

1. Legal status and principal activities

Oman National Engineering and Investment Company SAOG (the “Parent Company”) is a public listed joint stock company registered in the Sultanate of Oman on 9 August 1978. The registered business address of the Parent Company is P.O. Box 1393, Postal Code 112, Al Khuwair, Muscat, Sultanate of Oman. The shares of the Parent Company are listed on the Muscat Stock Exchange.

The Parent Company is mainly engaged in operation and maintenance of power generation stations, desalination plants, hospital equipment, air conditioning plants, sewage treatment plants, contracts for meter reading and the billing of electricity and water and their subsequent collection, supply and installation of power generating equipment, construction of power supply lines and other related projects.

The Parent Company's principal place of business is located at Muscat, Sultanate of Oman.

The details and the principal activities of the subsidiary companies are set out below:

Name of subsidiary	Country of incorporation	Principal activity	Proportion of ownership interest
Tasdeed for Electronic Services LLC	Sultanate of Oman	Electronic payment facilities to the customers	50%
Oman National Training Institute SPC	Sultanate of Oman	Training activities	100%
ONEIC E-Business SPC	Sultanate of Oman	Wallet services	100%
ONEIC Tameen SPC	Sultanate of Oman	Insurance services	100%
Al Oula for Investment and Development LLC	Sultanate of Oman	Manufacture of precast beams, plates, structures and buildings including real estate development	80%
National Medical and Healthcare Services LLC	Sultanate of Oman	Non-specialized medical clinics.	80%
ONEIC Media LLC	Sultanate of Oman	Design activities and advertising on the screens	46%

The Parent Company has determined that it has practical ability to unilaterally direct the relevant activities of the subsidiaries and hence has consolidated these subsidiaries. The subsidiaries have the same reporting date as of the Parent Company, which is 31 December 2025.

The consolidated financial statements as at, and for the year ended, 31 December 2025 comprise the results of the Parent Company and its subsidiaries (together referred to as “the Group”).

2. Basis of preparation**a. Statement of compliance**

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

b. Basis of measurement

The separate and consolidated financial statements have been prepared on a historical cost basis under going concern assumption, except for financial instruments at fair value through other comprehensive income, and land and building (classified in property, plant and equipment) which are stated at their fair values. The preparation of separate and consolidated financial statements in conformity with IFRS Accounting Standards requires the use of certain critical accounting estimates. It also requires management to exercise judgment in the process of applying the Group's accounting policies.

c. Functional currencies

The separate and consolidated financial statements are presented in Omani Rial (RO) which is the functional and presentation currency of the Parent Company and the Group. All the figures have been rounded off to the nearest RO, unless otherwise stated.

3. Changes in accounting standards, interpretations and pronouncements**3.1 Standards, amendments and interpretations effective and adopted from 1 January 2025**

The following amendments to Standards and Interpretations have become effective for the first time for the reporting periods beginning on or after 01 January 2025:

- Lack of Exchangeability (Amendments to IAS 21)

These amendments introduce a consistent framework for assessing when a currency is exchangeable into another currency. Where exchangeability is lacking, the amendments specify how an entity determines the exchange rate to be used and introduce additional disclosure requirements to enable users of the financial statements to understand the effects of any lack of exchangeability. Consequential amendments were also made to IFRS 1 First-time Adoption of International Financial Reporting Standards.

The application of these amendments did not have a material impact on the Parent Company's and Group's financial position, financial performance or cash flows.

3.2 Standards, amendments and interpretations issued but not yet effective

At the time of authorization of these financial statements, the following IFRS Accounting Standards, amendments to standards, and interpretations have been issued but not yet effective. In accordance with IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors, the Parent Company and the Group discloses information relevant to assessing the possible future effects of applying these requirements once effective. The Parent Company and the Group will adopt these standards, amendments and interpretations in future reporting years as indicated below:

3.2 Standards, amendments and interpretations issued but not yet effective (continued)

Standards/ amendments to standards	Effective for annual periods beginning on or after
Amendments to IFRS 9 and IFRS 7 for: Contracts referencing Nature-dependant Electricity Generation	01 January 2026
Amendments to IFRS 9 and IFRS 7 for: Classification and Measurement of Financial Instruments	01 January 2026
Annual Improvements to IFRS Accounting Standards - Volume 11 (Clarifications and corrections in several standards, including IFRS 1, IFRS 7, IFRS 9, IFRS 10 and IAS 7)	01 January 2026
IFRS 18: Presentation and Disclosures in Financial Statements (new standard) and consequential amendments of other related standards	01 January 2027
IFRS 19: Subsidiaries without Public Accountability: Disclosures (new standard)	01 January 2027

'The management of the Parent Company and the Group believes that the adoption of the above new standards, particularly IFRS 18, and the amendments to existing standards may have impact on the presentation of the amounts and disclosures in the financial statements of the future periods when such standards or amendments shall be adopted. The Parent Company and the Group will continue to evaluate the impact before first-time application.

'In line with evolving IFRS disclosure expectations, particularly those relating to emerging uncertainty-related disclosures encouraged by the IASB Illustrative Examples (issued November 2025), the Parent Company and the Group continues to enhance reporting of financial statement uncertainties, including climate-related risks, where material.

4. Material accounting policy information

Material accounting policy information related to the preparation of these separate and consolidated financial statements is set out below. The accounting policies included in this information have been consistently applied to all the years presented, unless otherwise stated.

4.1 Consolidation**i. Basis of consolidation**

The consolidated financial statements incorporate the financial statements of the Parent Company and its subsidiaries, from the date that control effectively commenced until the date that control effectively ceased. Control is achieved when the Group has the power to govern the financial and operating policies of the subsidiary so as to obtain benefits from its activities.

ii. Subsidiaries

Subsidiaries are all entities (including structured entities) over which the Group has control. The Group controls an entity when the group 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 to direct the activities of the entity.

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

4. Material accounting policy information (continued)**4.1 Consolidation (continued)****ii. Subsidiaries (continued)**

Inter-company transactions, balances and unrealised gains on transactions between group companies are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the transferred asset. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group. Investment in subsidiary is stated at cost less any impairment loss in the Parent Company's separate financial statements.

When the Group ceases to have control, any retained interest in the subsidiary 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 subsidiary are accounted for as if the Group 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.

4.2 Business combination and goodwill

The acquisition method of accounting is used to account for all business combinations, regardless of whether equity instruments or other assets are acquired.

Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are, with limited exceptions, measured initially at their fair values at the acquisition date. The Group recognises any non-controlling interest in the acquired entity either at fair value or at the non-controlling interest's proportionate share of the acquired entity's net identifiable assets. Acquisition-related costs are expensed as incurred.

