

1 Legal status and principal activities

National Mineral Water Company SAOG ("the Parent Company") is a public Omani joint stock company registered with the Ministry of Commerce, Industry and Investment Promotion in the Sultanate of Oman, with its registered office in Muscat. The Parent Company's shares are listed on the Muscat Stock Exchange (MSX). The business activities of the Parent Company include bottling and distribution of natural mineral water as well as trading in other beverages in the Sultanate of Oman.

National Distribution and Development Co. LLC (formerly known as Valueddeal Trading LLC ("the subsidiary") is a 95% owned subsidiary of the Parent Company registered with in the Sultanate of Oman. The subsidiary's principal activity is trading of preforms in the Sultanate of Oman as a limited liability company.

The consolidated financial statements include the results of operations and financial position of the Parent Company and its subsidiary (collectively referred to as "the Group").

2 Basis of preparation

(a) Statement of compliance

These separate and consolidated financial statements have been prepared in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board (IASB) and the applicable provisions of the Commercial Companies Law (CCL) and Regulations (CCR) of the Sultanate of Oman and the relevant disclosure requirements issued by the Financial Services Authority (FSA).

(b) Basis of presentation

The separate and consolidated financial statements have been prepared under the historical cost convention and going concern assumption [also refer Note 2(a)] except for certain assets and liabilities which are stated at their fair values as required by the IFRS. The preparation of separate and consolidated financial statements is in conformity with IFRS that requires the use of certain critical accounting estimates. It also requires management to exercise judgment in the process of applying the Parent Company's and the Group's accounting policies.

(c) Functional currencies

The separate and consolidated financial statements are presented in Omani Rials (﷮) which is the functional and reporting currency of the Parent Company and the Group.

3 Adoption of new and revised IFRS

a) Standards, amendments and interpretations effective and adopted in the annual period beginning on or after 1 January 2025

The following amendment to existing standards are effective for the reporting period beginning on or after 1 January 2025:

Standard or Interpretation	Title
Amendment to IAS 21	Lack of Exchangeability (Amendment to IAS 21-The Effects of Changes in Foreign Exchange Rates)

Lack of Exchangeability (Amendment to IAS 21-The Effects of Changes in Foreign Exchange Rates)

On 15 August 2023, the IASB issued Lack of Exchangeability which amended IAS 21-The Effects of Changes in Foreign Exchange Rates (the Amendments).

The Amendments introduce requirements to assess when a currency is exchangeable into another currency and when it is not. The Amendments require an entity to estimate the spot exchange rate when it concludes that a currency is not exchangeable into another currency. The Amendments also introduce additional disclosure requirements when an entity estimates a spot exchange rate because a currency is not exchangeable into another currency.

These amendments have no effect on the separate and consolidated financial statements of the Parent Company and the Group.

b) Standards, amendments and interpretations issued but not yet effective

The following new/amended accounting standards and interpretations have been issued by IASB that are effective in future accounting periods and the Parent Company and the Group has decided not to adopt early.

Standard or Interpretation	Title	Effective for annual periods beginning on or after
Amendments to IFRS 9	Amendments to the Classification and Measurement of Financial Instruments	1 January 2026
Amendments to IFRS 9	Contracts Referencing Nature-dependent Electricity	1 January 2026
IFRS 18	Presentation and Disclosure in Financial Statements	1 January 2027
IFRS 19	Subsidiaries without Public Accountability: Disclosures	1 January 2027

The Parent Company and the Group are currently assessing the effect of these new accounting standards and amendments.

IFRS 18 Presentation and Disclosure in Financial Statements, which was issued by the IASB in April 2024 supersedes IAS 1 and will result in major consequential amendments to IFRS Accounting Standards including IAS 8 Basis of Preparation of Financial Statements (renamed from Accounting Policies, Changes in Accounting Estimates and Errors). Even though IFRS 18 will not have any effect on the recognition and measurement of items in the financial statements, it is expected to have a significant effect on the presentation and disclosure of certain items. These changes include categorisation and sub-totals in the statement of profit or loss, aggregation/disaggregation and labelling of information, and disclosure of management-defined performance measures.

4 Material accounting policy information

Material accounting policies adopted in the preparation of these financial statements is set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

a) Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Parent Company and its subsidiary up to the reporting date. Control is achieved where the Parent Company has the power over the investee, is exposed or has rights to variable returns from its involvement with the investee and has the ability to use its power to affect its returns.

Non-controlling interests are presented in the consolidated statement of financial position within shareholders' equity, separate from the equity attributable to the shareholders. Non-controlling interests are separately disclosed in the consolidated statement of profit or loss and other comprehensive income. Non-controlling interest are measured at their proportionate share of the acquiree's identifiable net assets at the date of acquisition.

Where necessary, adjustments are made to the financial statements of the subsidiary to bring the accounting policies used in line with those used by the Parent Company.

All inter-company transactions, balances and gains or losses on transactions between the Parent Company and its subsidiary are eliminated as part of the consolidation process.

b) Subsidiaries

Subsidiaries are all entities over which the Parent Company has significant control. The Parent Company controls an entity when it is exposed to or has rights to variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity.

The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the Parent Company controls another entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases.

The acquisition method of accounting is used to account for the acquisition of subsidiaries by the Group. The cost of an acquisition is measured as the fair value of the assets given, equity instruments issued and liabilities incurred or assumed at the date of exchange, plus costs directly attributable to the acquisition. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date, irrespective of the extent of any minority interest. The excess of the cost of acquisition over the fair value of the Group's share of the identifiable net assets acquired is recorded as goodwill.

Inter-Group transactions, balances and unrealised gains on transactions between group companies are eliminated. Unrealised losses are also eliminated. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

If the business combination is achieved in stages, the acquisition date carrying value of the acquirer's previously held equity interest in the acquiree is re-measured to fair value at the acquisition date; any gains or losses arising from such remeasurement are recognised in profit or loss.

Any contingent consideration to be transferred by the Parent Company is recognised at fair value at the acquisition date. Subsequent changes to the fair value of the contingent consideration that is deemed to be an asset or liability is recognised either in profit or loss or as a charge to other comprehensive income. Contingent consideration that is classified as equity is not re-measured, and its subsequent settlement is accounted for within equity.

Transactions with non-controlling interests that do not result in loss of control are accounted for as equity transactions - that is, as transactions with the owners in their capacity as owners. The difference between fair value of any consideration paid and the relevant share acquired of the carrying value of net assets of the subsidiary is recorded in equity. Gains or losses on disposals to non-controlling interests are also recorded in equity.

When the Parent Company ceases to have control, any retained interest in the entity is re-measured to its fair value at the date when control is lost, with the change in carrying amount recognised in profit or loss. The fair value is the initial carrying amount for the purposes of subsequently accounting for the retained interest as an associate, joint venture or financial asset. In addition, any amounts previously recognised in other comprehensive income in respect of that entity are accounted for as if the Parent Company had directly disposed of the related assets or liabilities. This may mean that amounts previously recognised in other comprehensive income are reclassified to profit or loss.

In separate financial statements, the investment in subsidiary is carried at cost less impairment, if any.

c) Property, plant and equipment

Property, plant and equipment are stated at historical cost less accumulated depreciation and impairment losses. The cost of property, plant and equipment is their purchase price together with any incidental expenses that are directly attributable to the acquisition of the item. Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Parent Company or the Group and the cost of the item can be measured reliably. All other repairs and maintenance are charged to the separate and consolidated statement of profit or loss during the financial year in which they are incurred.

