loss allowance (b)	<u>(692,805)</u>	<u>(212,504)</u>
	4,586,337	11,019,505
Advances and deposits to suppliers	-	140,882
Unbilled Revenue	183,932	301,286
Prepayments	111,125	339,433
	<u>4,881,394</u>	<u>11,801,106</u>

These financial statements were approved and authorised for issue by the Board of Directors on 10 February 2026.

11 TRADE AND OTHER RECEIVABLES (CONTINUED)

(a) The Company applies the IFRS 9 simplified approach to measure ECL using a lifetime ECL loss allowance for trade receivables. Therefore, the Company does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs, adjusted for forward-looking factors specific to the receivables and the economic environment at each reporting date.

(b) The movement in loss allowance for ECL of trade receivable is as follows:

	2025	2024
Opening balance	212,504	206,651
Provision during the year	480,301	5,853
Closing balance	692,805	212,504

(c) The aging analysis of gross trade receivables (including MAC receivable) is as follows:

	Loss rate	Gross carrying amount	Loss allowance	Credit impaired
31 December 2025	%	£	£	
Not past due	0.09%	2,751,609	(2,580)	No
1-90 days past due	0.09%	245,881	(231)	No
91-180 days past due	0.70%	96,714	(673)	No
More than 180 days past due	56.88%	1,211,924	(689,321)	No
		4,306,128	(692,805)	
	Loss rate	Gross carrying amount	Loss allowance	Credit impaired
31 December 2024	%	£	£	
Not past due	0.12%	1,294,260	(1,523)	No
1-90 days past due	0.12%	8,939,821	(10,516)	No
91-180 days past due	0.00%	-	-	No
More than 180 days past due	100.00%	200,465	(200,465)	No
		10,434,546	(212,504)	

(d) On 20 February 2017, through Royal Decree 9/2017, income tax rate applicable on the Company has been increased from 12% to 15%. This increase falls under the provisions of MAC under the off-take agreements of the Company. The Company is entitled to recover this incremental tax from the off-taker and, accordingly, this has been claimed as a receivable.

(e) Other receivables majorly represent the receivable from PWP against the water connection cost incurred by the Company as per PWPA.

(f) The balance includes an amount of ~~£~~ 1.4 million (2024: ~~£~~ 0.8 million) withheld by PWP due to ongoing implementation of the invoicing system. The Company expects the amount to be received once validation of the invoicing system will be completed by PWP.

These financial statements were approved and authorised for issue by the Board of Directors on 10 February 2026.

12 CASH AND CASH EQUIVALENTS

For the purposes of the statement of cash flows, cash and cash equivalents comprise the following:

	2025	2024
Current account with banks	4,638,879	366,208
Short term deposits (a)	2,700,000	-
Less: loss allowance (b)	(7,742)	(2,754)
	<u>7,331,137</u>	<u>363,454</u>
Cash in hand	500	-
Cash and cash equivalents (net)	<u>7,331,637</u>	<u>363,454</u>
Cash and cash equivalents (gross)	<u>7,339,379</u>	<u>366,208</u>

(a) The Company has placed a short-term deposit with Bank Muscat for one to two months maturity from the inception date which are denominated in Omani Rial ~~₹~~, earning interest in the range of 2.20% to 2.75% per annum.

(b) Bank balances are placed with Bank Muscat a reputed financial institution. Rating of Bank Muscat is Baa3 based on Moody's rating agency. Loss allowance of ECL recognised on bank balances as at 31 December 2025 is ~~₹~~ 7,742 (31 December 2024: ~~₹~~ 2,754). The movement in the loss allowance for ECL of cash and bank balances is as follows:

	2025	2024
Opening balance	2,754	8,607
Provision during the year (note 28)	4,988	(5,853)
Closing balance	<u>7,742</u>	<u>2,754</u>

The current account balances with the banks are non-interest bearing.

13 SHARE CAPITAL

Authorised share capital	2025	2024
Ordinary shares of ₹ 0.100 (2024: ₹ 0.100)	<u>1,000,000,000</u>	<u>1,000,000,000</u>
Issued and fully paid-up share capital		
Ordinary shares of ₹ 0.100 (2024: ₹ 0.100)	<u>160,000,000</u>	<u>160,000,000</u>

These financial statements were approved and authorised for issue by the Board of Directors on 10 February 2026.