The excess of the consideration transferred; amount of any non-controlling interest in the acquired entity; and acquisition-date fair value of any previous equity interest in the acquired entity over the fair value of the net identifiable assets acquired is recorded as goodwill. If those amounts are less than the fair value of the net identifiable assets of the business acquired, the difference is recognised directly in profit or loss as a bargain purchase gain.

Contingent consideration transferred by the acquirer are recognised at fair value at the acquisition date. Contingent consideration classified as equity is not remeasured and its subsequent settlement is accounted for within equity. Contingent consideration classified as an asset or liability that is a financial instrument and within the scope of IFRS 9 Financial Instruments, is measured at fair value with the changes in fair value recognised in the statement of profit or loss in accordance with IFRS 9. Other contingent consideration that is not within the scope of IFRS 9 is measured at fair value at each reporting date with changes in fair value recognised in profit or loss.

Goodwill is initially measured at cost (being the excess of the aggregate of the consideration transferred and the amount recognised for non-controlling interests and any previous interest held over the net identifiable assets acquired and liabilities assumed). If the fair value of the net assets acquired is in excess of the aggregate consideration transferred, the Parent Company and the Group re-assesses whether it has correctly identified all of the assets acquired and all of the liabilities assumed and reviews the procedures used to measure the amounts to be recognised at the acquisition date. If the reassessment still results in an excess of the fair value of net assets acquired over the aggregate consideration transferred, then the gain is recognised in profit or loss.

Goodwill are tested for impairment annually and at other times when such indicators exist. This requires an estimation of the value in use of the cash generating units to which goodwill is allocated.

Where goodwill has been allocated to a cash-generating unit (CGU) and part of the operation within that unit is disposed of, the goodwill associated with the disposed operation is included in the carrying amount of the operation when determining the gain or loss on disposal. Goodwill disposed in these circumstances is measured based on the relative values of the disposed operation and the portion of the cash-generating unit retained.

4. Material accounting policy information (continued)**4.3 Property, plant and equipment**

Property, plant and equipment are initially recognised at acquisition cost, including any costs directly attributable to bring the assets to the location and condition necessary for it to be capable of operating in the manner intended by the Group. Property, plant and equipment are subsequently measured using the cost model, cost less accumulated depreciation and any impairment loss except for land and buildings which are measured at revaluation model. Land is stated at revalued amounts less any impairment loss while buildings are stated at revalued amounts less accumulated depreciation and any impairment loss. Revaluations are performed with sufficient regularity so that the fair value and carrying value do not differ materially at the reporting date.

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.

Depreciation has been calculated at the following rates:

Description	Years
Buildings	10-40
Plant and machinery	5-20
Furniture and fixtures	3-6
Computer and accessories	3-6
Tools and equipment	3-6
Motor vehicles	3-10

Capital work in progress is stated at cost less any impairment loss. All the expenditure connected with specific assets incurred during installation and construction period are carried under capital work-in-progress. Cost also includes applicable borrowing costs. Capital work-in-progress is transferred to the specific assets as and when the assets are available for use.

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.

Repairs and renewals are charged to profit or loss when the expenditure is incurred.

The estimated useful lives, residual values and depreciation methods are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

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

4.4 Investment properties

Investment properties are properties held to earn rentals and/ or for capital appreciation, including property under construction for such purposes. These are measured initially at its cost, including transaction costs. Subsequent to the initial recognition, investment properties are measured at cost less accumulated depreciation and any impairment loss.

Depreciation on investment properties is calculated using straight line method to allocate the cost less its residual value over its estimated useful life of 40 years.

The useful lives, residual values and depreciation method are reviewed on a regular basis. The effect of any changes in estimate is accounted for on a prospective basis. Further, determining adjustments for any differences in nature, location and condition of the investment property involves significant judgment.

4. Material accounting policy information (continued)

4.5 Intangible assets

Intangible assets are capitalised when it is probable that future economic benefits associated with the items will flow to the Group. Intangible assets represent market knowledge, brand name and customer relationships brought in by non-controlling interest in one of the subsidiaries.

Intangible assets are initially recognised at acquisition cost, including any costs directly attributable to bring the assets to the location and condition necessary for it to be capable of operating in the manner intended by the Group. Intangible assets are subsequently measured using the cost model, cost less accumulated amortisation and any impairment loss.

Amortisation 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 of 10 years.

The estimated useful lives, residual values and amortisation methods are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

4.6 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 amortised cost.

For assets measured at fair value, gains and losses will either be recorded in the Parent Company's or the Group's profit or loss or other comprehensive income.

II. Measurement

At initial recognition, the Parent Company and the Group 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 as incurred. All financial assets of the Group are categorised at amortised cost except equity investments which are categorised at fair value through other comprehensive income.

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). Investment in fixed deposits are carried at amortised cost.

4. Material accounting policy information (continued)**4.6 Financial instruments (continued)****Equity instruments**

If the Parent Company and the Group elects to present fair value gains and losses on equity investments in other comprehensive income, there is no subsequent reclassification of fair value gains and losses to profit or loss. Fair value changes classified through OCI are accumulated in fair value reserve classified in the statement of changes in equity. Dividends from such investments shall continue to be recognised in profit or loss as other income when the Parent Company and the Group's right to receive payment is established. There are no impairment requirements for equity investments measured at fair value through other comprehensive income. Changes in the fair value of financial assets at fair value through profit or loss shall be recognised in profit or loss.

Dividend income is recognised in profit or loss as other income when the Company's right to receive payment have been established; is probable that the economic benefits associated with the dividend will flow to the company; and the amount of the dividend can be measured reliably.

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.

The Parent Company and the Group uses historical loss experience and derived loss rates based on the past twelve months 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 ageing 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 and 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 asset is recognised using the original EIR.

4. Material accounting policy information (continued)**4.6 Financial instruments (continued)****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 amortised cost.

ii. Measurement

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

The Parent Company and the Group classifies all financial liabilities as subsequently measured at amortised cost, except for financial liabilities at fair value through profit or loss. Such liabilities, including derivatives that are liabilities, and 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. This category applies to trade and other payables and due to related parties.

The Parent Company's and the Group's financial liabilities include term loans, long term creditors, trade and other payables and bank borrowings. The Parent Company and the Group measures financial liabilities at amortised cost.

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 profit or loss.

4.7 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 statement of financial position date to determine whether there is any indication of impairment. A cash generating unit is the smallest identifiable asset group that generates cash flows that largely are independent from other asset and groups. 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 consolidated 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.

4.8 Cash and cash equivalents

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

4. Material accounting policy information (continued)

4.9 Provisions

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

4.10 Employee benefit liabilities

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

For non-Omani employees, accrual 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 accrual is classified as a non-current liability.

