

**NOTES TO THE UNAUDITED CONDENSED INTERIM FINANCIAL INFORMATION
FOR THE THREE MONTHS PERIOD ENDED 31 MARCH 2026**

1. General

1.1 Legal status and principal activities

National Finance Company SAOG (the “Company” or “NFC”) is an Omani joint stock Company registered under the Commercial Companies Law of the Sultanate of Oman and is listed on the Muscat Securities Market. The principal activity of the Company is leasing business. The Company derives all of its income from financing operations, factoring and working capital funding within the Sultanate of Oman.

The Company operates across the Sultanate of Oman in 24 branches as at 31 March 2026 (31 March 2025: 23 branches, 31 December 2025: 24 branches).

2 Summary of material accounting policies

The material accounting policies, estimates and assumptions used in the preparation of these, unaudited condensed interim financial information are consistent with those used in the preparation of the annual financial statements for the year ended 31 December 2025, except as described below:

2.1 New and amended standards adopted by the Company

The following standards became effective from 1 January 2026:

- Classification and Measurement of Financial Instruments – Amendments to IFRS 9 and IFRS 7
- Annual Improvements to IFRS Accounting Standards – Volume 11

The adoption of these standards had no material impact on the unaudited condensed interim financial information.

2.2 Impact of new standards (issued but not yet adopted by the Company)

The following accounting standards, amendments are not yet effective and the Company has opted not to early adopt these pronouncements, and they are not expected to have material impact on the unaudited condensed interim financial information, except for IFRS 18 Presentation and Disclosure in Financial Statements.

New standards or amendments	Effective date
IFRS 18 Presentation and Disclosure in Financial Statements	1 January 2027
IFRS 19 Subsidiaries without Public Accountability: Disclosures	1 January 2027
Sale or Contribution of Assets between an Investor and its Associate or Joint Venture (Amendments to IFRS 10 and IAS 28)	Available for optional adoption effective date deferred indefinitely

2.3 Basis of preparation

(a) Compliance with IFRS Accounting Standards

The unaudited condensed interim financial information have been prepared in accordance with IAS 34, ‘Interim financial reporting’ and comply with the requirements of the Commercial Companies Law and the relevant disclosure requirements of the Financial Services Authority (FSA) and applicable regulations of the Central Bank of Oman (CBO).

(b) Historical cost convention

These interim financial statements have been prepared under the historical cost convention except for asset held for sale, derivatives, freehold land and buildings which are measured at fair value.

The statement of financial position is presented in descending order of liquidity, as this presentation is more appropriate to the Company’s operations.

(c) Going concern

The unaudited condensed interim financial information have been prepared on a going concern basis. Management has assessed all available information about the future, including the entity’s current financial position, liquidity, and forecasted cash flows, for a period of at least, but not limited to, 12 months from the reporting date. Based on assessment, management concluded that there are no material uncertainties that may cast significant doubt on the entity’s ability to continue as a going concern. Accordingly, the financial statements have been prepared under the assumption that the entity will continue to operate for the foreseeable future (refer also to note 31).

**NOTES TO THE UNAUDITED CONDENSED INTERIM FINANCIAL INFORMATION
FOR THE THREE MONTHS PERIOD ENDED 31 MARCH 2026 (continued)**

3 Financial risk management

The Company's activities expose it to a variety of financial risks: market risk (including currency risk and interest rate risk), credit risk and liquidity risk. The condensed interim financial information does not include all financial risk management information and disclosures required in the annual financial statements, and should be read in conjunction with the annual financial statements as at 31 December 2025. There have been no changes in the risk management policies since that date.

4 Critical estimates and judgements

The preparation of condensed interim financial information requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates.

In preparing this condensed interim financial information, the significant judgements made by management in applying the Company's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the financial statements as at and for the year ended 31 December 2025.

5 Operating segments

The Company has only one reportable segment namely, leasing and financing activities which includes leasing activities, working capital and debt factoring, all of which are carried out in Oman; hence no geographical segmentation is disclosed. Although the Company has individual and corporate customers, the entire lease portfolio is managed internally as one operating segment. All the Company's funding and costs are common. All relevant information relating to this reportable segment is disclosed in the unaudited condensed interim statement of financial position, unaudited condensed interim statement of profit or loss and other comprehensive income and notes to the interim financial statements.