13 SHARE CAPITAL (CONTINUED)

A break-down of the share capital as at 31 December 2025 and 31 December 2024 is as follows:

Name of the members	31 December 2025	
	Percentage shareholding	Amount
ACWA Power Barka Project LLC	58.0	9,280,000
Social Protection Fund	9.9	1,591,573
Others	32.1	5,128,427
	<u>100.0</u>	<u>16,000,000</u>
Name of the members	31 December 2024	
	Percentage shareholding	Amount
ACWA Power Barka Project LLC, Oman	58.0	9,280,000
Social Protection Fund	9.9	1,591,573
Others	32.1	5,128,427
	<u>100.0</u>	<u>16,000,000</u>

14 LEGAL RESERVE

In accordance with Article 132 of the Commercial Companies Law and Regulations of the Sultanate of Oman, 10% of the Company's net profit is to be transferred to a non-distributable legal reserve until such time as the amount of the legal reserve becomes equal to one-third of the Company's issued and fully paid-up share capital. During the year ended 31 December 2025, no transfer has been made, as the legal reserve has already reached the statutory minimum limit of one-third of the share capital (2024: ~~5~~ Nil).

15 SPECIAL RESERVE

In accordance with the Articles of Association of the Company, the excess of share issue amount collected over actual issue expenses has been transferred to a non-distributable special reserve.

16 DIVIDENDS

During the year, the Company has paid cash dividend of Baizas 32.63 & 4.3 per share to the shareholders amounting to ~~5~~ 5,908,800 (2024: ~~5~~ 5,148,800).

17 LONG-TERM LOAN

	2025	2024
Loan from banks	29,045,779	26,154,363
Less: unamortised transaction costs	(395,414)	(519,912)
	<u>28,650,365</u>	<u>25,634,451</u>

These financial statements were approved and authorised for issue by the Board of Directors on 10 February 2026.

17 LONG-TERM LOAN (CONTINUED)

Current portion	5,245,727	5,059,927
Non-current portion	23,404,638	20,574,524
	28,650,365	25,634,451

(a) The movement in long-term loan recognised at the reporting date is as follows:

	2025	2024
Opening balance	26,154,363	15,322,415
Received during the year	7,951,340	26,648,800
Repaid during the year	(5,059,923)	(15,816,852)
Closing balance	29,045,780	26,154,363

(b) The Company has entered into the Sixth Amended and Restated Loan Agreement, effective from 28 October 2024 with Bank Muscat and Ahli Bank for a long term loan facility of ~~₹~~ 34.6 million.

Interest rates

First repayment of the facility was due on 31 December 2024 and semi annual thereafter till 31 December 2031. The interest rate for long term loan is fixed at 6% for the current year.

The Company is in compliance with all the financial covenants of its borrowing facility as at 31 December 2025. Further the Company expects to remain compliant with the Debt Service Coverage Ratio (DSCR) requirement under the loan agreement for the next 12 months.

(c) The repayment schedule, before deduction of loan transaction costs, is as follows:

	2025	2024
Payable within one year	5,245,727	5,059,927
Payable above one year	23,800,052	21,094,436
	29,045,779	26,154,363

(d) The loan is secured by a charge on Property, plant and equipment amounting to ~~₹~~ 56.1 million (2024: ~~₹~~ 60.1 million) and all other assets, assignment of insurance / reinsurances and agreement for security over promoters' shares.

(e) The movement in unamortised transaction costs is as follows:

	2025	2024
Opening balance	519,912	86,041
Paid during the year	-	542,544
Amortised during the year (Note 29)	(124,498)	(108,673)
Closing balance	395,414	519,912

These financial statements were approved and authorised for issue by the Board of Directors on 10 February 2026.

17 LONG-TERM LOAN (CONTINUED)

(f) As of 31 December 2025, the Company has working capital facility amounting to ~~£~~ 2.7 million with an interest rate of 4.25% per annum. The balance outstanding as of 31 December 2025 is ~~£~~ 2.7 million (2024: ~~£~~ nil).

18 TAXATION**(a) Statement of profit or loss****Deferred tax****2025****2024**

Reversal and Origination of temporary differences

(439,152)**21,854****Current tax**

Current year

745,205**159,619****745,205****159,619**

Tax expense for the year

306,053**181,473****Statement of financial position****Non-current liabilities:****Deferred tax****2025****2024**

Closing balance

5,056,475**5,495,627****Current liabilities:**

Current year

745,205**154,679**

Prior year

189,288**1,527,801**

At the reporting date

934,493**1,682,480****2025****2024****Deferred tax liabilities:**

Opening balance

5,495,627**5,473,773**

Movement during the year

(439,152)**21,854**

Closing balance

5,056,475**5,495,627****Provision for income tax**

Opening balance

1,682,480**1,534,161**

Charge for the year

745,205**154,679**

Prior year charge

-**4,940**

Payments during the year

(1,493,192)**(11,300)**

Closing balance

934,493**1,682,480**

These financial statements were approved and authorised for issue by the Board of Directors on 10 February 2026.