Employee entitlements to annual leave and leave passage are recognised when they accrue to the employees and an accrual is made for the estimated liability arising as a result of services rendered by employees up to the consolidated statement of financial position date. These accruals are included in current liabilities.

4.11 Equity-settled transactions

The Group recognizes the goods or services received or acquired in a share-based payment transaction when it obtains the goods or as the services are received. The Group recognizes a corresponding increase in equity if the goods or services were received in an equity-settled share-based payment transaction, or a liability if the goods or services were acquired in a cash-settled share-based payment transaction.

When the goods or services received or acquired in a share-based payment transaction qualify for recognition as assets, they are recognised as assets otherwise, they are recognised as expenses.

For equity-settled share-based payment transactions, the Group measures the goods or services received, and the corresponding increase in equity, directly, at the fair value of the goods or services received, unless that fair value cannot be estimated reliably. If the Group cannot estimate reliably the fair value of the goods or services received, the Group measures their value, and the corresponding increase in equity, indirectly, by reference to the fair value of the equity instruments granted.

4.12 Revenue recognition

Revenue is recognised as the Parent Company and the Group satisfies its performance obligations by transferring promised goods or services to customers, regardless of when the payment is being made. Revenue is measured at the amount of consideration to which the Parent Company and the Group expects to be entitled in exchange for transferring promised goods or services to a customer, excluding amounts collected on behalf of third parties, and may include fixed amounts, variable amounts, or both. Variable amounts are recorded at the most likely amount, as determined upon initial recognition of the contract, and are reassessed at each reporting period. In estimating variable consideration, the Parent Company and the Group reviews any potential for returns, refunds, and other similar obligations. For contracts containing multiple performance obligations, the amount of consideration to which the Parent Company and the Group expects to be entitled is allocated to individual performance obligations proportionately based on the stand-alone selling price.

The Group generally generates revenue from the contracts for construction of infrastructure, maintenance and operation of plant and machinery, billing against factorisation of consumer receivables, manufacturing and sale of consumer goods and training platforms with respect to technical and non-technical services.

Revenue from sale of goods is recognised at point in time in the statement of profit or loss when the controls over the goods have been transferred to the buyer. Revenue is measured net of returns, trade discounts and volume rebates. No revenue is recognised if there are significant uncertainties regarding recovery of consideration due, associated cost or the possible return of goods.

4. Material accounting policy information (continued)

4.12 Revenue recognition (continued)

Revenue for services pertains to revenue from operations and maintenance, billing, fire and safety, product and solutions. Revenue is recognised at a point-in-time when the performance obligation pertaining to these services are fulfilled, i.e. on a monthly basis.

Revenue from project contracts comprises the value of work executed during the year and is recognised in the profit or loss in proportion to the stage of completion of the transaction at the reporting date. No income is recognised if there are significant uncertainties regarding recovery of the consideration due. Revenue recognised in excess of amounts billed is disclosed as contract asset. As soon as the outcome of a contract can be estimated reliably, contract revenue and expenses are recognised in the profit or loss in proportion to the stage of completion of the contract. The stage of completion is measured by reference to the contract costs incurred up to the reporting date as a percentage of total estimated costs for each contract. An expected loss on a contract is recognised immediately in statement of profit or loss.

The transactions price for contracts containing significant financing component is discounted, using the rate that would be reflected in a separate financing transaction between the Group and its customers at contract inception, to take into consideration the significant financing component.

Commission income represents commission earned on amounts billed after the service has been provided.

4.13 Leases

The Parent Company and Group assesses whether a contract is or contains a lease, at inception of the contract. The Parent Company and Group recognises 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 Group recognises 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.

4.14 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 profit or loss in the year to which they relate.

4.15 Contract assets and contract liabilities

Contract assets represent the gross unbilled amount expected to be collected from customers for contract work performed to date. It is measured at cost plus profit recognised to date less progress billing and recognised losses. Cost includes all expenditure related directly to specific projects and an appropriate allocation of fixed and variable overheads incurred. Contract assets are presented in the statement of financial position for all contracts in which costs incurred plus recognised profits exceed progress billing. The contract liabilities consist of advance payments and progress billings in excess of costs incurred plus recognised profits. The non-current portion of contract assets and contract liabilities is included in non-current assets and liabilities respectively.

4.16 Onerous contracts

The requirements in IAS 37 for onerous contracts apply to all contracts in the scope of IFRS 15. The onerous contract are the contracts in which the unavoidable costs of meeting the obligations under the contract exceed the economic benefits expected to be received under it. When it is probable that total contract costs will exceed total contract revenue, the expected loss is recognised as an expense immediately.

4. Material accounting policy information (continued)**4.17 Foreign currency transactions and balances**

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 profit or loss. 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.

4.18 Income tax

Income tax is provided for in accordance with the fiscal regulations of the Sultanate of Oman.

Income tax on the results for the year comprises current and deferred tax. Current tax is the expected tax payable on the taxable income for the year, using tax-rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of the previous year.

Deferred taxation is provided on all temporary differences at the reporting date. It is calculated adopting a tax-rate that is the rate that is expected to apply to the periods when it is anticipated the liabilities will be settled, and which is based on tax-rates (and laws) that have been enacted at the statement of financial position date.

'Current and deferred tax are recognised in profit or loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognized in other comprehensive income or directly in equity respectively.

A deferred tax asset is recognised only to the extent it is probable that future taxable profit will be available against which the asset can be utilised and is subsequently reduced to the extent that is no longer probable that the related tax benefit will be realised.

4.19 Determination of fair values

Some 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. 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.

4.20 Dividend

'The Board of Directors recommends to the Shareholders the dividend to be paid out of profits. The Directors take into account appropriate parameters including the requirements of the Commercial Companies Law of the Sultanate of Oman, and other relevant directives issued by FSA while recommending the dividend. Dividend distribution to the Shareholders is recognized as a liability in the Company's financial statements only in the period in which the dividends are approved by the Shareholders.

4.21 Inventories

Inventories are stated at the lower of cost and net realisable value. Cost of inventories is determined on the weighted average basis and includes all costs incurred in acquiring the inventories and bringing them to their existing location and condition excluding borrowing costs. Net realisable value is the estimated selling price in the ordinary course of business less any applicable selling expenses. Provision is made, where necessary, for slow and non-moving inventories.

4. Material accounting policy information (continued)**4.22 Earnings per share**

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

4.23 Net assets per share

The Parent Company presents net assets per share for its ordinary shareholders. Net assets per share is calculated by dividing the net assets attributable to ordinary shareholders by the number of shares outstanding as at the statement of financial position date.