6 Other operating income

	Three months ended 31 March 2026 S'000	Three months ended 31 March 2025 S'000
Income from pre-closed leases	168	130
Penal charges	108	139
Cheque related charges	352	226
Miscellaneous income	240	288
	868	783

7 Operating expenses

	Three months ended 31 March 2026 S'000	Three months ended 31 March 2025 S'000
Employee related expenses	3,174	2,826
Office expenses	444	407
Communication costs	314	256
Professional fees and subscriptions	122	137
Advertising and sales promotion	131	119
Directors' remuneration and sitting fees (note 26)	91	91
Occupancy costs	35	30
	4,311	3,866

8 Taxation

The Company is liable to income tax in accordance with the income tax law of the Sultanate of Oman at the tax rate of 15% (2024 – 15%) on the taxable profits.

(a) Status of tax assessments

The Company's tax assessments have been completed by the tax authorities up to tax year 2022. Assessments of the Company for tax years 2023 to 2025 are subject to agreement with the Oman Taxation Authorities. The management is of the opinion that the additional taxes assessed in respect of open tax assessments, if any, would not be material to the Company's financial position as at 31 March 2026.

**NOTES TO THE UNAUDITED CONDENSED INTERIM FINANCIAL INFORMATION
FOR THE THREE MONTHS PERIOD ENDED 31 MARCH 2026 (continued)**

8 Taxation (continued)

(b) Tax liabilities - net

	31 March 2026 ₺ '000	31 March 2025 ₺ '000	31 December 2025 ₺ '000
Deferred tax liability	1,053	1,031	1,054
Provision for income tax	4,126	3,102	3,409
Net tax liabilities	5,179	4,133	4,463

(c) Reconciliation of tax expense

The following is a reconciliation of income taxes calculated on accounting profits at the applicable tax rates with the income tax expense for the period:

	Three months ended 31 March 2026 ₺ '000	Three months ended 31 March 2025 ₺ '000
Accounting profit before income tax	4,550	3,897
Income tax expense computed at applicable tax rates	683	585
Adjustments for non-deductible and non-taxable items (net)	33	-
Tax charge for the period	716	585

9 Basic and diluted earnings per share and net assets per share

The calculation of earnings per share is as follows:

	Three months ended 31 March 2026	Three months ended 31 March 2025
Profit for the period attributable to equity shareholders (₺ '000)	3,834	3,312
Interest on perpetual bonds (₺ '000)	(1,353)	(1,353)
Net profit attributable to ordinary shareholders (₺ '000)	2,481	1,959
Weighted average number of shares during the period ('000)	650,695	650,695
Basic and diluted earnings per share (₺)	0.004	0.003

The calculation of net assets per share is as follows:

	31 March 2026 ₺ '000	31 March 2025 ₺ '000	31 December 2025 ₺ '000
Net assets attributable to ordinary shareholders (₺ '000)	109,129	106,639	115,769
Number of shares at the period/ year end ('000)	650,695	608,127	608,127
Net assets per share (₺)	0.168	0.175	0.190

Earnings per share as at 31 March 2026 have been calculated using weighted average shares outstanding for the period. Net assets per share have been calculated using outstanding shares as at 31 March 2026, 31 March 2025 and 31 December 2025.

10 Cash and cash equivalents

	31 March 2026 ₺ '000	31 March 2025 ₺ '000	31 December 2025 ₺ '000
Current accounts with banks	16,386	11,493	9,098
Cash in hand	153	18	163
	16,539	11,511	9,261

The Company classifies its bank balances under Stage 1. In relation to exposures with banks, the credit risk exposure is expected to be minimal because the Company transacts with reputable and rated local banks.

**NOTES TO THE UNAUDITED CONDENSED INTERIM FINANCIAL INFORMATION
FOR THE THREE MONTHS PERIOD ENDED 31 MARCH 2026 (continued)**

11 Statutory deposit

The Company is required to maintain capital deposit of ~~OMR~~ 250,000 with the Central Bank of Oman (CBO) in accordance with the applicable licensing requirements. During the period, the deposit earned effective interest at the rate of 1.5% (2025 - 1.5%) per annum.

12 Net investment in finance leases, working capital finance and factoring receivables

	31 March 2026 OMR '000	31 March 2025 OMR '000	31 December 2025 OMR '000
Gross investment in finance leases	743,603	666,899	731,523
Unearned finance lease income	(174,132)	(146,204)	(171,271)
	569,471	520,695	560,252
Working capital finance*	165,921	142,920	160,001
Factoring receivables	1,039	1,099	1,049
	736,431	664,714	721,302
Allowance for expected credit losses (refer note 'b' below)	(72,430)	(63,973)	(68,582)
Net investment in finance leases, working capital finance and factoring receivables	664,001	600,741	652,720

*This does not include unearned interest income of ~~OMR~~ 78.66 million from Working Capital finance (31 March 2025 ~~OMR~~ 61.91 million, 31 December 2025 ~~OMR~~ 78.67 million)