18 TAXATION (CONTINUED)

The total income tax for the current period can be reconciled to the accounting profits as follows:

	2025	2024
Net profit before tax	1,561,528	2,885,638
Tax at statutory tax rate of 15% (2024: @15%)	234,229	432,846
Tax effect of non deductible expenses	71,824	(251,373)
Tax expense for the year	306,053	181,473

(b) Deferred Tax

The net deferred tax liability and deferred tax charge / (reversal) in the statement of profit or loss are attributable to the following items:

	At 1 January 2025	(Reversal) / Charge to statement of profit or loss	At 31 December 2025
Assets			
Provision for site restoration expenses	(656,252)	(41,589)	(697,841)
ECL allowance	(32,290)	(72,792)	(105,082)
Lease liability	(123,386)	21,334	(102,052)
Property, plant and equipment	5,960,677	(291,794)	5,668,883
Right-of-use assets	35,489	(29,492)	5,997
Decommissioning/ site restoration asset	311,389	(24,819)	286,570
	5,495,627	(439,152)	5,056,475
	At 1 January 2024	(Reversal) / Charge to statement of profit or loss	At 31 December 2024
Assets			
Provision for site restoration expenses	(578,840)	(77,412)	(656,252)
ECL allowance	(32,290)	-	(32,290)
Lease liability	(117,999)	(5,387)	(123,386)
Liabilities			
Property, plant and equipment	5,803,709	156,968	5,960,677
Right-of-use assets	58,541	(23,052)	35,489
Decommissioning/ site restoration asset	340,652	(29,263)	311,389
	5,473,773	21,854	5,495,627

These financial statements were approved and authorised for issue by the Board of Directors on 10 February 2026.

18 TAXATION (CONTINUED)**(c) Status of tax assessments****Tax Year 2021-2024**

During the year, the Supreme Court of Oman rejected the Company's appeals related to tax years 2010–2016. Following this decision, the Board approved the withdrawal of all other ongoing tax appeals.

Tax assessments up to the year 2022 have been completed, while assessments for tax years 2023 and 2024 are still pending. Management believes that any additional taxes arising from these open years would not have any significant impact on the Company's financial position as at 31 December 2025.

19 PROVISION FOR SITE RESTORATION

	2025	2024
Opening balance	4,602,678	4,087,562
Remeasurement adjustment (Note 7(g))	-	266,997
Interest for the year (Note 29)	277,265	248,119
Closing balance	<u>4,879,943</u>	<u>4,602,678</u>

(a) Plants are constructed on leasehold lands, (including seawater facility – Joint Operation) taken from the Ministry of Housing under the respective Usufruct Agreements which are originally given for a period of 25 years, with the Company having the right to renew the lease term (note 6(f)). These contracts require decommissioning and restoration of land at the end of their respective contract terms. The Company has assumed that provision for site restoration cost will be incurred at the end of useful life of plants.

(b) The interest charge for the year includes 50% share of BSFC amounting to ~~15,031~~ 7,728 (2024: ~~15,031~~).

20 EMPLOYEE BENEFIT LIABILITIES

	2025	2024
Opening balance	13,580	9,851
Provision for the year (Note 28)	3,844	3,729
Closing balance	<u>17,424</u>	<u>13,580</u>

21 LEASE LIABILITIES

	2025	2024
Opening Balance	826,698	790,294
Interest expense for the year (Note 29)	49,543	47,426
Lease modification impact (Note 9(b))	(181,693)	-
Lease payments during the year	(16,540)	(11,022)
Closing Balance	<u>678,008</u>	<u>826,698</u>

These financial statements were approved and authorised for issue by the Board of Directors on 10 February 2026.