4.24 Operating segments

A segment is a distinguishable component of the Group and the Parent Company 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 and Parent Company's Chief Operating Decision Maker ("CODM"), which is subject to risks and rewards that are different from those of other segments.

5. Critical accounting estimates and key source of estimation uncertainty

The preparation of separate and consolidated financial statements in conformity with IFRS Accounting Standards requires the use of certain critical accounting estimates. In addition, it requires management to exercise judgement in the process of applying the accounting policies. 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 the following:

5.1 Impairment reviews

IFRS Accounting Standards require management to undertake an annual test for impairment of indefinite life assets and, for finite life 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 the Group's impairment evaluation and hence results.

5.2 Economic useful lives of fixed assets

The Parent Company's and the Group's fixed assets are depreciated/ amortised on a straight-line basis over their economic useful lives. The economic useful lives of fixed assets 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.

5. Critical accounting estimates and key source of estimation uncertainty (continued)**5.3 Allowance for ECL on trade and other receivables**

Loss allowances for trade receivables are based on assumptions about risk of default and expected loss rates. The Parent Company and the Group uses judgment in making these assumptions and selecting the inputs to the impairment calculation, based on the Parent Company's and the Group's past experience and historical data, existing market conditions as well as forward looking estimates at the end of each reporting period.

5.4 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.

5.5 Going concern

Management 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.

5.6 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 individual companies within the Group establish provisions, based on reasonable estimates, for possible consequences of finalisation of tax assessments. 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.

5.7 Fair value measurements

Some assets included in the Parent Company's and the Group's separate and consolidated financial statements require measurement at, and/or disclosure of, fair value. The fair value measurement of the Parent Company's and the Group'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 market observable 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.

5.8 Classification of investments

In the process of applying the Parent Company's and the Group's accounting policies, management decides on acquisition of an investment whether it should be classified as investments designated at fair value through profit or loss, amortised cost or through other comprehensive income. The classification of each investment reflects the management's intention in relation to each investment and is subject to different accounting treatments based on such classification.

5.9 Revenue recognition

The Parent Company uses the percentage of completion method using the input (cost expended) method to measure progress towards completion in respect of fixed price contracts. Percentage of completion method accounting relies on estimates of total expected contract revenue and costs. This method is followed when reasonably dependable estimates of the revenues and costs applicable to various elements of the contract can be made. Key factors that are reviewed in estimating the future costs to complete include estimates of future material costs, future labour costs and productivity efficiencies. Because the financial reporting of these contracts depends on estimates that are assessed continually during the term of these contracts, recognised revenue and profit are subject to revisions as the contract progresses to completion. When estimates indicate that a loss will be incurred, the loss is provided for in the period in which the loss becomes probable.

6. Property, plant and equipment**Parent Company**

	Land and buildings <u>RO</u>	Plant and machinery <u>RO</u>	Furniture and fixtures <u>RO</u>	Computer and accessories <u>RO</u>	Tools and equipment <u>RO</u>	Motor vehicles <u>RO</u>	Capital work-in- progress <u>RO</u>	Total <u>RO</u>
Cost or revaluation								
As at 1 January 2025	12,220,368	9,552,041	652,699	3,381,146	1,592,539	3,661,886	414,044	31,474,723
Additions/ transfer during the year	3,323	1,627,687	61,417	323,967	116,197	1,053,800	(253,717)	2,932,674
Revaluation surplus	426,678	-	-	-	-	-	-	426,678
Disposals during the year	-	-	(32,311)	(7,768)	(11,015)	(152,150)	-	(203,244)
As at 31 December 2025	<u>12,650,369</u>	<u>11,179,728</u>	<u>681,805</u>	<u>3,697,345</u>	<u>1,697,721</u>	<u>4,563,536</u>	<u>160,327</u>	<u>34,630,831</u>
Accumulated depreciation								
As at 1 January 2025	4,310,089	4,450,955	571,904	2,456,120	1,216,450	2,566,035	-	15,571,553
Charge for the year	179,793	333,944	37,383	357,031	152,660	251,914	-	1,312,725
Relating to disposals	-	-	(29,319)	(6,896)	(10,323)	(137,277)	-	(183,815)
As at 31 December 2025	<u>4,489,882</u>	<u>4,784,899</u>	<u>579,968</u>	<u>2,806,255</u>	<u>1,358,787</u>	<u>2,680,672</u>	<u>-</u>	<u>16,700,463</u>
Net book value								
As at 31 December 2025	<u>8,160,487</u>	<u>6,394,829</u>	<u>101,837</u>	<u>891,090</u>	<u>338,934</u>	<u>1,882,864</u>	<u>160,327</u>	<u>17,930,368</u>

Parent Company

	Land and buildings <u>RO</u>	Plant and machinery <u>RO</u>	Furniture and fixtures <u>RO</u>	Computer and accessories <u>RO</u>	Tools and equipment <u>RO</u>	Motor vehicles <u>RO</u>	Capital work-in- progress <u>RO</u>	Total <u>RO</u>
Cost or revaluation								
As at 1 January 2024	12,113,324	9,356,948	708,600	3,414,067	1,500,028	3,786,166	442,637	31,321,770
Additions/ transfer during the year	165,833	195,093	45,777	476,865	255,661	313,263	(28,593)	1,423,899
Transfers to subsidiaries	(8,000)	-	(21,464)	(27,327)	(4,530)	(4,550)	-	(65,871)
Disposals during the year	<u>(50,789)</u>	<u>-</u>	<u>(80,214)</u>	<u>(482,459)</u>	<u>(158,620)</u>	<u>(432,993)</u>	<u>-</u>	<u>(1,205,075)</u>
As at 31 December 2024	<u>12,220,368</u>	<u>9,552,041</u>	<u>652,699</u>	<u>3,381,146</u>	<u>1,592,539</u>	<u>3,661,886</u>	<u>414,044</u>	<u>31,474,723</u>
Accumulated depreciation								
As at 1 January 2024	4,179,313	4,141,251	629,842	2,532,977	1,201,938	2,697,437	-	15,382,758
Charge for the year	176,393	309,704	34,303	396,056	171,833	243,859	-	1,332,148
Relating to transfers	(1,859)	-	(13,089)	(22,029)	(1,786)	(3,338)	-	(42,101)
Relating to disposals	<u>(43,758)</u>	<u>-</u>	<u>(79,152)</u>	<u>(450,884)</u>	<u>(155,535)</u>	<u>(371,923)</u>	<u>-</u>	<u>(1,101,252)</u>
As at 31 December 2024	<u>4,310,089</u>	<u>4,450,955</u>	<u>571,904</u>	<u>2,456,120</u>	<u>1,216,450</u>	<u>2,566,035</u>	<u>-</u>	<u>15,571,553</u>
Net book value								
As at 31 December 2024	<u>7,910,279</u>	<u>5,101,086</u>	<u>80,795</u>	<u>925,026</u>	<u>376,089</u>	<u>1,095,851</u>	<u>414,044</u>	<u>15,903,170</u>