	31 March 2026 OMR '000	31 March 2025 OMR '000	31 December 2025 OMR '000
Net investment in finance leases	517,768	472,739	510,714
Working capital	146,100	127,537	141,593
Factoring receivables	133	465	413
	664,001	600,741	652,720

(a) Unearned finance lease income:

	31 March 2026 OMR '000	31 March 2025 OMR '000	31 December 2025 OMR '000
Opening balance	171,271	139,955	139,955
Additions during the period	17,874	19,521	88,126
Recognised during the period	(15,013)	(13,272)	(56,810)
Closing balance *	174,132	146,204	171,271

*This does not include unearned interest income of ~~OMR~~ 78.66 million from Working Capital finance (31 March 2025 ~~OMR~~ 61.91 million, 31 December 2025 ~~OMR~~ 78.67 million).

Income from financing activities

	Three months ended 31 March 2026 OMR '000	Three months ended 31 March 2025 OMR '000
Finance lease income	15,013	13,272
Working capital and factoring receivables	4,266	3,756
	19,279	17,028

**NOTES TO THE UNAUDITED CONDENSED INTERIM FINANCIAL INFORMATION
FOR THE THREE MONTHS PERIOD ENDED 31 MARCH 2026 (continued)**

12 Net investment in finance leases, working capital finance and factoring receivables (continued)

(b) *Allowance for expected credit losses (ECL):*

The loss allowances for ECL reconcile to the opening loss allowances as follows:

	31 March 2026 ₺'000	31 March 2025 ₺'000	31 December 2025 ₺'000
Opening balance	68,582	61,761	61,761
<u>Provision</u>			
Provided during the period	6,359	4,540	13,833
Released during the period	(3,177)	(2,684)	(6,047)
	3,182	1,856	7,786
Write off during the period	-	-	(2,332)
	3,182	1,856	5,454
<u>Unrecognised contractual income</u>			
Provided during the period	1,035	1,037	3,366
Released during the period	(369)	(681)	(1,590)
Write off during the period	-	-	(409)
	666	356	1,367
Closing balance	72,430	63,973	68,582

(c) The current and non-current amounts are disclosed in note 31 to these financial statements.

(d) The table below represents analysis of investment in finance leases, working capital finance and factoring receivables (gross and present value) for each of the following periods:

	Up to 1 year ₺'000	1-2 Years ₺'000	2-3 Years ₺'000	3-4 Years ₺'000	4-5 Years ₺'000	>5 Year ₺'000	Total ₺'000
31 March 2026							
Gross	207,820	187,443	159,770	124,889	89,800	219,575	989,297
Carrying value	131,790	127,247	114,894	93,313	68,615	200,572	736,431
31 March 2025							
Gross	189,853	168,073	142,140	114,350	80,113	178,432	872,961
Present value	123,711	116,581	104,234	88,511	64,037	167,640	664,714
31 December 2025							
Gross	203,339	183,897	157,378	123,789	89,318	213,618	971,339
Carrying value	128,652	124,958	113,392	93,028	68,891	192,381	721,302

**NOTES TO THE UNAUDITED CONDENSED INTERIM FINANCIAL INFORMATION
FOR THE THREE MONTHS PERIOD ENDED 31 MARCH 2026 (continued)**

12 Net investment in finance leases, working capital finance and factoring receivables (continued)

(e) The below table shows comparison of provision held as per IFRS 9 and required as per CBO norms:

As at 31 March 2026

Asset classification as per CBO norms	Asset classification as per IFRS 9	Gross carrying amount ₹' 000	Provision required as per CBO norms ₹' 000	Provision held as per IFRS 9 ₹' 000	Difference ₹' 000	Net carrying amount ₹' 000	Interest recognized as per IFRS 9 ₹' 000	Reserve interest as per CBO norms ₹' 000
Standard	Stage 1	521,777	42	2,529	(2,487)	519,248	15,728	-
	Stage 2	112,705	59	8,619	(8,560)	104,086	3,218	-
	Stage 3	8,649	-	7,784	(7,784)	865	243	-
Subtotal		643,131	101	18,932	(18,831)	624,199	19,189	-
Special mention	Stage 1	94	5	4	1	90	1	-
	Stage 2	815	40	36	4	779	19	14
	Stage 3	6,322	302	1,215	(913)	5,107	-	287
Subtotal		7,231	347	1,255	(908)	5,976	20	301
Substandard	Stage 1	-	-	-	-	-	-	-
	Stage 2	154	38	8	30	146	5	1
	Stage 3	3,169	742	718	24	2,451	-	201
Subtotal		3,323	780	726	54	2,597	5	202
Doubtful	Stage 1	-	-	-	-	-	-	-
	Stage 2	16	8	1	7	15	1	-
	Stage 3	3,074	1,218	817	401	2,257	-	260
Subtotal		3,090	1,226	818	408	2,272	1	260
Loss	Stage 1	43	30	1	29	42	1	-
	Stage 2	-	-	-	-	-	-	-
	Stage 3	79,613	58,894	50,698	8,196	28,915	63	15,455
Subtotal		79,656	58,924	50,699	8,225	28,957	64	15,455
Total	Stage 1	521,914	77	2,534	(2,457)	519,380	15,730	-
	Stage 2	113,690	145	8,664	(8,519)	105,026	3,243	15
	Stage 3	100,827	61,156	61,232	(76)	39,595	306	16,203
	Total	736,431	61,378	72,430	(11,052)	664,001	19,279	16,218
Total - 31 March 2025	Stage 1	482,847	47	3,482	(3,435)	479,365	14,412	-
	Stage 2	95,353	115	10,676	(10,561)	84,677	2,616	14
	Stage 3	86,514	58,242	49,815	8,427	36,699	-	14,527
	Total	664,714	58,404	63,973	(5,569)	600,741	17,028	14,541
Total - 31 December 2025	Stage 1	528,137	63	3,861	(3,798)	524,276	60,189	-
	Stage 2	105,798	143	12,941	(12,798)	92,857	11,553	4
	Stage 3	87,367	59,290	51,780	7,510	35,587	516	15,548
	Total	721,302	59,496	68,582	(9,086)	652,720	72,258	15,552

**NOTES TO THE UNAUDITED CONDENSED INTERIM FINANCIAL INFORMATION
FOR THE THREE MONTHS PERIOD ENDED 31 MARCH 2026 (continued)**

12 Net investment in finance leases, working capital finance and factoring receivables (continued)

The below table shows comparison of provision held as per IFRS 9 and required as per CBO norms for restructured accounts:

As at 31 March 2026

Asset classification as per CBO norms	Asset classification as per IFRS 9	Gross carrying amount ₹' 000	Provision required as per CBO norms ₹' 000	Provision held as per IFRS 9 ₹' 000	Difference ₹' 000	Net carrying amount ₹' 000	Interest recognized as per IFRS 9 ₹' 000	Reserve interest as per CBO norms ₹' 000
Classified as performing	Stage 1	4,513	31	43	(12)	4,470	176	-
	Stage 2	53,657	59	5,522	(5,463)	48,135	1,456	-
	Stage 3	8,649	-	7,784	(7,784)	865	243	-
Subtotal		66,819	90	13,349	(13,259)	53,470	1,875	-
Classified as non-performing	Stage 1	82	28	1	27	81	2	-
	Stage 2	107	26	7	19	100	2	1
	Stage 3	14,293	9,954	8,881	1,073	5,412	1	3,193
Subtotal		14,482	10,008	8,889	1,119	5,593	5	3,194
Total	Stage 1	4,595	59	44	15	4,551	178	-
	Stage 2	53,764	85	5,529	(5,444)	48,235	1,458	1
	Stage 3	22,942	9,954	16,665	(6,711)	6,277	244	3,193
	Total	81,301	10,098	22,238	(12,140)	59,063	1,880	3,194
Total - 31 March 2025	Stage 1	16,153	33	254	(221)	15,899	592	-
	Stage 2	51,784	11	9,303	(9,292)	42,481	1,327	-
	Stage 3	13,066	9,232	6,813	2,419	6,253	-	2,418
	Total	81,003	9,276	16,370	(7,094)	64,633	1,919	2,418
Total - 31 December 2025	Stage 1	6,288	45	75	(30)	6,213	620	-
	Stage 2	60,341	88	11,663	(11,575)	48,678	6,084	1
	Stage 3	14,298	9,607	8,735	872	5,563	-	3,073
	Total	80,927	9,740	20,473	(10,733)	60,454	6,704	3,074

The below table shows comparison of impairment allowance and loss held as per IFRS 9 and required as per CBO norms:

	As per CBO norms		As per IFRS 9		Difference	
	Current period	Previous period	Current period	Previous period	Current period	Previous period
	₹' 000	₹' 000	₹' 000	₹' 000	₹' 000	₹' 000
Impairment loss charged to profit or loss	3,182	1,856	3,182	1,856	-	-
Provisions required as per CBO norms / held as per IFRS 9	77,596	72,945	72,430	63,973	5,166	8,972
Gross NPL ratio	12.7	13.2	13.7	13.0	(1.0)	0.2
Net NPL ratio	3.1	4.0	6.0	6.1	(2.9)	(2.1)