Depreciation is calculated in accordance with the straight-line method to write-off the cost of each asset to its estimated residual value over its useful economic life.

The cost of property, plant and equipment is written-down to its residual value in equal installments over the estimated useful lives of the assets. The estimated useful lives are as follows:

	Years
Buildings on leasehold land	20
Plant and machinery	4 - 20

Furniture, fixtures and other equipment	3 - 5
Motor vehicles	3 - 4

The residual value, useful life and depreciation method are reviewed at each financial year-end and adjusted prospectively, if appropriate. Repairs and renewals are charged to profit or loss when the expenditure is incurred.

Gains and losses on disposal of property, plant and equipment are determined by reference to their carrying amount and are taken into account in determining net profit or loss.

When significant parts of property, plant and equipment are required to be replaced at intervals, the Parent Company and the Group recognises such parts as individual assets with specific useful lives and depreciation, respectively. Likewise, when a 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.

d) Capital work-in-progress

Capital work-in-progress includes expenditure on improvements to the production facilities. Capital work-in-progress is stated at cost including capital advances incurred up to the date of the separate and consolidated statement of financial position and is not depreciated. Depreciation on capital work-in-progress commences when the assets are ready for their intended use.

e) Financial instruments

Financial instruments are recognised when the Parent Company or the Group becomes a party to the contractual provisions of the instrument. 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.

[A] Financial assets

The Parent Company and the Group determines the classification of its financial assets at initial recognition. The classification depends on the business model for managing the financial assets and the contractual terms of the cash flows.

(i) Classification

The financial assets are classified in the following measurement categories:

- a) those to be measured subsequently at fair value (either through other comprehensive income, or through profit or loss); and
- b) those to be measured at amortized cost.

For assets measured at fair value, gains and losses will either be recorded in profit or loss or other comprehensive income.

(ii) Measurement

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

The Parent Company and the Group has classified fair value measurements on a recurring basis using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

- quoted prices (unadjusted) in active markets for identical assets or liabilities (Level 1);
- 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 2); and
- inputs for the asset or liability that are not based on observable market data (unobservable inputs) (Level 3).

Debt instruments

Subsequent measurement of debt instruments depends on the Parent Company and the Group's business model for managing the asset and the cash flow characteristics of the asset. The Parent Company and the Group classifies debt instruments at amortised cost based on the below:

- a) the asset is held within a business model with the objective of collecting the contractual cash flows; and
- b) the contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal outstanding.

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 Effective Interest Rate (EIR).

(iii) De-recognition of financial assets

The Parent Company and the Group derecognises a financial asset when the contractual rights to the cash flows from the assets expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party. If the Parent Company and the Group neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Parent Company and the Group recognises its retained interest in the asset and associated liability for amounts it may have to pay. If the Parent Company and the Group retains substantially all the risks and rewards of ownership of the transferred financial asset, the Parent Company and the Group continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

(iv) Impairment of financial assets

The Parent Company and the Group applies Expected Credit Loss (ECL) model for measurement and recognition of impairment loss on the financial assets. ECL are the probability-weighted estimate of credit losses (i.e. present value of all cash shortfalls) over the expected life of the financial asset. A cash shortfall is the difference between the cash flows that are due in accordance with the contract and the cash flows that the Parent Company and the Group expects to receive. The ECL considers the amount and timing of payments and, hence, a credit loss arises even if the Parent Company and the Group expects to receive the payment in full but later than when contractually due. The ECL method requires assessing credit risk, default and timing of collection since initial recognition. This requires recognising allowance for ECL in profit or loss even for receivables that are newly originated or acquired.

Impairment of financial assets is measured as either 12 months ECL or life time ECL, depending on whether there has been a significant increase in credit risk since initial recognition. '12 months ECL' represents the ECL resulting from default events that are possible within 12 months after the reporting date. 'Lifetime ECL' represent the ECL that result from all possible default events over the expected life of the financial asset.

Trade receivables are of a short-duration, normally less than 12 months and hence the loss allowance measured as lifetime ECL does not differ from that measured as 12 months ECL. The Parent Company and the Group uses the practical expedient in IFRS 9 for measuring ECL for trade receivables using a provisioning matrix based on aging of the trade receivables.

The Parent Company and the Group uses historical loss experience and derived loss rates based on the past three years and adjusts the historical loss rates to reflect the information about current conditions and reasonable and supportable forecasts of future economic conditions. The loss rates differ based on the aging of the amounts that are past due and are generally higher for those with the higher aging.

(v) Income recognition
Interest income

For all financial instruments measured at amortised cost and interest bearing financial assets, interest income is recognised using the EIR, which is the rate that discounts the estimated future cash receipts through the expected life of the financial instrument or a shorter period, where appropriate, to the net carrying amount of the financial asset.

When a loan or receivable is impaired, the Parent Company and the Group reduces the carrying amount to its recoverable amount, being the estimated future cash flows discounted at the original EIR of the instrument, and continues unwinding the discount as interest income. Interest income on impaired financial assets is recognised using the original EIR.

[B] Financial liabilities

The Parent Company and the Group determines the classification of its financial liabilities at initial recognition. The classification depends on the business model for managing the financial liabilities and the contractual terms of the cash flows.

(i) Classification

The financial liabilities are classified in the following measurement categories:

- a) those to be measured as financial liabilities at fair value through profit or loss; and
- b) those to be measured at amortized cost.

(ii) Measurement

All financial liabilities are recognized initially at fair value. Financial liabilities accounted at amortised cost like borrowings are accounted at the fair value determined based on the EIR method after considering the directly attributable transaction costs.

The Parent Company and the Group classifies all its financial liabilities subsequently at amortised cost, except for financial liabilities at fair value through profit or loss. Such liabilities, including derivatives that are liabilities, are subsequently measured at fair value.

The EIR method calculates the amortised cost of a debt instrument by allocating interest charged over the relevant EIR period. The EIR is the rate that exactly discounts estimated future cash outflows (including all fees and points paid or received that form an integral part of the EIR, transaction costs and other premiums or discounts) through the expected life of the debt instrument, or, where appropriate, a shorter period, to the net carrying amount on initial recognition. The Group's financial liabilities comprise trade and other payables, lease liabilities, term loans, bank borrowings, non-convertible bonds, loans from related parties and due to subsidiary.

(iii) Derecognition of financial liabilities

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 a derecognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognised in the profit or loss.

f) Impairment of non-financial assets

The carrying amount of the Parent Company's and the Group's assets or its cash generating unit, other than financial assets, are reviewed at each separate and consolidated statement of financial position date to determine whether there is any indication of impairment. A cash generating unit is the smallest identifiable asset that generates cash flows that largely are independent from other assets. If any such indication exists, the asset's recoverable amount is estimated. The recoverable amount of an asset or a cash generating unit is the greater of its value-in-use or fair value less costs to sell. An impairment loss is recognised whenever the carrying amount of an asset or its cash generating unit exceeds its estimated recoverable amount. Impairment losses are recognised in the profit or loss. Impairment losses are reversed only if there is an indication that the impairment loss may no longer exist and there has been a change in the estimates used to determine the recoverable amount.

g) Inventories

Inventories are valued at the lower of cost and net realisable value. Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and selling expenses. Cost is determined by the weighted average method and includes expenditure incurred in acquiring the inventories and bringing them to their existing location and condition. In respect of finished goods, costs comprise of raw material costs and proportionate direct expenses. Provision is made, where necessary, for slow and non-moving inventories.

h) Intangible assets

Intangible assets are initially recognised at cost and subsequently amortised on a straight-line basis over their useful economic lives, which is not expected to exceed four years. Amortisation expense is recognised in the separate and consolidated statement of profit or loss. The carrying amount of each intangible asset is reviewed annually and adjusted for permanent impairment where it is considered necessary.

i) Cash and cash equivalents

For the purposes of the separate and consolidated statement of cash flows, cash and cash equivalents comprise cash on hand and bank balances, net of bank overdrafts. Bank overdrafts are shown as part of current liabilities in the separate and consolidated statement of financial position.

j) Provisions

Provisions are recognised when the Parent Company or the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that the Parent Company or the Group will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation. The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting year, taking into account the risks and uncertainties surrounding the obligation. Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows.