21 LEASE LIABILITIES (CONTINUED)

Lease payments under the Usufruct Agreements are as follows:

	2025	2024
Within 1 year	68,848	11,267
Within 1 - 2 years	69,161	72,163
Within 2 - 5 years	209,460	228,289
More than 5 years	829,514	1,026,781
	<u>1,176,983</u>	<u>1,338,500</u>
Less: implicit finance costs	<u>(498,975)</u>	<u>(511,802)</u>
Present value of lease payments	<u>678,008</u>	<u>826,698</u>
	2025	2024
Current portion	68,848	11,267
Non-current portion	<u>609,160</u>	<u>815,431</u>
	<u>678,008</u>	<u>826,698</u>

- (a) Lease liability as at the statement of financial position date include 50% share of the lease liability of BSFC which amounts to ~~₹~~ 66,843 (2024: ~~₹~~ 68,838). The component of interest expense recognised for the year in relation to BSFC is ~~₹~~ 4,748 (2024: ~~₹~~ 4,470).

22 TRADE AND OTHER PAYABLES

	2025	2024
Trade payables	28,457	2,343,155
Amounts due to related parties (Note 24)	288,658	1,702,086
Accrued and other payables	<u>3,111,322</u>	<u>2,499,568</u>
	<u>3,428,437</u>	<u>6,544,809</u>

Trade payables are generally settled within 30 to 60 days of the suppliers' invoice date and are denominated in Omani Rial ~~₹~~.

The contractual maturity date for trade payables is due within 12 months from the statement of financial position date.

23 SHORT TERM BORROWINGS

The Company has short term working capital facility of ~~₹~~ 2,700,000 with an interest rate of 4.25% p.a (2024: 4.5% p.a).

The movement of working capital facility is as follows:

	2025	2024
Opening Balance	-	-
Proceeds during the year	2,700,000	1,000,000
Repayment during the year	<u>-</u>	<u>(1,000,000)</u>
Closing Balance	<u>2,700,000</u>	<u>-</u>

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24 RELATED PARTY TRANSACTIONS AND BALANCES

The Company, in the normal course of business, enters into transactions with other enterprises, which fall within the definition of a related party contained in IAS 24. Such transactions are on mutually agreed terms and conditions with related parties.

During the year, all transactions entered into by the Company with related parties are under common control, except for transactions amounting to ~~₹~~ 125,911 (2024: ~~₹~~ 111,065) and ~~₹~~ 7,322 (2024: ~~₹~~ 14,400) which were classified under joint operation and ultimate controlling party and included in the Operation and Maintenance fee and others respectively.

Services received

Type of Transactions	2025	2024
Operations and Maintenance Fees (Note 26)	3,892,020	4,768,011
Capital expenditures	341,240	1,081,334
Seconded staff cost	170,200	146,665
Operating expenses	125,911	178,622
Support Services	127,971	117,185
Others	30,778	31,713
	4,688,120	6,323,530

Services rendered

Type of Transactions		
Expense on behalf of related parties	11,420	27,619
	11,420	27,619

Trade payable and receivable balances with related parties included in the statement of financial position are as follows:

Due to related parties:	Nature of relationship	2025	2024
ACWA Power Oman LLC	Under common control	105	6,024
ACWA Power Global Services LLC	Under common control	1,665	1,677
Barka Seawater Facilities Company SAOC	Joint Operation	177,863	292,045
ACWA Power Company	Ultimate controlling Party	-	2,400
ACWA Power International LLC	Under common control	-	1,354
Shinas Generating Company SAOC	Under Common Control	-	709
First National Company for Operation and Maintenance Services LLC	Under common control	109,025	1,397,877
		288,658	1,702,086

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24 RELATED PARTY TRANSACTIONS AND BALANCES (CONTINUED)

Due from related parties:	Nature of relationship	2025	2024
ACWA Power Oman LLC	Under common control	4,915	4,378
ACWA Power Barka Project LLC	Parent Company	-	22,718
First National Company for Operation and Maintenance Services LLC	Under common control	204,955	-
ACWA Power Company	Ultimate Controlling Party	37,901	37,901
		<u>247,771</u>	<u>64,997</u>

Outstanding balances at the year-end arise in the normal course of business and are entered into the terms and conditions approved by the management. Amounts due from/to related parties are interest free, unsecured and receivable/payable on demand. Amount due from related parties are subject to the impairment requirement of IFRS 9, and were assessed as such and management believes the identified impairment loss was immaterial.