NOTES TO THE FINANCIAL STATEMENTS

FOR THE THREE MONTHS PERIOD ENDED 31 MARCH 2026 (continued)

13 Property, equipment and right-of-use assets

	Freehold land ₺'000	Buildings ₺'000	Furniture, fixtures and equipment ₺'000	Motor vehicles ₺'000	Right-of-use assets ₺'000	Total ₺'000
At 31 March 2026						
Cost or valuation						
At 1 January 2026	1,122	4,066	7,838	182	456	13,664
Additions	-	-	214	-	-	214
At 31 March 2026	1,122	4,066	8,052	182	456	13,878
Accumulated depreciation						
At 1 January 2026	-	325	5,347	174	247	6,093
Charge for the period	-	41	250	1	33	325
At 31 March 2026	-	366	5,597	175	280	6,418
Net book amount						
At 31 March 2026	1,122	3,700	2,455	7	176	7,460

	Freehold land ₺ '000	Buildings ₺ '000	Furniture, fixtures and equipment ₺ '000	Motor vehicles ₺ '000	Right-of-use assets ₺ '000	Total ₺ '000
At 31 March 2025						
Cost or valuation						
At 1 January 2025	1,122	4,066	6,739	182	456	12,565
Additions	-	-	391	-	-	391
Disposals	-	-	-	-	-	-
At 31 March 2025	1,122	4,066	7,130	182	456	12,956
Accumulated depreciation						
At 1 January 2025	-	162	4,510	168	138	4,978
Charge for the period	-	41	187	2	27	257
Disposals	-	-	-	-	-	-
At 31 March 2025	-	203	4,697	170	165	5,235
Net book amount - At 31 March 2025	1,122	3,863	2,433	12	291	7,721

NOTES TO THE FINANCIAL STATEMENTS

FOR THE THREE MONTHS PERIOD ENDED 31 MARCH 2026 (continued)

13 Property, equipment and right-of-use assets (continued)

	Freehold land ₺'000	Buildings ₺'000	Furniture, fixtures and equipment ₺'000	Motor vehicles ₺'000	Right-of-use assets ₺'000	Total ₺'000
At 31 December 2025						
Cost or valuation						
At 1 January 2025	1,122	4,066	6,739	182	456	12,565
Additions	-	-	1,104	-	-	1,104
Disposals	-	-	(5)	-	-	(5)
At 31 December 2025	1,122	4,066	7,838	182	456	13,664
Accumulated depreciation						
At 1 January 2025	-	162	4,510	168	138	4,978
Charge for the year	-	163	842	6	109	1,120
Disposals	-	-	(5)	-	-	(5)
At 31 December 2025	-	325	5,347	174	247	6,093
Net book amount						
At 31 December 2025	1,122	3,741	2,491	8	209	7,571

A valuation of the freehold land and buildings was last performed by third party independent valuers as on 24 December 2023 on an open market value basis. The revaluation surplus net of applicable deferred income tax was credited to other comprehensive income and is shown in 'revaluation reserve'. If the freehold land and buildings were stated on the historical cost basis, the amount would be ₺ 4.19 million (31 March 2025- ₺ 4.19 million, 31 December 2025- ₺ 4.19 million). The fair value measurement of the land and building have been categorized as Level 3 fair value measurements.

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14 Intangible assets

	31 March 2026			31 March 2025			31 December 2025
	Computer software	Intangible assets on acquisition	Total	Computer software	Intangible assets on acquisition	Total	Total
	₹'000	₹'000	₹'000	₹'000	₹'000	₹'000	₹'000
Opening balance	846	1,792	2,638	701	1,792	2,493	2,493
Additions	31	-	31	34	-	34	145
	<u>877</u>	<u>1,792</u>	<u>2,669</u>	<u>735</u>	<u>1,792</u>	<u>2,527</u>	<u>2,638</u>
Accumulated Amortisation							
Opening balance	658	1,792	2,450	543	1,792	2,335	2,335
Charge for the period	32	-	32	26	-	26	115
	<u>690</u>	<u>1,792</u>	<u>2,482</u>	<u>569</u>	<u>1,792</u>	<u>2,361</u>	<u>2,450</u>
Closing balance	<u>187</u>	<u>-</u>	<u>187</u>	<u>166</u>	<u>-</u>	<u>166</u>	<u>188</u>

15 Share capital

The authorised share capital of the Company comprises 750,000,000 ordinary shares of Baizas 100 each (31 March 2025 and 31 December 2025 - 750,000,000 ordinary share of Baizas 100 each). The Company's issued and fully paid-up share capital amounts to 608,126,538 shares and bonus shares under allotment of 42,568,858 shares of Baizas 100 each (31 March 2025 - 573,704,281 shares and bonus shares under allotment of 34,422,257 shares of Baizas 100 each and 31 December 2025 - 608,126,538 shares of Baizas 100 each).