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognised as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

k) Employees' benefit liabilities

In respect of Omani employees, contributions are made in accordance with the Oman Social Protection Law and recognised as an expense in 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.

l) Revenue from contracts with customers

The Parent Company and the Group earns revenue from manufacturing and selling natural mineral water and trading in other beverages and confectionary items and preforms in the Sultanate of Oman.

Revenue from contracts with customers is recognised at a point-in-time, when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the Parent Company and the Group expects to be entitled in exchange for those goods, the recovery of the consideration is probable and there is no unfulfilled obligation that could affect the customer's acceptance of the product.

In determining the transaction price for the sale of goods, the Parent Company and the Group considers the effects of variable consideration, the existence of significant financing components, non-cash consideration, and consideration payable to the customer (if any).

The cost of incentives, if any, is calculated on actual sales on the agreed amount that will ultimately be paid and is recognised as a reduction to revenue at the time of the sale.

Volume rebates

The Parent Company and the Group provide retrospective volume rebates to certain customers once the quantity of products purchased during the period exceeds a threshold specified in the contract. Rebates are offset against amounts payable by the customer. The Parent Company and the Group recognise expenses related to the rebates under sales and marketing expenses. To estimate the variable consideration for the expected future rebates, the Parent Company and the Group applies the most likely amount method for contracts with a single-volume threshold and the expected value method for contracts with more than one volume threshold. The selected method that best predicts the amount of variable consideration is primarily driven by the number of volume thresholds contained in the contract.

m) Other income

Other income is accounted for on the accruals basis, unless collectability is in doubt.

n) Directors' remuneration

The Parent Company follows the Commercial Companies Law of the Sultanate of Oman, and other latest relevant directives issued by the FSA, in regard to determination of the amount to be paid as Directors' remuneration. Directors' remuneration is charged to the separate and consolidated statement of profit or loss in the year to which they relate.

o) Operating segments

A segment is a distinguishable component of the Group that is engaged in providing products or services (business segment) or in providing products or services within a particular economic environment (geographical segment) whose operating results are regularly reviewed by the Group's General Manager, which is subject to risks and rewards that are different from those of other segments.

p) Foreign currencies transactions

Foreign currency transactions are accounted for at the rates of exchange prevailing at the dates of the transactions. Gains and losses resulting from the settlement of such transactions and from the translation, at the year-end rates, of monetary assets and liabilities denominated in foreign currencies, are recognised in the separate and consolidated statement of profit or loss and other comprehensive income. Monetary assets and liabilities denominated in foreign currencies are translated at the rates of exchange prevailing at the end of the year. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the date when the carrying value was determined.

q) Income tax

Taxation is provided in accordance with the Omani fiscal regulations. Taxation for the year comprises current and deferred tax. Current tax is the expected tax payable on the net taxable income for the year, using tax-rates enacted or substantively enacted at the end of the reporting period.

Deferred income tax is provided on all temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts. Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply in the period when the asset is realised or the liability is settled, based on tax laws that have been enacted at the reporting date. Deferred income tax assets are recognised for all deductible temporary differences, carry-forward of unused tax credits and unused tax losses, to the extent that it is probable that taxable profit will be available, against which the deductible temporary differences and the carry-forward of unused tax credits and unused tax losses can be utilised.

The carrying amount of deferred income tax assets are reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilised.

r) Determination of fair values

A number of the Parent Company's and the Group's accounting policies and disclosures require the determination of fair value, for both financial and non-financial assets and liabilities. Fair value is the amount for which an asset could be exchanged or a liability settled between knowledgeable, willing parties in an arm's length transaction. Fair values have been determined for measurement and/or disclosure purposes based on certain methods. When applicable, further information about the assumptions made in determining fair values is disclosed in the notes specific to that asset or liability.

s) Leases - the Parent Company and the Group as a lessee

The Parent Company and the Group assess whether a contract is or contains a lease, at the inception of the contract. The Parent Company and the Group recognise a right-of-use asset and a corresponding lease liability with respect to all lease arrangements in which it is the lessee, except for short-term leases (defined as leases with a lease term of 12 months or less) and leases of low-value assets. For these leases, the Parent Company and the Group recognise the lease payments as an operating expense on a straight-line basis over the term of the lease unless another systematic basis is more representative of the time pattern in which economic benefits from the leased assets are consumed.

t) Dividend

The Board of Directors recommend to the shareholders the dividend to be paid out of the Parent Company or the Group's net profits. The Directors take into account appropriate parameters including requirements of the Commercial Companies Law of the Sultanate of Oman while recommending dividend.

u) Earnings per share

The Parent Company and the Group present basic 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 Parent Company and the Group by the weighted average number of ordinary shares outstanding during the year.

v) Net assets per share

The Parent Company and the Group present net assets per share for its ordinary shares. Net assets per share is calculated by dividing the net assets as at the period-end by the number of shares outstanding at the period-end.

5 Critical accounting estimates and key source of estimation uncertainty

Preparation of separate and consolidated financial statements in accordance with IFRS Accounting Standards requires the Parent Company's and Group'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 separate and consolidated financial statements, and the reported amounts of revenue and expenses during the reporting period. The determination of estimates require judgments which are based on historical experience, current and expected economic conditions, and all other available information. Actual results could differ from those estimates. The most significant areas requiring the use of management estimates and assumptions in these separate and consolidated financial statements relate to:

i) Impairment reviews

IFRS Accounting Standards requires management to undertake an annual test for impairment of indefinite lived assets and, for finite lived assets, to test for impairment if events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. Impairment testing is an area involving management judgment, requiring inter alia an assessment as to whether the carrying value of assets can be supported by the net present value of future cash flows derived from such assets using cash flow projections which have been discounted at an appropriate rate. In calculating the net present value of the future cash flows, certain assumptions are required to be made in respect of highly uncertain matters including management's expectations of:

- a) growth in earnings before interest, tax, depreciation and amortisation (EBITDA), calculated as adjusted operating profit before depreciation and amortisation;
- b) timing and quantum of future capital expenditure;
- c) long-term growth rates; and
- d) selection of discount rates to reflect the risks involved.