Compensation of key management personnel

The remuneration of directors and other members of key management during the year is as follows:

	2025	2024
Short-term benefits	170,200	152,742
Employee benefit liabilities	5,920	5,710
	<u>176,120</u>	<u>158,452</u>
Directors' sitting fees and remuneration (note 28)	73,200	82,400

25 REVENUE

	2025	2024
Power		
Capacity Charges	12,134,198	4,744,580
Energy and fuel charge	14,751,639	10,862,787
	<u>26,885,837</u>	<u>15,607,367</u>
Water		
Capacity Charges	3,883,904	8,196,274
Output charge – water	35,921	1,862,184
	<u>3,919,825</u>	<u>10,058,458</u>
Total Revenue	<u>30,805,662</u>	<u>25,665,825</u>

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25 REVENUE (Continued)

The movement of deferred revenue is provided below:

	2025	2024
As at 1 January	(301,286)	-
Charge for the year	117,354	(301,286)
As at 31 December	<u>(183,932)</u>	<u>(301,286)</u>

26 DIRECT COSTS

	2025	2024
Fuel cost	15,026,966	10,315,407
Operation and maintenance fee – NOMAC Oman (a)	3,892,020	4,768,011
Depreciation of property, plant and equipment (Note 7)	4,907,779	3,497,960
Electricity back-up maintenance	618,234	1,085,256
Insurance	585,703	570,456
Charges for delayed commissioning	420,000	-
Repairs and maintenance	202,799	939,545
Depreciation of right of-use-assets (Note 9)	14,918	29,160
Amortisation of intangible assets (Note 8)	31,414	3,710
	<u>25,699,833</u>	<u>21,209,505</u>

(a) The Company had entered into an agreement with NOMAC Oman for the services to operate and maintain its Power and MSF plants. Under this agreement, the Company pays monthly fixed and variable fees to NOMAC Oman in consideration of its undertaking of all planned and unplanned operating and maintenance activities over the terms of the PWPA. NOMAC Oman is a related party of the Company.

27 OTHER INCOME

	2025	2024
Sale of Scrap	85,803	-
Interest income on short term deposits	68,648	8,849
Reassessment of provision for site restoration	-	39,138
Gain on sale of motor vehicles	13,510	-
	<u>167,961</u>	<u>47,987</u>

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28 GENERAL AND ADMINISTRATIVE EXPENSES

	2025	2024
Salaries and allowances	511,105	442,450
Provision / (reversal) for ECL on bank (Note 12(b))	4,988	(5,853)
Legal and professional fees	202,676	243,714
Fees and subscription	127,540	117,033
Directors' remuneration and sitting fees (Note 24)	73,200	82,400
Security and agency fees	39,833	28,836
Communication	34,357	21,242
Corporate Social Responsibility expenses	25,025	18,355
Miscellaneous expenses	23,814	18,053
Employee benefit liabilities (Note 20)	3,844	3,729
Depreciation on property, plant and equipment (Note 7)	4,409	466
Total	1,050,791	970,425

(a) Professional services

The remuneration paid to auditors for audit of the period ended 31 March 2025 and year ended 31 December 2025 was ~~£~~12,000 and ~~£~~ 21,000 respectively, plus 6% client support & technology fee and out of pocket expenses. Further ~~£~~ 4,000 were paid for non-assurance services including review of Code of Corporate Governance report, agreed-upon procedures for XBRL reporting and Arabic translation services.

29 FINANCE COSTS

	2025	2024
Interest on loan	1,729,864	968,063
Interest on provision for site restoration (Note 19)	277,265	248,119
Amortisation of loan transaction costs (Note 17)	124,498	108,673
Interest on lease liabilities (Note 21)	49,543	47,426
	2,181,170	1,372,281

30.a BASIC AND DILUTED EARNINGS PER SHARE

Basic earnings per share is calculated by dividing the net profit for the year with the weighted average number of shares issued and outstanding during the year.

	2025	2024
Net profit for the year	1,255,475	2,704,165
Weighted average number of ordinary shares issued and outstanding during the year (number)	160,000,000	160,000,000
Basic and diluted earnings per share (£)	0.008	0.017

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

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30.b NET ASSETS PER SHARE

Net assets per share is calculated by dividing the shareholders' funds at the end of the year by the weighted average number of shares issued and outstanding as follows:

	2025	2024
Shareholders' funds (₪)	27,573,267	32,226,592
Weighted average number of ordinary shares issued and outstanding during the year (number)	160,000,000	160,000,000
Net assets per share (₪)	0.172	0.201

31 Impairment on non-financial assets

In accordance with IAS 36 "Impairment of Assets", the Company conducted an annual review for indicators of impairment and potential reversal of previously recognised impairment losses as at 31 December 2025 for its cash-generating units. Based on the outcome of this assessment, no indicators of impairment or of potential reversal of previously recognised impairment losses were identified as at the reporting date. Accordingly, no detailed impairment testing or impairment reversal assessment was required or performed during the current year.