6. Property, plant and equipment (continued)

Group	Land and buildings	Plant and machinery	Furniture and fixtures	Computer and accessories	Tools and equipment	Motor vehicles	Capital work-in- progress	Total
	<u>RO</u>	<u>RO</u>	<u>RO</u>	<u>RO</u>	<u>RO</u>	<u>RO</u>	<u>RO</u>	<u>RO</u>
Cost or revaluation								
As at 1 January 2025	12,228,368	9,552,041	676,780	3,837,245	1,597,069	3,666,436	414,195	31,972,134
Additions/ transfer during the year	3,323	1,627,687	245,051	339,255	853,583	1,053,800	805,424	4,928,123
Revaluation surplus	426,678	-	-	-	-	-	-	426,678
Disposals during the year	-	-	(32,311)	(7,768)	(11,015)	(152,150)	-	(203,244)
As at 31 December 2025	12,658,369	11,179,728	889,520	4,168,732	2,439,637	4,568,086	1,219,619	37,123,691
Accumulated depreciation								
As at 1 January 2025	4,312,748	4,450,956	588,604	2,506,209	1,218,785	2,570,084	-	15,647,386
Charge for the year	180,593	333,944	49,989	430,975	200,365	251,989	-	1,447,855
Relating to disposals	-	-	(28,678)	(6,875)	(10,323)	(137,277)	-	(183,153)
As at 31 December 2025	4,493,341	4,784,900	609,915	2,930,309	1,408,827	2,684,796	-	16,912,088
Net book value								
As at 31 December 2025	8,165,028	6,394,828	279,605	1,238,423	1,030,810	1,883,290	1,219,619	20,211,603
Group	Land and buildings	Plant and machinery	Furniture and fixtures	Computer and accessories	Tools and equipment	Motor vehicles	Capital work-in- progress	Total
	<u>RO</u>	<u>RO</u>	<u>RO</u>	<u>RO</u>	<u>RO</u>	<u>RO</u>	<u>RO</u>	<u>RO</u>
Cost or revaluation								
As at 1 January 2024	12,113,324	9,356,948	711,217	3,420,377	1,500,028	3,786,166	444,537	31,332,597
Additions/ transfer during the year	165,833	195,093	45,777	899,582	255,661	313,263	(30,342)	1,844,867
Disposals during the year	(50,789)	-	(80,214)	(482,714)	(158,620)	(432,993)	-	(1,205,330)
As at 31 December 2024	12,228,368	9,552,041	676,780	3,837,245	1,597,069	3,666,436	414,195	31,972,134
Accumulated depreciation								
As at 1 January 2024	4,179,313	4,141,252	631,215	2,535,125	1,201,938	2,697,437	-	15,386,280
Charge for the year	177,193	309,704	37,161	422,325	172,382	244,570	-	1,363,335
Relating to disposals	(43,758)	-	(79,772)	(451,241)	(155,535)	(371,923)	-	(1,102,229)
As at 31 December 2024	4,312,748	4,450,956	588,604	2,506,209	1,218,785	2,570,084	-	15,647,386
Net book value								
As at 31 December 2024	7,915,620	5,101,085	88,176	1,331,036	378,284	1,096,352	414,195	16,324,748

6. Property, plant and equipment (continued)

- a. The Group's land and buildings were fair valued on 01 January 2026 by an independent external valuer. The valuer had appropriate qualifications and recent experience in the fair value measurement of properties in the relevant locations. The fair value of the land was determined based on adjustable market basis.
- b. The revaluation surplus, net of deferred taxes was credited to other comprehensive income and shown as revaluation reserve in separate and consolidated statement of changes in shareholders' equity. The revaluation reserve is not available for distribution.
- c. Had the Group's land and buildings been measured on historical cost basis, their carrying amount would have been RO 3,873,418 as of 31 December 2025 (2024: RO 4,144,486).
- d. Capital work in progress represents certain equipment not yet completed, installed and nor available for use as at the reporting date.

7. Investment properties

	Parent Company		Group	
	31 December 2025 RO	31 December 2024 RO	31 December 2025 RO	31 December 2024 RO
Cost				
Opening and closing balance	8,394,194	8,394,194	8,394,194	8,394,194
Accumulated depreciation				
Opening balance	1,689,384	1,547,448	1,689,384	1,547,448
Charge for the year	141,936	141,936	141,936	141,936
Closing balance	1,831,320	1,689,384	1,831,320	1,689,384
Net book amount	6,562,874	6,704,810	6,562,874	6,704,810

During the year, RO 795,889 (2024: RO 773,556) is recognised in profit or loss in relation to the rental income from investment properties.

As of the reporting date, investment properties comprise land and buildings. Fair value of these properties was measured at RO 7.76 million by an independent qualified external valuer on 01 January 2026.

8. Investment in subsidiaries

	Shareholding %		Parent Company	
	31 December 2025	31 December 2024	31 December 2025 <u>RO</u>	31 December 2024 <u>RO</u>
Tasdeed for Electronic Services LLC	50.00%	50.00%	300,000	300,000
Oman National Training Institute SPC	100.00%	100.00%	300,000	300,000
ONEIC E-Business SPC	100.00%	100.00%	500,000	500,000
ONEIC Tameen SPC	100.00%	100.00%	200,000	200,000
Al Oula for Investment and Development LLC	80.00%	-	320,000	-
National Medical and Healthcare Services LLC	80.00%	-	400,000	-
ONEIC Media LLC	46.00%	-	1,000,000	-
			<u>3,020,000</u>	<u>1,300,000</u>

The Parent Company established 3 (2024: 3) new subsidiaries during the year.

The investment in the subsidiaries are stated at cost less impairment. The Parent Company has performed an impairment assessment of its investment in the subsidiaries and, has concluded that, no impairment allowance is considered necessary.

The Parent Company has determined that it has practical ability unilaterally to direct the relevant activities of Tasdeed and ONEIC Media, and has consolidated these entities as subsidiaries with 50% and 54% NCI respectively.

9. Intangible assets**Group**

	<u>Goodwill</u> <u>RO</u>	<u>Others</u> <u>RO</u>	<u>Total</u> <u>RO</u>
Cost			
Opening balance	150,000	-	150,000
Additions during the year	-	260,274	260,274
at 31 December 2025	<u>150,000</u>	<u>260,274</u>	<u>410,274</u>
Accumulated depreciation			
Charge for the period and	-	12,106	12,106
at 31 December 2025	<u>-</u>	<u>12,106</u>	<u>12,106</u>
Net book amount			
At 31 December 2025	<u>150,000</u>	<u>248,168</u>	<u>398,168</u>

In the year 2019, the Parent Company separated a division and made it a separate legal entity, named "Tasdeed for Electronic Services LLC" (Tasdeed) in which the Parent Company owns 50% (2024: 50%) of the share capital. The Parent Company paid an amount RO 300,000 against the net assets of RO 150,000, which resulted in goodwill to the Group.