Changing the assumptions selected by management, in particular the discount rate and growth rate assumptions used in the cash flow projections, could significantly affect the Parent Company's and Group's impairment evaluation and hence results.

ii) Economic useful lives of property, plant and equipment

The Parent Company's and Group's property, plant and equipment are depreciated on a straight-line basis over their economic useful lives. The economic useful lives of property, plant and equipment are reviewed periodically by management. The review is based on the current condition of the assets and the estimated period during which they will continue to bring economic benefit to the Parent Company and the Group.

iii) Impairment of inventories

Inventories are stated at the lower of cost and net realisable value. When inventories become old or obsolete, an estimate is made of their net realisable value. For individually significant amounts, this estimation is performed on an individual basis. Amounts which are not individually significant, but which are old or obsolete, are assessed collectively and a provision applied according to the inventory type and the degree of aging or obsolescence, based on historical selling prices.

iv) Impairment losses on trade receivables

Trade receivables are stated at their amortised cost as reduced by appropriate provision for ECL for estimated irrecoverable amounts. Estimated irrecoverable amounts are based on the aging of the trade receivable balances and historical experience adjusted appropriately for the future expectations. Individual trade receivables are written-off when management deems them not to be collectible.

v) Going concern

The management of the Parent Company and the Group reviews the financial position of the Parent Company and the Group on a periodical basis and assesses the requirement of any additional funding to meet the working capital requirements and estimated funds required to meet the liabilities as and when they become due. In addition, the shareholders of the Parent Company and the Group ensure that they provide adequate financial support to fund the requirements of the the Parent Company and the Group to ensure the going concern status of the Company (Note 2).

vi) Contingencies

By their nature, contingencies will only be resolved when one or more future events occur or fail to occur. The assessment of such contingencies inherently involves the exercise of significant judgment and estimates of the outcome of future events.

vii) Taxation

Uncertainties exist with respect to the interpretation of tax regulations and the amount and timing of future taxable income. Given the wide range of business relationships and nature of the existing contractual agreements, differences arising between the actual results and the assumptions made, or future changes to the assumptions, could necessitate future adjustments to taxable income and expenses already recorded. The Parent Company and the Group establishes provisions, based on reasonable estimates, for possible consequences of finalisation of tax assessments of the Parent Company and the Group. The amount of such provisions is based on various factors, such as experience of previous tax assessments and differing interpretations of tax regulations by the taxable entity and the responsible Tax Authority.

viii) Fair value measurements

A number of assets and liabilities included in the Parent Company's and Group's separate and consolidated financial statements require measurement at, and/or disclosure of, fair value. The fair value measurement of the Group's and the Parent Company's financial and non-financial assets and liabilities utilises market observable inputs and data as far as possible. The classification of an item into the level 1, level 2 and level 3 hierarchy is based on the lowest level of the inputs used that has a significant effect on the fair value measurement of the item. Transfers of items between levels are recognised in the period they occur.

6 Property, plant and equipment

Parent Company	Buildings on leasehold land	Plant and machinery	Furniture, fixtures and other equipment	Motor vehicles		Total
Cost						
At 1 January 2026	768,567	5,746,983	953,656	156,398	-	7,625,604
Additions during the year	-	-	-	-	-	-
Transfers during the year	-	-	10,351	-	-	-
Relating to disposals	-	-	-	-	-	-
					-	
At 31 March 2026	768,567	5,746,983	964,007	156,398		7,635,955
Accumulated depreciation						
At 1 January 2026	686,328	4,009,790	887,426	156,398	-	5,739,942
Charge for the year	752	49,909	4,591	-	-	55,252
Relating to disposals	-	-	-	-	-	-
					-	
At 31 March 2026	687,080	4,059,699	892,017	156,398		5,795,194
Net book amount						
At 31 March 2026	81,487	1,687,284	71,990	-	-	1,840,761

6 Property, plant and equipment

Group Company	Buildings on leasehold land	Plant and machinery	Furniture, fixtures and other equipment	Motor vehicles	Capital work-in-progress	Total
Cost						
At 1 January 2026	768,567	5,746,983	953,656	156,398	-	7,625,604
Additions during the year	-	-	-	-	-	-
Written-off during the year	-	-	10,351	-	-	10,351
At 31 March 2026	768,567	5,746,983	964,007	156,398	-	7,635,955
Accumulated depreciation						
At 1 January 2026	686,328	4,009,790	887,426	156,398	-	5,739,942
Charge for the year	752	49,909	4,591	-	-	55,252
Relating to disposals	-	-	-	-	-	-
At 31 March 2026	687,080	4,059,699	892,017	156,398	-	5,795,194
Net book amount						
At 31 March 2026	81,487	1,687,284	71,990	-	-	1,840,761

7	a)	Right-of-use assets		<u>Parent Company</u>		<u>Group</u>	
			-	-	-	-	-
			<u>31.03</u>		<u>31.0</u>	<u>31.0</u>	<u>31.03</u>
			<u>.2026</u>		<u>3.20</u>	<u>3.20</u>	<u>.2025</u>
					<u>25</u>	<u>26</u>	
			<u>RO</u>	-	<u>RO</u>	<u>RO</u>	<u>RO</u>
		Cost	-				
		At 1 January	-				
				319,1	280,	319,	280,4
				73	450	173	50
		Additions during the year					
			-		-	-	-
			-----		-----	-----	-----
			----		----	----	----
		At 31 March	-				
				319,1	280,	319,	280,4
				73	450	173	50
				=====	=====	=====	=====
				==	==	==	==
		Accumulated amortisation					
		At 1 January	-				
				243,5	146,	243,	146,0
				45	058	545	58
		Charge for the period to:					
		Cost of revenue (Note 19)		3,725	827	3,72	827
						5	
		Selling and distribution expenses (Note 20)					
			-		-	-	-
			-----		-----	-----	-----
			----		----	----	----
		At 31 March	-				
				247,2	146,	247,	146,8
				69	885	269	85
				=====	=====	=====	=====
				==	==	==	==
		Net book value	-				
		At 31 March	-				
				71,90	133,	71,9	133,5
				4	565	04	65
				=====	=====	=====	=====
				==	==	==	==
			-				
				-		-	-
			-				
			-				
			-				
	b)	Lease liabilities		<u>Parent Company</u>		<u>Group</u>	
			-	-	-	-	-
			<u>31.03</u>		<u>31.0</u>	<u>31.0</u>	<u>31.03</u>
			<u>.2026</u>		<u>3.20</u>	<u>3.20</u>	<u>.2025</u>

		<u>25</u>	<u>26</u>		
	<u>RO</u>	<u>RO</u>	<u>RO</u>	<u>RO</u>	<u>RO</u>
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
At 1 January	-				
	84,43	144,	84,4	144,1	
	1	175	31	75	
Add: movement in lease liabilities	-	-	-	-	-
Add: interest expense (Note 27)	1,454	917	1,45	917	
			4		
Less: lease payments	(9,30	(1,50	(9,30	(1,50	
	0)	0)	0)	0)	
	-----	-----	-----	-----	
	----	----	----	----	
At 31 March	-				
	76,58	143,	76,5	143,5	
	5	592	85	92	
	=====	=====	=====	=====	
	==	==	==	==	
Current portion	-				
	13,71	90,0	13,7	90,09	
	9	92	19	2	
Non-current portion					
	62,86	53,5	62,8	53,50	
	6	00	66	0	
	-----	-----	-----	-----	
	----	----	----	----	
At 31 March	-				
	76,58	143,	76,5	143,5	
	5	592	85	92	
	=====	=====	=====	=====	
	==	==	==	==	

The right-of-use assets and lease liabilities pertain to the long-term leases relating to the Parent Company's warehouse facility located in Wadi Tanuf, Sultanate of Oman, warehouse in Duqm and leased vehicles. The warehouse land in Nizwa and Duqm has been leased from a third party under an agreement that expires in March 2029 and 30 June 2027. The lease liability has been measured by discounting the remaining lease payments using the Parent Company and Group's incremental borrowing rate of 8% per annum at the commencement date.