16 Legal reserve

In accordance with the Commercial Companies Law of Oman 2019, annual appropriations of 10% of the profit for the period are made to the legal reserve until the accumulated balance of the reserve is equal to at least one third of the Company's share capital. This reserve is not available for distribution.

17 Perpetual bonds

The Company has successfully completed the issuance of perpetual bonds on 03rd April 2024, in the amount of ₹ 35 million, with an annual coupon rate of 7.75%.

18 Creditors and accruals

	31 March 2026	31 March 2025	31 December 2025
	₹'000	₹'000	₹'000
Creditors	14,006	17,165	11,243
Accruals and other liabilities	6,131	4,835	7,047
Lease liabilities	117	249	153
Dividend payable	9,121	7,229	-
	<u>29,375</u>	<u>29,478</u>	<u>18,443</u>

NOTES TO THE FINANCIAL STATEMENTS

FOR THE THREE MONTHS PERIOD ENDED 31 MARCH 2026 (continued)

19 Provision for employees' end of service benefits

The movement in end of service benefit during the period is stated below:

	31 March 2026	31 March 2025	31 December 2025
	₹'000	₹'000	₹'000
Opening balance	720	674	674
Charge for the period	37	51	120
Payments during the period	(63)	-	(74)
Closing balance	694	725	720

20 Bank borrowings

	31 March 2026	31 March 2025	31 December 2025
	₹'000	₹'000	₹'000
Bank overdrafts	166	3,730	-
Short-term loans	114,664	177,202	145,588
Current portion of long-term loans	135,533	113,148	127,168
Non-current portion of long-term loans	175,715	103,997	143,322
	426,078	398,077	416,078

(a) During the period, interest was charged on the above borrowings at rates ranging between 4.80% and 6.25% per annum (31 March 2025- 5.75% and 6.85%, 31 December 2025-5.00% and 6.85% per annum).

(b) At the reporting date, all outstanding borrowings were secured by a pari-passu floating charge on the Company's receivables from its customers.

(c) *Foreign currency forward contracts*

As at 31 March 2026, the notional amount of foreign currency forward contract amounted to ₹ 179.81 million [USD 467.50 million] (31 March 2025 - ₹ 101.51 million [USD 263.91 million], 31 December 2025 - ₹ 163.45 M [USD 424.97 M]) to repay US Dollar term loans.

21 Fixed deposits

At 31 March 2026, the Company has accepted fixed deposits from corporate entities based in Oman for a total amount of ₹ 98.44 million (31 March 2025 - ₹ 61.22 million, 31 December 2025 - ₹ 93.46 million), with tenure ranging from 3 months to 5 years as per guidelines issued by the Central Bank of Oman. The carrying amount includes interest accrued till the end of the period.

22 Proposed and approved dividends**Approved**

The shareholders at the latest Annual General Meeting approved a cash dividend of Baizas 15.0 per share (15.0%) and stock dividend of 7% on the shares outstanding on the record date. The cash dividend is amounted to ₹ 9,121,898 and stock dividend is amounted of ₹ 4,256,886. These financial statements reflect these dividends, which accounted for in shareholders' equity as an appropriation of retained earnings in 2026. The stock dividend was approved by MCD on 06 April 2026.

The cash dividend for 2024 amounted to ₹ 7,228,674 (cash dividend of Baizas 12.6 per share) and stock dividend is amounted to ₹ 3,442,226 (stock dividend of 6% on the shares outstanding on the record date) was distributed during 2025.

23 Change in cash flows from operating activities (Principal)

	31 March 2026		31 March 2025	
Particulars	Cash flow from bank borrowings	Cash flow from fixed deposits	Cash flow from bank borrowings	Cash flow from fixed deposits
	₹'000	₹'000	₹'000	₹'000
Opening balance	413,864	91,293	385,003	57,394
Additions during the period	116,783	27,092	47,655	26,170
Repayments during the period	(105,532)	(21,652)	(37,454)	(23,434)
Closing balance	425,115	96,733	395,204	60,130
Change in cash flows	11,251	5,440	10,201	2,736

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FOR THE THREE MONTHS PERIOD ENDED 31 MARCH 2026 (continued)

24 Commitments

	31 March 2026 ₹'000	31 March 2025 ₹'000	31 December 2025 ₹'000
Approved lease commitments (refer 'a')	8,473	7,853	8,016
Operating lease in respect of rentals of branches (short term leases) (refer 'b')	104	120	85
	<u>8,577</u>	<u>7,973</u>	<u>8,101</u>

- (a) Approved lease commitments expected to be paid within 30 days from the date of lease creation.
(b) The operating lease pertain to the approved rentals to be paid in the future for the respective branches.