Impairment assessment in 2024

(a) The Company had entered into Power and Water Purchase Agreement (PWPA) with Nama Power and Water Procurement Company (PWP) which includes Power plant for 8 years and 9 months and multi-stage flash evaporator (MSF) water plant for 3 years term with extension option at PWP's discretion for a further term of 3 years and another term of 2 years & 9 months (total 8 years and 9 months term) in year 2024. Accordingly, the Company had identified it as an indicator for impairment reversals on Power Plant and MSF. Further, the WPAs for SWRO plants had been expired during the year 2024 which had been identified as indicator for impairment of SWRO Plants. The Company had internally estimated the recoverable amount for the Power Plant, MSFE Plant, SWRO Plant-1 and SWRO Plant-2 based on value-in-use computation.

(b) The Company had assessed its future cashflows from each cash generating unit and carried out an impairment exercise as at 31 December 2024 as required by IAS 36 Impairment of Assets. Future cashflows were discounted and impairment testing was performed. Recoverable value was estimated based on value-in-use method as it reflects more accurately the manner in which the economic benefits embodied in the asset expected to be realised by the Company. Power plant and MSF operational cashflows had been considered to determine their recoverable values as per management best estimates. All future cash flows were based on management's best estimate taken in consideration the contracts that Company signed during the year 2024, discounted at a post-tax rate of 8.1% in assessing the Net Present Value (NPV) of future cash flows. Considering expiry of WPAs, no operational cashflows have been considered for SWRO plants.

(c) Based on the conditions and the assessment, as explained in point (a) and (b) above, the Company had recognised impairment charge and reversals on non-financial assets as explained below as at 31 December 2024.

(d) No indicators of impairment were identified during the current period; therefore, management has not performed an impairment assessment.

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31 Impairment on non-financial assets (Continued)
Impairment assessment in 2024 (Continued)

A summary of the impairment assessment of impaired assets as at 31 December 2024 is disclosed below:

Recoverable value

2024

Power Plant (Base plant)	46,731,069
MSFE Water Plant (Base plant)	12,109,124
RO1 Water Plant (Expansion plant)	670,000
RO2 Water Plant (Expansion plant)	750,000
Total	<u>60,260,193</u>

Carrying value

Power Plant (Base plant)	38,651,070
MSFE Water Plant (Base plant)	-
RO1 Water Plant (Expansion Plant)	8,949,795
RO2 Water Plant (Expansion Plant)	11,929,438
Total	<u>59,530,303</u>

Impairment reversal/(Charge)

Power Plant (reversal)	8,079,999
MSFE Water Plant (reversal)	12,109,124
RO1 Water Plant (impairment)	(8,279,795)
RO2 Water Plant (impairment)	(11,179,438)
Net Impairment reversal	<u>729,890</u>

Impairment charge was allocated to individual non-current assets proportionate to their carrying values as below:

Property, plant and equipment (Note 7)

Impairment charge	(19,334,720)
Impairment reversal	<u>20,189,123</u>
	854,403
Right of use assets (Note 9) - Impairment charge	<u>(124,513)</u>
	<u>729,890</u>

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32 OPERATING SEGMENTS

Information regarding the Company's operating segments is set out below in accordance with IFRS 8 - "operating segments". IFRS 8 requires operating segments to be identified on the basis of internal reports about components of the Company that are regularly reviewed by the senior management and the Board of Directors in order to allocate resources to the segment and to assess its performance. There has not been any change in segment reporting compared to the previous period.

Reportable segments

At 31 December 2025, the Company is organised into two main operating segments:

Base Plant

Base Plant segment comprises of power production and Multi-Stage Flash evaporator (MSF) facilities.

Expansion Plants

Expansion Plants segment comprises of two SWRO based water production facilities. In view of same operating, economic characteristics and product, these two plants have been aggregated as one reportable segment in line with the requirements of IFRS 8 (Note 3(b) & (c)).