The Parent Company's and the Group's factory building located in Wadi Tanuf is constructed on land leased from the Ministry of Awkaf and Religious Affairs under a lease agreement expiring on 31 December 2025. Management has assessed that the lease

arrangement is renewable on an annual basis and that renewal is reasonably certain. Accordingly, for the purpose of measuring the lease liability and right-of-use asset in accordance with IFRS 16, the lease term has been determined to extend until 2039. The lease liability has been measured by discounting the remaining lease payments using the Group's incremental borrowing rate of 6.5% per annum at the commencement date.

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(Expressed in Omani Rial)

8 Intangible asset

		<u>Parent Company</u>		<u>Group</u>	
		<u>31.03</u>	<u>31.0</u>	<u>31.0</u>	<u>31.03</u>
		<u>.2026</u>	<u>3.20</u>	<u>3.20</u>	<u>.2025</u>
			<u>25</u>	<u>26</u>	
Cost		<u>RO</u>	<u>RO</u>	<u>RO</u>	<u>RO</u>
At 1 January		29,18	29,1	29,1	29,18
		9	89	89	9
Additions during the year		-	-	-	-
		-----	-----	-----	-----
		-----	-----	-----	-----
At 31 March		29,18	29,1	29,1	29,18
		9	89	89	9
		=====	=====	=====	=====
		==	==	==	==
Accumulated amortisation					
At 1 January		29,18	25,2	29,1	25,26
		9	64	89	4
Charge for the period		-	1,82	-	1,824
		-----	4	-----	-----
		-----	-----	-----	-----
At 31 March		29,18	27,0	29,1	27,08
		9	88	89	8
		-----	-----	-----	-----
		-----	-----	-----	-----
Net book value					

-	2,101	-	2,101
=====	=====	=====	=====
==	==	==	==

The intangible asset pertains to the purchase of Sales Force handheld application, back-office application and services to deploy all the applications and softwares required to operate the system and is being amortised over a period of four years.

The Parent Company and the Group have performed an impairment testing of its intangible assets and have concluded that, no provision is considered necessary.

9 Investment in a subsidiary

Parent Company

	-	-
	<u>31.0</u>	<u>31.03</u>
	<u>3.20</u>	<u>.2025</u>
	<u>26</u>	
	<u>RO</u>	<u>RO</u>
National Distribution and Development Co. LLC (formerly knows as Valueddeal Trading LLC)	26,983	26,983
Less- Impairment of Investment in Subsidiary		-
	=====	=====
	==	==
	26,983	26,983

The Parent Company holds 95% of the share capital of National Distribution and Development Co. LLC (formerly known as Valueddeal Trading LLC). The investment in the subsidiary is stated at cost less impairment.

NATIONAL MINERAL WATER COMPANY SAOG AND ITS SUBSIDIARY

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31 MARCH 2026

(Expressed in Omani Rial)

[illegible]

	1,213 ,251	784, 296	1,21 3,58 4	784,6 29
Other receivables and prepayments				
	183,8 83	173, 260	183, 981	173,7 34
	----- -----	----- -----	----- -----	----- -----
	1,397 ,135	957, 556	1,39 7,56 6	958,3 63
	==== ====	==== ====	==== ====	==== ====
	-	-	-	-

(a Trade and other receivables at amortised cost are non-interest bearing and are generally on 60 to 90 days' credit terms. They are recognised at the original amounts which represents their fair values on initial recognition.

(b The maximum exposure to credit risk at the reporting date is the fair value of each class of receivable mentioned above. The Group and Parent Company do not hold any collateral as security.

(c Trade receivables of the Parent Company are subject to a charge in favour of the lenders against bank borrowings (note 16).

(d Expected credit losses (ECL)

)

The Group and Parent Company applies the IFRS 9 simplified approach to measure ECL using a lifetime ECL provision for trade receivables. To measure ECL on a collective basis, trade receivables are grouped based on similar credit risk and aging. The ECL rates are based on the Group's and Parent Company's historical credit losses experienced over the three -years period prior to the year-end. The historical losses are then adjusted for the current and forward-looking information on macro-economic factors affecting the Parent Company's and the Group's customers.

(E The movement in ECL allowance on trade receivables is as follows:

)

	<u>Parent Company</u>		<u>Group</u>	
	31.03 .2026	31.0 3.20 25	31.0 3.20 26	31.03 .2025
	<u>RO</u>	<u>RO</u>	<u>RO</u>	<u>RO</u>
	-	-	-	-
At 1 January	711,6 52	711, 652	711, 652	726,6 52
Provision for the year	-	12,0 00	-	12,00 0
Less: written-off during the year				

At 31 March

-	-	-	-
-----	-----	-----	-----
-----	-----	-----	-----
711,652	723,652	711,652	738,652
=====	=====	=====	=====
=====	=====	=====	=====

NATIONAL MINERAL WATER COMPANY SAOG AND ITS SUBSIDIARY

NOTES TO THE SEPARATE AND CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 MARCH 2026
(Expressed in Omani Rial)

1 Bank balances and cash

	Parent	Parent		
	<u>Com</u>	<u>Com</u>	<u>Grou</u>	<u>Grou</u>
	<u>pany</u>	<u>pany</u>	<u>p</u>	<u>p</u>
	31.03	31.0	31.0	31.03
	.2026	3.20	3.20	.2025
		25	26	
	<u>RO</u>	<u>RO</u>	<u>RO</u>	<u>RO</u>
	-	-	-	-
Cash & cash equivalents	39,301	96,137	39,602	96,439
	-----	-----	-----	-----
	----	----	----	----
	39,301	96,137	39,602	96,439
	=====	=====	=====	=====
	=====	=====	=====	=====
	-	-	-	-

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

1 Investments at fair value through profit or loss

	Parent Company	Group		
	31.03	31.0	31.0	31.03
	.2026	3.20	3.20	.2025
		26	26	
	<u>Fair</u>	Costs	<u>Fair</u>	<u>Fair</u>
	<u>value</u>		<u>valu</u>	<u>Costs</u>
			<u>e</u>	

Investment in				
BM Money	2,032	2,03	2,03	2,032
Market Fund	,231	2,23	2,23	,231
		1	1	

(a	The movement in investments at fair value through profit or	Parent Company	Group	
)	loss is as follows :			
		31.03	31.0	31.0
		.2026	3.20	3.20
			26	26
	Purchases during			
	the period (at	2,510	2,51	2,51
	cost)	,000	0,00	0,00
			0	0
	Redemptions during			
	the period	(500,	(500,	(500,
		000)	000)	000)
	Fair value gains			
	(interest income)	22,23	22,2	22,2
	for the period	1	31	31
	Closing balance			
		2,032	2,03	2,03
		,231	2,23	2,23
			1	1

1 Share capital and share premium

4

(a Share capital

)

The Parent Company's authorised, issued and fully paid-up share capital comprises of 27,003,040 (2023: 27,003,040 shares) ordinary shares of RO 0.100 each (2023: RO 0.100 each).

At the end of the reporting period, shareholders who own 5% or more of the Parent Company's share capital and the number of shares they hold are as follows:

Name of shareholders	31.03.2026		31.03.2025	
	<u>Shareholding</u>		<u>Shareholding</u>	
	<u>%</u>	<u>No. of Shares</u>	<u>%</u>	<u>No. of Shares</u>
The heirs of Late Sayyid Hamad bin Hamoud bin Hamad Al Busaidi	40.69 %	10,988,840	40.6 9%	10,988,840
Sabco LLC	15.92 %	4,29	15.9 2%	4,298

		8,579		,579
The heirs of Late Sayyid Sami bin Hamad bin Hamoud Bin Hamad Al Busaidi	15.19 %	4,101,221	15.1 9%	4,101,221
Qais Omani Establishment	6.31 %	1,703,309		
Mustahil Ahmed Ali Al Maashani	-	-	6.31 %	1,703,309
Saleh Mohammed Talib Al Zakwani	5.00 %	1,350,160	5.00 %	1,350,160
	-----	-----	-----	-----
	----	-----	----	-----
		----		----
	83.11 %	22,442,109	83.1 1%	22,442,109
	-----	-----	-----	-----
	----	-----	----	-----
		--		----

(b Share premium
)

The share premium is the amount subscribed to the share capital in excess of the nominal value. The share premium is stated net of share issuance costs.