25 Contingencies

	31 March 2026 ₹'000	31 March 2025 ₹'000	31 December 2025 ₹'000
Bank guarantees	<u>114</u>	<u>114</u>	<u>114</u>

In its ordinary course of business, the Company has arranged for bank guarantees in favour of its customers from banks in Oman.

26 Related party transactions and balances

Related parties represent associated companies, major shareholders, directors and key management personnel of the Company, and entities controlled, jointly controlled or significantly influenced by such parties. Pricing policies and terms of these transactions are approved by the Company's management.

Key management personnel are those personnel having authority and responsibility for planning, directing and controlling the activities of the Company.

The Company has entered into transactions in the ordinary course of business with related parties. Such transactions with related parties only on arm's length terms and in accordance with the relevant laws and regulations. Significant related party transactions during the period ended 31 March were as follows:

	Three months ended 31 March 2026 ₹'000	Three months ended 31 March 2025 ₹'000
Transactions with entities under common control		
Operating expenses	18	41
Purchase of property and equipment & intangible assets	-	52
Income from financing activities	62	80
Insurance premium (pre-paid)	1,233	1,203
Interest expense on corporate deposit	<u>64</u>	<u>80</u>
Directors' fees and remuneration		
Directors' proposed remuneration & sitting fees	<u>91</u>	<u>91</u>
Remuneration to key members of management during the period		
Salaries and other benefits	<u>919</u>	<u>599</u>

The following balances were outstanding from / to related parties:

	31 March 2026 ₹'000	31 March 2025 ₹'000	31 December 2025 ₹'000
Investment in finance leases and working capital finance	<u>4,234</u>	<u>4,272</u>	<u>4,240</u>
Corporate deposits	<u>4,326</u>	<u>5,246</u>	<u>4,255</u>

NOTES TO THE FINANCIAL STATEMENTS

FOR THE THREE MONTHS PERIOD ENDED 31 MARCH 2026 (continued)

27 Asset held for sale

Assets held for sale represents land acquired by the Company in part settlement of amounts due by the borrower following the conclusion of all credit recovery procedures available to the Company. This property was valued in September 2019 at ~~OMR~~ 1.50 million and subsequently expected to be sold in the year 2026. The Company has recently valued this property on 25 December 2025 at ~~OMR~~ 1.54 million. However, in accordance with IFRS requirements, the asset has been measured at fair value less cost to sell, amounting to ~~OMR~~ 1.50 million. The property is based in Muscat at Ghala Heights, Wilayat Bausher.

28 Impairment reserve

In accordance with Central Bank of Oman (CBO) circular BM 1149, the mandatory regulatory impairment reserve is created when the provisions and reserve interest required as per CBO norms exceeds the allowance for expected credit losses held as per IFRS 9. Any subsequent utilisation of the impairment reserve would require prior approval of the CBO.

Impairment reserve net of tax is created by appropriation from retained earnings when the calculated provision as per CBO norms is higher than IFRS 9 ECL.

As of 31 March 2026, the Company holds an impairment reserve of ~~OMR~~ 8.67 million net of tax for the difference (31 March 2025: ~~OMR~~ 8.67 million, 31 December 2025 - ~~OMR~~ 8.67 million).

29 Advances, prepayments and other receivables

	31 March 2026	31 March 2025	31 December 2025
	OMR '000	OMR '000	OMR '000
Other receivables	5,308	3,100	4,458
Fair value of derivatives	-	55	-
Prepayments	2,248	3,168	1,617
Advances	451	1,105	413
	8,007	7,428	6,488

30 Financial instruments by category

The accounting policies for financial instruments have been applied to the line items below:

	31 March 2026	31 March 2025	31 December 2025
	OMR '000	OMR '000	OMR '000
Financial assets			
Fair Value			
Derivative financial instrument	-	55	-
Amortised cost			
Cash and cash equivalents (note 10)	16,539	11,511	9,261
Net investment in finance leases (note 12)	517,768	472,739	510,714
Working capital finance and factoring receivables (note 12)	146,100	128,002	142,006
Other receivables	133	342	416
Statutory deposit (note 11)	250	250	250
Total financial assets	680,790	612,899	662,647
	31 March 2026	31 March 2025	31 December 2025
	OMR '000	OMR '000	OMR '000
Financial liabilities			
Amortised cost			
Bank overdrafts (note 20)	166	3,730	-
Short-term loans (note 20)	114,664	177,202	145,588
Creditors and accruals (note 18)	29,375	29,478	18,443
Fixed deposits (note 21)	98,439	61,215	93,455
Long term loans (note 20)	311,248	217,145	270,490
Total financial liabilities	553,892	488,770	527,976

NOTES TO THE FINANCIAL STATEMENTS

FOR THE THREE MONTHS PERIOD ENDED 31 MARCH 2026 (continued)

31 Maturity analysis of assets and liabilities

The table below analyses the contractual maturities of assets and liabilities at the reporting date. The amounts show gross undiscounted cash flows.