Segment revenues and results

	Base Plant	Expansion Plants	Total
Year ended 31 December 2025			
Revenue	<u>30,805,662</u>	<u>-</u>	<u>30,805,662</u>
Operation and maintenance fees – NOMAC Oman	3,892,020	-	3,892,020
Depreciation on property, plant and equipment	4,907,779	-	4,907,779
Interest on long-term loan	1,729,864	-	1,729,864
Other costs	18,603,840	110,631	18,714,471
Total Cost	<u>29,133,503</u>	<u>110,631</u>	<u>29,244,134</u>
Segment profit before income tax	<u>1,672,159</u>	<u>(110,631)</u>	<u>1,561,528</u>
Year ended 31 December 2024	Base Plant	Expansion Plants	Total
Revenue	<u>16,350,465</u>	<u>9,315,360</u>	<u>25,665,825</u>
Operation and maintenance fees – NOMAC Oman	1,959,398	2,808,613	4,768,011
Depreciation on property, plant and equipment	2,453,729	1,044,231	3,497,960
Impairment charge/ (reversal)	(20,189,123)	19,459,233	(729,890)
Interest on long-term loan	475,837	492,226	968,063
Other costs	12,292,946	1,983,097	14,276,043
Total Cost	<u>(3,007,213)</u>	<u>25,787,400</u>	<u>22,780,187</u>
Segment profit / (loss) before income tax	<u>19,357,678</u>	<u>(16,472,040)</u>	<u>2,885,638</u>

All the revenue and non-current assets of the company are in Oman. 100% of the Company's revenue is based in Oman. There is no internal segment revenue.

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33 CAPITAL RISK MANAGEMENT

The capital is managed by the Company in a way that it is able to continue to operate as a going concern while maximizing returns to the shareholders.

The capital structure of the Company consists of share capital, reserves and retained earnings. The Company manages its capital by making adjustments in dividend payments and bringing in additional capital in light of changes in business conditions. No changes were made in the objectives, policies and processes during the year ended 31 December 2025.

Capital management

The primary objective of the Company's capital management is to ensure that it maintains a healthy capital ratio in order to support its business and maximise shareholders' value.

The Company monitors capital using a gearing ratio, which is debt divided by total capital plus debt. Current and non-current components of long-term loan and lease liabilities comprise of debt while capital includes share capital, reserves and retained earnings.

	2025	2024
Long-term loan	28,650,365	25,634,451
Lease liabilities	678,008	826,698
Total debt	29,328,373	26,461,149
Share capital	16,000,000	16,000,000
Legal reserve	5,333,333	5,333,333
Special reserve	85,555	85,555
Retained earnings	6,154,379	10,807,704
Total capital employed	27,573,267	32,226,592
Total capital and debt	56,901,640	58,687,741
Gearing ratio	52%	45%

In addition, the Company's activities expose it to a variety of financial risks: market risk (including currency rate risk, interest rate risk and price risk), credit risk and liquidity risk.

34 FINANCIAL ASSETS AND LIABILITIES AND RISK MANAGEMENT

(a) Financial assets and liabilities

Financial assets and liabilities carried on the statement of financial position include Cash and cash equivalents, trade and other receivables, lease liabilities, trade and other payables and long-term loans. The particular recognition methods adopted are disclosed in the individual policy statements associated with each item.

(b) Risk management

Risk management is carried out by the Finance Department of the Company under the guidance of the senior management and the Board of Directors. The senior management and the Board of Directors provide significant guidance for overall risk management covering specific areas such as credit risk, interest rate risk, foreign exchange risk and investment of excess liquidity.

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34 FINANCIAL ASSETS AND LIABILITIES AND RISK MANAGEMENT (Continued)**(c) Market risk****(i) Foreign exchange risk**

Foreign exchange risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates.

The Company's functional and presentation currency is **OMR** and the Company's performance is substantially independent of changes in foreign currency rates. The Company has transactional currency exposures. There are no significant financial instruments denominated in foreign currencies, and consequently, foreign currency risk is not significant.

(ii) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in interest rates.

As at the statement of financial position date, the Company does not have outstanding debt obligation obtained on variable interest rate. The Company adopts a policy of ensuring that major portion of its borrowings are on a fixed-rate basis.

At the reporting date, the interest-rate risk profile of the Company's interest-bearing financial instruments is as follows:

Fixed rate instruments

	2025	2024
Financial liabilities - long-term loans	28,650,365	25,634,451
	<u>28,650,365</u>	<u>25,634,451</u>

(iii) Price risk

Price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from interest-rate risk or currency risk), whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments traded in the market. As the Company has no exposure to investments, it does not have the risk of fluctuation in prices.

(d) 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.

The Company provides services to OPWP, a Government entity in the Sultanate of Oman. This customer accounts for 100% of the outstanding trade receivables as at 31 December 2025 (2024: 100%).

With respect to credit risk arising from other financial assets of the Company, including cash and cash equivalents, the Company's exposure to credit risk arises from default of the counterparty, maximum exposure being equal to the carrying amount of these instruments. Management believes that the Company's other financial assets are not susceptible to significant credit risk.