The Parent Company made a rights issue of 8,000,000 equity shares of RO 0.100 per share at a premium of RO 0.025 per share in the year 2008 . Issue expenses amounted to RO 0.002 per share. Out of the 8,000,000 equity shares, 6,632,752 shares were subscribed. The share premium represents RO 0.025 per share received, less issue expenses.

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**1 Legal reserve
5**

In accordance with the provisions of the Commercial Companies Law of the Sultanate of Oman, annual appropriations of 10% of the net profit are made to this reserve until the accumulated balance of the reserve is equal to one-third of the Parent Company's issued and fully paid-up share capital. This reserve is not available for distribution.

**1 Employees' end of service benefits
6**

Movement in expatriate employees' end of service benefits:

	<u>Parent Company</u>		<u>Group</u>	
	31.03	31.0	31.0	31.03
	.2026	3.20	3.20	.2025
		25	26	
	<u>RO</u>	<u>RO</u>	<u>RO</u>	<u>RO</u>
	-		-	
At 1 January	203,7	191,	203,	191,5
	08	531	708	31
Recognized during the period	8,581	8,17	8,58	8,170
		0	1	
Paid during the period	(7,81	(3,35	(7,81	(3,35
	6)	8)	6)	8)
	-----	-----	-----	-----
	----	----	----	----
At 31 March	204,4	196,	204,	196,3
	73	343	473	43
	=====	=====	=====	=====
	==	==	==	==

1 Bank borrowings
7

	<u>Parent Company</u>		<u>Group</u>	
	31.03	31.0	31.0	31.03
	.2026	3.20	3.20	.2025
		25	26	
	<u>RO</u>	<u>RO</u>	<u>RO</u>	<u>RO</u>
	-		-	
Non-current portion				
Term loan	243,1	231,	243,	231,1
	81	132	181	32
	-----	-----	-----	-----
	-----	----	----	----
	243,1	231,	243,	231,1
	81	132	181	32
	=====	=====	=====	=====
	===	==	==	==
Current portion				
Bank overdraft	892,5	1,09	892,	1,090
	53	0,60	854	,605
		5		

Loan against trust receipts	736,985	771,236	736,985	771,236
Bills Discounting	211,977	468,917	211,977	468,917
Short Term Loan	-	181,668	-	181,668
	-----	-----	-----	-----
	-----	-----	-----	-----
	-		-	
	1,841,515	2,512,426	1,841,515	2,512,426
	=====	=====	=====	=====
	=====	=====	=====	=====

1 Trade and other payables
8

Parent Company		Group	
31.03.2026	31.03.2025	31.03.2026	31.03.2025
RO	RO	RO	RO
1,748,866	1,783,185	1,748,866	1,783,185
136,134	117,144	136,134	117,144
354,236	328,236	354,236	328,236
-----	-----	-----	-----
2,239,236	2,228,942	2,239,236	2,228,942
=====	=====	=====	=====
===	===	===	===

1 Revenue
9

The company's income from operation represents revenue from contract with customers by transfer of goods at a point in time in the following geographical region and product line.

a) Primary geographicaly region

	<u>Parent Company</u>		<u>Group</u>	
	31.03	31.0	31.0	31.03
	.2026	3.20	3.20	.2025
		25	26	
	<u>RO</u>	<u>RO</u>	<u>RO</u>	<u>RO</u>
	-		-	
Sultanate of Oman				
	1,461	941,	1,46	941,5
	,745	556	1,74	56
			5	
	-----	-----	-----	-----
	-----	-----	-----	-----
	--	--	--	--

NATIONAL MINERAL WATER COMPANY SAOG AND ITS SUBSIDIARY

NOTES TO THE SEPARATE AND CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED
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(Expressed in Omani Rial)

2 Cost of Sales
0

2020	Cost of Sales	Parent Company		Group	
		31.03.2026	31.03.2025	31.03.2026	31.03.2025
		RO	RO	RO	RO
	Opening inventory of manufactured finished goods	84,422	100,670	84,422	100,670
	Material and traded goods consumed	756,551	291,531	756,551	291,531
	Salaries and employee related costs	108,565	100,002	108,565	100,002
	Depreciation	50,559	56,749	50,559	56,749
	Primary transportation	45,486	39,523	45,486	39,523
	Utilities	27,631	28,583	27,631	28,583
	Purchase of Water	18,688	7,168	18,688	7,168
	Repairs and maintenance	28,746	12,104	28,746	12,104
	Insurance premium				

	16,24 4	21,5 22	16,2 44	21,52 2
Consumables				
	6,862	4,83 7	6,86 2	4,837
Vehicle operating expenses				
	2,279	4,47 1	2,27 9	4,471
Communications				
	1,147	1,21 3	1,14 7	1,213
Amortisation of right-of-use asset				
	3,725	827	3,72 5	827
Inventory Writeoff				
	8,177	10,0 00	8,17 7	10,00 0
Other expenses				
	6,153	3,29 9	6,15 3	3,299
Less: Closing inventory of manufactured finished goods				
	(114, 183)	(82,5 92)	(114, 183)	(82,5 92)
	-----	-----	-----	-----
	-----	-----	-----	-----
	1,051 ,053	599, 907	1,05 1,05 3	599,9 07
	=====	=====	=====	=====
	=====	=====	=====	=====
	-	-	-	-

2 Selling and distribution expenses
1

	<u>Parent Company</u>	<u>Group</u>		
	31.03 .2026	31.0 3.20 25	31.0 3.20 26	31.03 .2025
	<u>RO</u>	<u>RO</u>	<u>RO</u>	<u>RO</u>
	-	-	-	-
Salaries and employee related costs				
	203,4 59	198, 150	203, 459	198,1 50
Distribution and vehicle operating expenses				
	177,1 55	160, 787	177, 155	160,7 87
Trade Marketing and Support Expenses				
	60,03 8	51,3 89	60,2 88	51,38 9
Depot Rent				

	39,900	38,100	39,900	38,100
Depreciation				
	1,735	2,308	1,735	2,308
Communications				
	3,672	3,002	3,672	3,002
Repairs and maintenance				
	2,198	2,361	2,198	2,361
Amortisation of intangible asset				
	-	108	-	108
Utilities				
	2,782	1,836	2,782	1,836
Printing & Stationery				
	1,475	1,474	1,475	1,474
Other expenses				
	3,104	18,023	3,104	18,023
	-----	-----	-----	-----
	-----	-----	-----	-----
	-	-	-	-
	495,516	477,538	495,766	477,538
	=====	=====	=====	=====
	=====	=====	=====	=====
	-	-	-	-

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31 MARCH 2026

(Expressed in Omani Rial)

2	General and administrative expenses	<u>Parent Company</u>	<u>Group</u>	
2				
		31.03.2026	31.03.2025	
		25	26	
	Salaries and employee related costs	99,497	99,497	59,337
	Consultancy Expenses	-	-	20,000
		-	-	0