At 31 March 2026	Up to 1 month ₺'000	> 1 month to 1 year ₺'000	> 1 year ₺'000	Non-fixed maturity ₺'000	Total ₺'000
Assets					
Cash and cash equivalents	16,539	-	-	-	16,539
Statutory deposit	-	-	-	250	250
Investment in finance leases, working capital and factoring receivables	17,910	189,910	781,477	-	989,297
Advances and prepayments	-	8,007	-	-	8,007
Total assets	34,449	197,917	781,477	250	1,014,093
Equity and liabilities					
Total equity	-	-	-	144,129	144,129
Liabilities:					
Bank borrowings and fixed deposits	141,971	199,394	264,549	-	605,914
Creditors and accruals	23,128	6,247	-	-	29,375
Tax and other liabilities	-	4,126	694	1,053	5,873
Total equity and liabilities	165,099	209,767	265,243	145,182	785,291
Liquidity gap	(130,650)	(11,850)	516,234	(144,932)	
Cumulative liquidity gap	(130,650)	(142,500)	373,734	228,802	

At 31 March 2025	Up to 1 month ₺'000	> 1 month to 1 year ₺'000	> 1 year ₺'000	Non-fixed maturity ₺'000	Total ₺'000
Assets					
Cash and cash equivalents	11,511	-	-	-	11,511
Statutory deposit	-	-	-	250	250
Investment in finance leases, working capital and factoring receivables	16,931	172,922	683,108	-	872,961
Advances and prepayments	-	7,428	-	-	7,428
Assets held for sale	-	1,500	-	-	1,500
Total assets	28,442	181,850	683,108	250	893,650
Equity and liabilities					
Total equity	-	-	-	141,639	141,639
Liabilities:					
Bank borrowings and fixed deposits	116,174	226,134	140,752	-	483,060
Creditors and accruals	24,394	5,084	-	-	29,478
Tax and other liabilities	3,102	-	725	1,031	4,858
Total equity and liabilities	143,670	231,218	141,477	142,670	659,035
Liquidity gap	(115,228)	(49,368)	541,631	(142,420)	
Cumulative liquidity gap	(115,228)	(164,596)	377,035	234,615	

NOTES TO THE FINANCIAL STATEMENTS
FOR THE THREE MONTHS PERIOD ENDED 31 MARCH 2026 (continued)

31 Maturity analysis of assets and liabilities (continued)

At 31 December 2025	Up to 1 month ₺'000	> 1 month to 1 year ₺'000	> 1 year ₺'000	Non-fixed maturity ₺'000	Total ₺'000
Assets					
Cash and cash equivalents	9,261	-	-	-	9,261
Statutory deposit	-	-	-	250	250
Investment in finance leases, working capital and factoring receivables	17,639	185,700	768,000	-	971,339
Advances and prepayments	-	6,488	-	-	6,488
Total assets	26,900	192,188	768,000	250	987,338
Equity and liabilities					
Total equity	-	-	-	150,769	150,769
Liabilities:					
Bank borrowings and fixed deposits	104,032	253,456	229,982	-	587,470
Creditors and accruals	11,243	7,200	-	-	18,443
Tax and other liabilities	-	3,409	720	1,054	5,183
Total equity and liabilities	115,275	264,065	230,702	151,823	761,865
Liquidity gap	(88,375)	(71,877)	537,298	(151,573)	
Cumulative liquidity gap	(88,375)	(160,252)	377,046	225,473	

The Company had unutilised credit facilities amounting to ₺ 86.72 million available as on 31 March 2026 (31 March 2025 – ₺ 40.13 million, 31 December 2025 – ₺ 128.91 million) to mitigate the impact of negative mismatch. The Company expects, given experience, local practice and discussions with lenders that short-term borrowing facilities will be extended, renewed or replaced on expiry and fixed deposits maturing within one year will be renewed if required as well as other measures to meet the gap in maturity. Accordingly, these financial statements been prepared on a going concern basis.