10. Right-of-use asset and lease liabilities**Group****a. Right-of-use assets**

	<u>Land RO</u>	<u>Others RO</u>	<u>Total RO</u>
Cost			
Additions during the year and at 31 December 2025	<u>379,047</u>	<u>398,223</u>	<u>777,270</u>
Accumulated depreciation			
Charge for the year and at 31 December 2025	<u>8,615</u>	<u>44,524</u>	<u>53,139</u>
Net book amount			
At 31 December 2025	<u>370,432</u>	<u>353,699</u>	<u>724,131</u>

The Group has entered into a leasing agreement for plot of land on which the factory building is being constructed. The Group has also entered into leasing agreements for different spaces taken on lease for business purposes.

b. Lease liabilities

	<u>Land RO</u>	<u>Others RO</u>	<u>Total RO</u>
Additions during the period	379,047	398,223	777,270
Interest on lease liabilities	20,847	11,798	32,645
Lease rentals paid	-	(51,230)	(51,230)
	<u>399,894</u>	<u>358,791</u>	<u>758,685</u>
Current portion of lease liabilities	<u>(1,718)</u>	<u>(85,918)</u>	<u>(87,636)</u>
Non-current portion of lease liabilities	<u>398,176</u>	<u>272,873</u>	<u>671,049</u>

Finance cost on lease liabilities has been capitalised to capital work-in-progress, as the leased land is directly attributable to the construction of a qualifying asset.

The maturity profile of the undiscounted lease liabilities, based on the remaining period to maturity from the end of the reporting period is as follows:

	<u>31 December 2025 RO</u>
Due up to 1 year	93,452
Due between 1 and 5 years	378,378
Due more than 5 years	1,195,869
Total lease liability	<u>1,667,699</u>

11. Investments

	Parent Company		Group	
	31 December 2025 <u>RO</u>	31 December 2024 <u>RO</u>	31 December 2025 <u>RO</u>	31 December 2024 <u>RO</u>
<i>Financial assets at fair value through OCI</i>				
Local quoted securities:				
Oman International Development and Investment Company SAOG, Oman				
Opening balance	1,210,155	1,540,197	1,210,155	1,540,197
	489,194		489,194	
Fair value gain / (loss)		(330,042)		(330,042)
Closing balance (a)	1,699,349	1,210,155	1,699,349	1,210,155
Phoenix Power SAOG, Oman				
Opening balance	13,310	12,392	13,310	12,392
Fair value gain	22,261	918	22,261	918
Closing balance (b)	35,571	13,310	35,571	13,310
Oman International Development and Investment Company SAOG (Perpetual bonds)				
Opening balance	265,050	258,779	265,050	258,779
Fair value gain	13,863	6,271	13,863	6,271
Closing balance (c)	278,913	265,050	278,913	265,050
Oman International Development and Investment Company SAOG (Mandatorily convertible bonds)				
Opening balance	60,887	-	60,887	-
Bonds received during the year	-	60,887	-	60,887
Fair value gain	12,455	-	12,455	-
Closing balance (d)	73,342	60,887	73,342	60,887
OQ Gas Networks SAOG				
Opening balance			18,536	20,551
Fair value gain / (loss)	-	-	7,522	(2,015)
Closing balance (e)	-	-	26,058	18,536
OQ Exploration and Production SAOG				
Opening balance	-	-	102,314	-
Addition during the year	-	-	-	112,992
Fair value gain/ (loss)	-	-	6,983	(10,678)
Closing balance (f)	-	-	109,297	102,314
ONEIC SAOG				
Opening balance	-	-	123,760	-
Addition during the year	-	-	-	122,818
Fair value gain	-	-	28,318	942
Closing balance (g)	-	-	152,078	123,760
<i>Financial assets at amortised cost</i>				
Bank Muscat - Fixed deposits (h)				
	1,100,000	1,100,000	1,100,000	1,100,000
Current portion of fixed deposits (i)				
	(1,100,000)	-	(1,100,000)	-
Total (a+b+c+d+e+f+g+h-i)	2,087,175	2,649,402	2,374,608	2,894,012

11. Investments (continued)

11.1 The Parent Company owns 0.549% (2024: 0.549%) in Oman International Development and Investment Company SAOG and 0.016% (2024: 0.016%) in Phoenix Power Company SAOG.

11.2 Financial assets measured at fair value through other comprehensive income include Group's strategic equity investments not held for trading and debt securities held to collect and sell. The Group has made an irrevocable election to classify the equity investments at fair value through other comprehensive income rather than profit or loss because this is considered to be more appropriate for these strategic investments.

11.3 The fair value of quoted securities is based on published market prices as at the reporting date.

11.4 Fixed deposit with Bank Muscat is held under lien by a bank as security of a term loan.

12. Contract assets

	Parent Company		Group	
	31	31	31	31
	December	December	December	December
	2025	2024	2025	2024
	<u>RO</u>	<u>RO</u>	<u>RO</u>	<u>RO</u>
Gross amount	37,295,940	36,447,632	37,295,940	=36,447,632
Less: due within a year classified as current asset (note 14)	(13,904,490)	(4,274,319)	(13,904,490)	(4,274,319)
Non-current portion of contract assets	<u>23,391,450</u>	<u>32,173,313</u>	<u>23,391,450</u>	<u>32,173,313</u>

These pertain to unbilled portion of certain contracts relating to delivery of goods, construction of sewage network, construction of school and construction of power grid station. The carrying amount represents cost plus attributable profit net of progress billings. The amount receivable/ to be billed within one year from the reporting date is presented in trade and other receivables.