Audit Fees		4,650	4,500	4,650	4,500
			0	0	
Legal and professional fees		3,340	2,153	3,340	2,153
			3	0	
Depreciation		2,856	3,421	2,856	3,421
			1	6	
Communications		875	2,476	875	2,476
			6		
IT expenses		4,805	3,126	4,805	3,126
			6	5	
Vehicle operating expenses		371	508	371	508
Other expenses		12,034	11,094	12,226	11,094
		-----	-----	-----	-----
		-----	-----	-----	-----
		128,428	106,615	128,620	106,615
		=====	=====	=====	=====
		=====	=====	=====	=====
		-	-	-	-
2 3	Other income	<u>Parent Company</u>		<u>Group</u>	
		31.03.2026	31.03.2025	31.03.2026	31.03.2025
		RO	RO	RO	RO
		-	-	-	-
Miscellaneous income		425	2,723	425	2,723
		-----	-----	-----	-----
		-----	-----	-----	-----
		425	2,723	425	2,723
			3		
		=====	=====	=====	=====
		=	=	=	=
2 4	Finance costs	<u>Parent Company</u>		<u>Group</u>	
		31.03	31.0	31.0	31.03

	.2026	3.20	3.20	.2025
	<u>RO</u>	<u>25</u> <u>RO</u>	<u>26</u> <u>RO</u>	<u>RO</u>
Interest on lease liabilities	1,454	917	1,454	917
Bond Interest Expense	81,195	-	81,195	-
Interest on bank borrowings	79,202	66,004	79,202	66,004
	-----	-----	-----	-----
	-----	-----	-----	-----
	161,851	66,921	161,851	66,921
	=====	=====	=====	=====
	=====	=====	=====	=====

2 Taxation

5

Income tax payable

<u>Parent Company</u>	<u>Group</u>
-	-
<u>31.03</u>	<u>31.03</u>
<u>.2026</u>	<u>.2025</u>
<u>RO</u>	<u>RO</u>
-	-
=====	=====
=	=

Tax charge for the year comprises:
Prior period tax

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(Expressed in Omani Rial)

2 Related party transactions

6

Related parties comprise the shareholders, directors, business entities in which they have the ability to control or exercise significant influence in financial and operating decisions and with senior management. The Group and the Parent Company have entered into transactions with entities related to the shareholders or directors in the ordinary course of business, who provide goods and render services to the Group and the Parent Company. The transactions are carried out on mutually agreed terms.

During the year the company entered in to following transactions with the related parties in the normal course of the business.

	<u>Parent Company</u>		<u>Group</u>	
	31.03	31.0	31.0	31.03
	.2026	3.20	3.20	.2025
		25	26	
	<u>RO</u>	<u>RO</u>	<u>RO</u>	<u>RO</u>
Sales to related parties	-		-	
a) Subsidiary				
Other related parties	-		-	-
	3,412	3,238	3,412	3,238
	-----	-----	-----	-----
	----	----	----	----
	3,412	3,238	3,412	3,238
	=====	=====	=====	=====
	==	==	==	==

Key management personnel compensation and Directors' expenses

b)		<u>Parent Company</u>		<u>Group</u>	
		31.03	31.0	31.0	31.03
		.2026	3.20	3.20	.2025
			25	26	
		<u>RO</u>	<u>RO</u>	<u>RO</u>	<u>RO</u>
Short-term employment benefits					
		57,778	46,914	57,778	46,914
End-of-service benefits					
		788	583	788	583
		-----	-----	-----	-----
		----	----	----	----
		58,565	47,497	58,565	47,497

=====

==

<u>Parent Company</u>		<u>Group</u>	
31.03	31.0	31.0	31.03
.2026	3.20	3.20	.2025
	25	26	
<u>RO</u>	-	<u>RO</u>	-

Directors' sitting fees

-

=====

==

<u>Parent Company</u>		<u>Group</u>	
31.03	31.0	31.0	31.03
.2026	3.20	3.20	.2025
	25	26	
<u>RO</u>	-	<u>RO</u>	-

Amount due from related parties

c)

Significant shareholders and related parties

18,80	16,3	18,8	16,31
5	16	05	6
-----	-----	-----	-----
----	--	----	-
18,80	16,3	18,8	16,31
5	16	05	6
			=====
=====	=====	=====	
==	=	==	

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Amount due to related parties

d)

<u>Parent Company</u>		<u>Group</u>	
31.03	31.0	31.0	31.03
.2026	3.20	3.20	.2025
	25	26	
<u>RO</u>	-	<u>RO</u>	-

NDDC	-	-	-	-	-
	27,028	27,448	-	-	-
Loan from Yumn Investment LLC	250,000	250,000	250,000	250,000	
Interest paid	(2,708)	-	(2,708)	-	
Interest accrued but unpaid	21,394	-	21,394	-	
Loan from Sabco LLC	250,000	250,000	250,000	250,000	
Interest paid	-	-	-	-	
Interest accrued but unpaid	14,896	-	14,896	-	
Amount due to related parties	560,610	527,448	533,582	500,000	
	=====	=====	=====	=====	
	=====	=====	=====	=====	
	==	==	==	==	
	-	-	-	-	

e) Amounts due from and to related parties are unsecured and carries interest rate at 6.5% p.a but have no fixed repayment terms.

2 Non-convertible bonds

7

Parent Company

Group

31.03	31.0	31.0	31.03
.2026	3.20	3.20	.2025
	25	26	
<u>RO</u>	<u>RO</u>	<u>RO</u>	<u>RO</u>

Non-convertible bonds

3,967,250	-	3,967,250	-
		0	
104,488	-	104,488	-
-----	-----	-----	-----
-----	-----	-----	-----

Accrued finance costs

4,071	-	4,07	-
,738		1,73	
		8	
=====	=====	=====	=====
=====	=====	=====	=====
==	==	==	==

On 3 December 2025, the Parent Company and the Group issued unsecured, non-convertible bonds comprising of 4,000,000 bonds having face value of A 1 each which are redeemable after 7 years from the date of issue and listed on Muscat Stock Exchange.

These bonds carry a coupon interest rate of 8% per annum, with an effective interest rate of 8.1% per annum, payable semi-annually.

The movement in non-convertible bonds is as follows:

	<u>Parent Company</u>		<u>Group</u>	
	31.03	31.0	31.0	31.03
	.2026	3.20	3.20	.2025
		25	26	
	RO	RO	RO	RO
Addition				
	4,000	-	4,00	-
	,000		0,00	
			0	
Less: transaction costs				
	(32,7	-	(32,7	-
	50)		50)	
Interest at effective rate				
	104,4	-	104,	-
	88		488	
	-----	-----	-----	-----
	----	----	----	----
Closing balance (amortised cost per schedule)				
	4,071	-	4,07	-
	,738		1,73	
			8	
	=====	=====	=====	=====
	=====	=====	=====	=====
	==	==	==	==

2 Earnings per share

8

The basic earnings per fully paid equity share for the Group and the Parent Company has been determined by dividing the profit or loss for the year attributable to the shareholders of the Parent Company by the weighted average number of ordinary shares in issue during the year. As there are no dilutive potential shares, the diluted earnings per share is identical to the basic earnings per share.