The table below shows the rating as published by Moody's investor's service at the reporting date:

Cash and cash equivalents (net)	Rating	2025	2024
Bank Muscat S.A.O.G	Baa3	<u>7,331,137</u>	<u>363,454</u>
Trade receivables and Material adverse claim (net)			
Oman Power and Water Procurement Company SAOC	Baa3	<u>3,613,323</u>	<u>10,222,042</u>

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34 FINANCIAL ASSETS AND LIABILITIES AND RISK MANAGEMENT (CONTINUED)**(e) 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 maintains sufficient bank balances and cash to meet the Company's obligations as they fall due for payment.

Typically the Company ensures that it has sufficient cash on demand to meet expected operational expenses including the servicing of financial obligations. This excludes the potential impact of extreme circumstances that cannot reasonably be predicted, such as natural disasters. In addition, the Company is relying on short-term facilities from banks to manage liquidity on a need basis.

The tables below summarize the maturities of the Company's undiscounted financial liabilities at 31 December 2025 based on contractual payment dates and current market interest rates:

Year ended 31 December	Carrying value	Less than 1 year	1 - 2 years	More than 2 years	Contractual cash flow
Term loan	28,650,365	7,020,062	5,406,022	18,682,758	31,108,842
Trade payables	28,457	28,457	-	-	28,457
Lease liabilities	678,008	68,848	69,161	1,038,974	1,176,983
Due to related parties	288,658	288,658	-	-	288,658
Accrued and Other payables	3,111,322	3,111,322	-	-	3,111,322
	32,756,810	10,517,347	5,475,183	19,721,732	35,714,262

Year ended 31 December 2024	Carrying value	Less than 1 year	1 - 2 years	More than 2 years	Contractual Cash flow
Term loan	25,634,451	6,556,232	6,434,023	17,758,969	30,749,224
Trade payables	2,343,155	2,343,155	-	-	2,343,155
Lease liabilities	826,698	11,267	72,163	1,255,070	1,338,500
Due to related parties	1,702,086	1,702,086	-	-	1,702,086
Accrued and Other payables	2,499,568	2,499,568	-	-	2,499,568
	33,005,958	13,112,308	6,506,186	19,014,039	38,632,533

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35 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. All the financial assets and liabilities of the Company are measured at amortized cost.

When measuring the fair value of an asset or a liability, the Company uses observable market data as far as possible. Fair values are categorized 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).

Financial assets at amortized cost

	Carrying Value	
	2025	2024
Trade receivables and others (net)	4,338,566	10,954,508
Due from related parties	247,771	64,997
Cash and cash equivalents (net)	7,331,637	363,454
	11,917,974	11,382,959

Financial liabilities at amortized cost

	Carrying Value	
	2025	2024
Trade payables	28,457	2,343,155
Due to related parties	288,658	1,702,086
Lease liabilities	678,008	826,698
Accrued and other payables	3,111,322	2,499,568
Provision for site restoration	4,879,943	4,602,678
	8,986,388	11,974,185

36 SUBSEQUENT EVENTS

There were no events occurring subsequent to 31 December 2025 and before the date of issuance that are expected to have a significant impact on these financial statements.

These financial statements were approved and authorised for issue by the Board of Directors on 10 February 2026.

37 NOTES SUPPORTING THE STATEMENT OF CASH FLOWS

Transactions from financing activities shown in the reconciliation of liabilities from financing transactions is as follows:

**Year ended
31 December 2025**

Particulars	1 January 2025	Cash inflows/ (outflows)	Non-cash changes	31 December 2025
Long-term loan	25,634,451	2,891,417	124,497	28,650,365
Interest	-	(1,729,414)	1,729,864	450
Short term borrowings	-	2,700,000	-	2,700,000
Lease liabilities	826,698	(16,540)	(132,150)	678,008

Year Ended
31 December 2024

Particulars	1 January 2024	Cash inflows/ (outflows)	Non-cash changes	31 December 2024
Long-term loan	15,236,374	10,289,404	108,673	25,634,451
Interest	-	(968,063)	968,063	-
Lease liabilities	790,294	(11,022)	47,426	826,698

38 Contingencies

There are no contingencies at year end 31 December 2025 (2024: nil).

39 Commitments

The Company has commitments for capital expenditure of ~~SD~~ 913,121 related to main plant which are expected to be settled in the 2026 (2024: ~~SD~~ 51,225).

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