	Parent Company		Group	
	31	31	31	31
	December	December	December	December
	2025	2024	2025	2024
	<u>RO</u>	<u>RO</u>	<u>RO</u>	<u>RO</u>
12.1 Gross amount of long-term contract assets				
Cost plus attributable net profit	46,689,002	41,761,236	46,689,002	41,761,236
Less: progress billing	(9,393,062)	(5,313,604)	(9,393,062)	(5,313,604)
	<u>37,295,940</u>	<u>36,447,632</u>	<u>37,295,940</u>	<u>36,447,632</u>

13. Inventories

	Parent Company		Group	
	31	31	31	31
	December	December	December	December
	2025	2024	2025	2024
	<u>RO</u>	<u>RO</u>	<u>RO</u>	<u>RO</u>
Material and consumables	1,528,798	955,755	1,547,041	955,915
Less: provision for slow-moving inventories	(160,109)	(160,109)	(160,109)	(160,109)
	<u>1,368,689</u>	<u>795,646</u>	<u>1,386,932</u>	<u>795,806</u>

14. Trade and other receivables

	Parent Company		Group	
	31	31	31	31
	December	December	December	December
	2025	2024	2025	2024
	<u>RO</u>	<u>RO</u>	<u>RO</u>	<u>RO</u>
Factoring arrangement receivables (note 14.1)	48,902,082	52,586,859	48,902,082	52,586,859
Trade receivables including related party receivable	21,633,971	18,658,598	21,905,563	18,895,705
Less: ECL allowance	(8,347,936)	(8,347,936)	(8,347,936)	(8,347,936)
	62,188,117	62,897,521	62,459,709	63,134,628
Current portion of non-current contract assets (note 12)	13,904,490	4,274,319	13,904,490	4,274,319
Contract assets (note 14.2)	19,761,915	20,149,262	19,946,428	20,159,349
Sundry receivable	1,817,353	2,071,817	1,651,364	2,080,582
Prepayments	693,161	607,700	745,396	629,332
Current portion of investments (note 11)	1,100,000	-	1,100,000	-
Advance to suppliers	2,140,124	1,532,926	2,438,507	1,562,925
Retentions receivable	1,009,711	263,304	1,009,711	263,305
Less: ECL allowance on other receivables	(11,300)	(11,300)	(11,300)	(11,300)
	<u>102,603,571</u>	<u>91,785,549</u>	<u>103,244,305</u>	<u>92,093,140</u>

14.1 Factoring arrangement receivables represent amount due from end consumers in respect of services provided by the utility companies as the responsibility of collection of such money is of the Parent Company.

14.2 Contract assets

	Parent Company		Group	
	31	31	31	31
	December	December	December	December
	2025	2024	2025	2024
	<u>RO</u>	<u>RO</u>	<u>RO</u>	<u>RO</u>
Gross amount due from contract customers - Operations and maintenance	10,737,804	5,186,593	10,922,317	5,196,680
Contract work-in-progress - EPC Projects (note 14.2.1)	9,024,111	14,962,669	9,024,111	14,962,669
	<u>19,761,915</u>	<u>20,149,262</u>	<u>19,946,428</u>	<u>20,159,349</u>

	Parent Company		Group	
	31	31	31	31
	December	December	December	December
	2025	2024	2025	2024
	<u>RO</u>	<u>RO</u>	<u>RO</u>	<u>RO</u>
14.2.1 Contract work in progress:				
Cost plus attributable net profit	102,730,868	100,524,598	102,730,868	100,524,598
Less: progress billing	(93,706,757)	(85,561,929)	(93,706,757)	(85,561,929)
	<u>9,024,111</u>	<u>14,962,669</u>	<u>9,024,111</u>	<u>14,962,669</u>

14. Trade and other receivables (continued)

14.3 All amounts are short-term. The net carrying value of trade and other receivables is considered a reasonable approximation of fair value.

14.4 The Group applies IFRS 9 to measure the expected credit loss. In measuring the expected credit losses, the trade receivables and contract assets have been assessed on a collective basis as they possess shared credit risk characteristics. They have been grouped based on the days past due and also according to the geographical location of customers. The expected loss rates are based on the payment profile for sales over the past 60 months before the reporting date. The historical rates are adjusted to reflect current and forwarding looking macroeconomic factors affecting the customer's ability to settle the amount outstanding. The Parent Company and the Group has identified gross domestic product (GDP) and inflation rates of the countries in which the customers are domiciled to be the most relevant factors and accordingly adjusts historical loss rates for expected changes in these factors.

14.5 As at 31 December 2025, the Group has allowance for expected credit losses against trade and other receivables amounting to RO 8,359,236 (2024: RO 8,359,236). Movement on the allowance for expected credit losses is as follows:

	Parent Company		Group	
	31	31	31	31
	December	December	December	December
	2025	2024	2025	2024
	<u>RO</u>	<u>RO</u>	<u>RO</u>	<u>RO</u>
At 1 January	8,359,236	7,914,345	8,359,236	7,914,345
ECL allowance for the year	-	444,891	-	444,891
At 31 December	<u>8,359,236</u>	<u>8,359,236</u>	<u>8,359,236</u>	<u>8,359,236</u>

14.6 The aging of trade and other receivables (excluding advances to suppliers and prepayments) and non-current contract assets is as follows (for Parent):

2025	Gross carrying amount <u>RO</u>	Loss allowance <u>RO</u>	Net carrying amount <u>RO</u>
Neither past due nor impaired	100,657,927	579,498	100,078,429
6 – 12 Months	10,992,024	651,235	10,340,789
13-24 Months	6,203,131	1,002,589	5,200,542
25-36 Months	4,137,239	1,044,342	3,092,897
37-48 Months	4,222,069	1,496,578	2,725,491
49-60 Months	1,221,667	598,079	623,588
Above 60 Months	2,986,915	2,986,915	-
	<u>130,420,972</u>	<u>8,359,236</u>	<u>122,061,736</u>

14. Trade and other receivables (continued)

14.6 The aging of trade and other receivables (excluding advances to suppliers and prepayments) and non-current contract assets is as follows (for Parent): (continued)

2024	Gross carrying amount <u>RO</u>	Loss allowance <u>RO</u>	Net carrying amount <u>RO</u>
Neither past due nor impaired	100,447,513	474,218	99,973,295
6 – 12 Months	10,075,917	565,536	9,510,381
13-24 Months	6,574,803	1,139,728	5,435,075
25-36 Months	4,714,477	1,145,922	3,568,555
37-48 Months	2,461,135	732,865	1,728,270
49-60 Months	2,667,904	1,053,944	1,613,960
Above 60 Months	3,247,023	3,247,023	-
	<u>130,188,772</u>	<u>8,359,236</u>	<u>121,829,536</u>

15. Cash and bank balances

	Parent Company		Group	
	31	31	31	31
	December	December	December	December
	2025	2024	2025	2024
	<u>RO</u>	<u>RO</u>	<u>RO</u>	<u>RO</u>
Balances with banks	11,688,075	10,806,262	13,282,400	11,309,627
Cash in hand	86,313	80,441	87,313	81,941
	<u>11,774,388</u>	<u>10,886,703</u>	<u>13,369,713</u>	<u>11,391,568</u>

15.1 For the purpose of statement of cash flows, cash and cash equivalents comprise:

	Parent Company		Group	
	31	31	31	31
	December	December	December	December
	2025	2024	2025	2024
	<u>RO</u>	<u>RO</u>	<u>RO</u>	<u>RO</u>
Cash and bank balance	11,774,388	10,886,703	13,369,713	11,391,568
Bank overdrafts (note 21)	(1,137,741)	(349,658)	(1,187,275)	(349,658)
	<u>10,636,647</u>	<u>10,537,045</u>	<u>12,182,438</u>	<u>11,041,910</u>

16. Share capital

The authorised share capital is RO 15,000,000 comprising of 150,000,000 shares of RO 0.100 each and paid up share capital is RO 15,000,000 comprising of 150,000,000 shares of RO 0.100 each (2024: 150,000,000 shares of RO 0.100 each).