	<u>Parent Company</u>		<u>Group</u>	
	31.03	31.0	31.0	31.03
	.2026	3.20	3.20	.2025

	<u>RO</u>	<u>25</u> <u>RO</u>	<u>26</u> <u>RO</u>	<u>RO</u>
Net profit for the year	(352, 321)	(318, 707)	(352, 763)	(318, 917)
	=====	=====	=====	=====
	==	==	==	==
Weighted average number of shares(No's)	27,00 3,040	27,0 03,0 40	27,0 03,0 40	27,00 3,040
	=====	=====	=====	=====
	=====	=====	=====	=====
	=	=	=	=
Basic earnings per share (RO)	(0.01 3)	(0.01 2)	(0.01 3)	(0.01 2)
	=====	=====	=====	=====
	=	=	=	=

As there are no dilutive potential shares issued by the Parent Company, the diluted earnings per share is the same as the basic earnings per share.

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(Expressed in Omani Rial)

2 Net assets per share 9

Net assets per share is based on dividing the net assets attributable to shareholders by the number of shares outstanding as at the end of the reporting period.

<u>Parent Company</u>	<u>Group</u>
31.03 .2026	31.0 3.20 25 26
<u>RO</u>	<u>RO</u>

Net assets (RO)

(3,16 9,851)	(2,09 4,03 9)	(3,17 4,48 4)	(2,09 4,228)
=====	=====	=====	=====
=====	=====	=====	=====

Number of shares outstanding

27,00 3,040	27,0 03,0 40	27,0 03,0 40	27,00 3,040
=====	=====	=====	=====
=====	=====	=====	=====

Net assets per share (RO)

(0.11 7)	(0.07 8)	(0.11 8)	(0.07 8)
=====	=====	=====	=====
=====	=====	=====	=====

3 Capital risk management

0

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

The capital of the Parent Company consists of share capital, reserves and accumulated losses. The Parent Company manages its capital by making adjustments in bringing additional capital in light of changes in business conditions.

3 Financial assets and liabilities and risk management

1

Financial assets and liabilities

(a
)

Financial assets and liabilities carried on the separate and consolidated statement of financial position include cash and bank balances, trade and other receivables, bank borrowings, lease liabilities, due from and to related parties and trade and other payables. The particular recognition methods adopted are disclosed in the individual policy statements associated with each item.

Risk management

(b
)

Financial risk management is carried out by the Finance Department under policies approved by the Board of Directors. The Finance Department identifies, evaluates and hedges financial risks in close co-operation with the Board of Directors. The Parent Company provides principles for overall risk management, as well as policies covering specific areas.

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(Expressed in Omani Rial)

Capital management

(c
)

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

The Parent Company and the Group manages its capital structure and makes adjustments to it, in the light of changes in economic conditions. No changes were made in the objectives, policies and processes during the period ended 31 March 2026.

The Parent Company and the Group monitors capital using a gearing ratio, which is net debt divided by total capital plus net debt. The Parent Company and the Group includes within net debt, bank borrowings less cash and bank balances. Capital includes share capital, reserves and accumulated losses.

	<u>Parent Company</u>		<u>Group</u>	
	31.03	31.0	31.0	31.03
	.2026	3.20	3.20	.2025
		25	26	
	<u>RO</u>	<u>RO</u>	<u>RO</u>	<u>RO</u>
	-		-	
Bank borrowings	2,084	2,74	2,08	2,743
	,697	3,55	4,99	,558
		8	8	
Less: cash and bank balances	(39,3	(96,1	(39,6	(96,4
	01)	37)	02)	39)
	-----	-----	-----	-----
	-----	-----	-----	-----
Net debt	2,045	2,64	2,04	2,647
	,396	7,42	5,39	,119
		1	6	
	=====	=====	=====	=====
	=====	=====	=====	=====

Share capital	2,700 304	2,70 0,30 4	2,70 0,30 4	2,700 304
Share premium	135,1 69	135, 169	135, 169	135,1 69
Legal reserve	487,7 33	487, 733	488, 184	488,1 84
Accumulated losses	(6,49 3,057) ----- -----	(5,41 7,24 5) ----- -----	(6,49 8,14 2) ----- -----	(5,41 7,885) ----- -----
Total capital	(3,16 9,851) =====	(2,09 4,03 9) =====	(3,17 4,48 4) =====	(2,09 4,228) =====
Total capital and net debt	(1,12 4,455) =====	553, 382 =====	(1,12 9,08 9) =====	552,8 91 =====
Gearing ratio	- 182% =====	478% =====	- 181 % =====	479% =====

3 Financial risk management

2

Market risk

(a
)

Foreign exchange risk

(i)

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

The Group and the Parent Company are exposed to foreign exchange risk arising from various currency exposures. A significant portion of revenues and major operating costs are either denominated in RO or United States Dollar (USD). The operating costs denominated in USD are covered by the fact that RO is pegged to the USD. As this currency is pegged against the RO, the management does not believe that the Group and the Parent Company are exposed to any material foreign exchange risk.

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NOTES TO THE SEPARATE AND CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED

31 MARCH 2026

(Expressed in Omani Rial)

3 Financial risk management (continued)

2

Market risk (continued)

(a
)

Interest rate risk

(ii
)

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.

Price risk

(ii
i)

Price risk is the risk that the fair value of 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.

The Group and the Parent Company do not have any equity instruments and are therefore not exposed to price risk.

Credit risk

(b
)

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation.

The Parent Company and the Group are potentially exposed to credit risk principally on their trade and other receivables, due from related parties and cash and bank balances. The credit risk on trade and other receivables and due from related parties are subjected to credit evaluations and a provision is made for estimated irrecoverable amounts. The bank balances are held with national and international banks with good credit ratings.

Liquidity risk

(c
)

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities.

The Group's and Parent Company's management monitors liquidity requirements on a regular basis to help ensure that sufficient funds are available, including unutilised credit facilities with banks, to meet any future commitments. The Parent Company and the Group manage liquidity risk by maintaining adequate reserves and by continuously monitoring forecasted and actual cash flows.

The liquidity risk profile of the Parent Company is as follows:

Liabilities as at 31 March 2026

		Less than	More than
	<u>Total</u>	<u>1</u>	<u>1</u>
	<u>RO</u>	<u>year</u>	<u>year</u>
		<u>RO</u>	<u>RO</u>
Bank borrowings*	2,08 4,69 7	1,84 1,51 5	243,1 81
Non-convertible bonds	3,96 7,25 0	-	3,967 ,250
Lease liabilities	76,5 85	13,7 19	62,86 6
Trade and other payables	2,23 9,23 6	1,12 0,02 6	1,119 ,209
	-----	-----	-----
	-----	-----	-----
	-	-	
	8,36 7,76 7	2,97 5,26 1	5,392 ,507
	=====	=====	=====
	=====	=====	=====

Liabilities as at 31 March 2025

		Less than	More than
	<u>Total</u>	<u>1</u>	<u>1</u>
	<u>RO</u>	<u>year</u>	<u>year</u>
		<u>RO</u>	<u>RO</u>
Bank borrowings*	2,74 3,55 8	2,51 2,42 6	231,1 32
Lease liabilities	143, 592	90,0 92	53,50 0

Trade and other payables

2,22	1,58	644,9
8,56	3,60	64
5	1	
-----	-----	-----
-----	-----	-----
-	-	
5,11	4,18	929,5
5,71	6,11	96
5	9	
=====	=====	=====
=====	=====	=====

3 Comparative figures

3

Certain comparative figures of the previous year have been either regrouped or reclassified, wherever necessary, in order to conform with the presentation adopted in the current period. Such regroupings or reclassifications did not affect previously reported net loss or shareholders' equity.

3 Subsequent events

4

There were no events occurring subsequent to 31 March 2026 and before the date of the approval that are expected to have a significant impact on these separate and consolidated financial statements.