16. Share capital (continued)

Shareholders owning 10% or more of the Parent Company's share capital as at 31 December 2025 and 31 December 2024 are as follows:

Name of the shareholders	2025		2024	
	No. of shares	% of holding	No. of shares	% of holding
Zawawi Trading Company LLC	22,499,356	15.00%	22,499,356	15.00%
Al Sharqiya Investment Holding Co. SAOG	17,184,386	11.46%	17,184,386	11.46%
Heirs of Sheikh Saud Ali Abdullah Al Khalili	15,967,251	10.64%	15,967,251	10.64%
Al Tahir Enterprises LLC	14,999,974	10.00%	14,999,974	10.00%

Holders of these shares are entitled to dividends as declared from time to time.

17. Share premium

The Parent Company had issued 20 million shares having nominal value of 100 baiza each during the year ended 31 December 2011. These shares were issued at a premium of 100 baiza per share.

18. Legal reserve

In accordance with the Commercial Companies Law of the Sultanate of Oman, annual appropriations of 10% of the profit for the year are made to this reserve until the accumulated balance amounts to at least one-third of the value of paid-up share capital of the Parent Company based in Oman. This reserve is not available for distribution to shareholders. During the year, the Parent Company has transferred an amount of RO 321,493 (2024: RO 280,071) to the legal reserve.

19. General reserve

In accordance with Article 133 of the Commercial Companies Law of the Sultanate of Oman, the general reserve is an optional reserve established by transferring 20% of the net profits for the year after deduction of taxes and the legal reserve. This reserve is available for distribution to the shareholders upon the recommendation of the Board of Directors. The Board has not proposed any transfer for the year ended 31 December 2025 and 31 December 2024.

20. Revaluation reserve

The reserve represents the surplus on the revaluation of land and buildings, and is not available for distribution until the land and building are disposed off. The reserve is presented within statement of changes in shareholders' equity, net of deferred tax.

21. Term loans, bank overdraft and other borrowings

	Parent Company		Group	
	31 December 2025	31 December 2024	31 December 2025	31 December 2024
	<u>RO</u>	<u>RO</u>	<u>RO</u>	<u>RO</u>
21.1 Term loans				
Long-term loan from banks	18,216,539	22,954,275	18,216,539	22,954,275
Less: due within a year classified as current liability	(15,696,539)	(11,730,791)	(15,696,539)	(11,730,791)
	<u>2,520,000</u>	<u>11,223,484</u>	<u>2,520,000</u>	<u>11,223,484</u>

21. Term loans, bank overdraft and other borrowings (continued)

	Parent Company		Group	
	31 December 2025	31 December 2024	31 December 2025	31 December 2024
	<u>RO</u>	<u>RO</u>	<u>RO</u>	<u>RO</u>
21.2 Loan against specific projects				
Term loan	27,225,993	15,578,777	28,342,023	15,578,777
Less: due within a year classified as current liability	(2,872,601)	(1,137,514)	(2,872,601)	(1,137,514)
	<u>24,353,392</u>	<u>14,441,263</u>	<u>25,469,422</u>	<u>14,441,263</u>
21.3 Bank borrowings				
Short-term loans	25,425,461	21,779,555	25,533,581	21,779,555
Bank overdrafts	1,137,741	349,658	1,187,275	349,658
	<u>26,563,202</u>	<u>22,129,213</u>	<u>26,720,856</u>	<u>22,129,213</u>

- i. Long term loans represent loans availed from various local commercial banks at interest rates ranging from 5.25% to 6.75% (2024: 6.15% to 6.75%) per annum. Loans against specific projects are mainly secured against assignment of receivables related to projects financed. One term loan is also secured against lien on fixed deposits (note 11.4).
- ii. Short term loans and bank overdrafts are availed from various local commercial banks at market interest rates. The interest rate on short term loans and bank overdrafts are subject to re-negotiation with the banks upon renewal of the facilities, which takes place generally on an annual basis in case of overdraft and at more frequent intervals in case of short-term loans. Project specific facilities are secured mainly against assignment of certain project receivables.

22. End of service benefits

	Parent Company		Group	
	31 December 2025	31 December 2024	31 December 2025	31 December 2024
	<u>RO</u>	<u>RO</u>	<u>RO</u>	<u>RO</u>
Movements in the liability recognised at the reporting date is as follows:				
Opening balance	2,007,265	2,305,800	2,012,792	2,305,800
Charge for the year (note 26)	536,508	46,172	542,736	49,252
Transfer to subsidiary companies	-	(11,907)	-	-
Paid during the year	(268,520)	(332,800)	(266,290)	(342,260)
Closing balance	<u>2,275,253</u>	<u>2,007,265</u>	<u>2,289,238</u>	<u>2,012,792</u>

23. Trade and other payables

	Parent Company		Group	
	31	31	31	31
	December	December	December	December
	2025	2024	2025	2024
	<u>RO</u>	<u>RO</u>	<u>RO</u>	<u>RO</u>
Factoring arrangement payables (note 23.1)	21,334,085	30,315,332	21,362,291	30,315,332
Trade payables including due to related parties balance (note 33)	10,404,523	7,530,293	10,094,003	7,138,206
Accrued contract expenses	16,539,862	16,174,540	17,123,800	16,571,712
Provision for staff benefits	1,671,066	1,549,662	1,707,441	1,569,357
Advance from customers	8,688,814	6,111,973	8,634,268	6,141,973
Other creditors and accruals	620,273	519,274	716,329	522,191
Retention payables	734,310	372,510	734,310	372,510
Value-Added-Tax (VAT) payable, net	419,042	288,650	422,089	287,239
	<u>60,411,975</u>	<u>62,862,234</u>	<u>60,794,531</u>	<u>62,918,520</u>

23.1 Factoring arrangement payables represents amount due to utility providing companies in respect of utilities provided to end consumers as the responsibility of collection of such money is of the Parent Company.

24. Revenue

	Parent Company		Group	
	Year ended	Year ended	Year ended	Year ended
	31	31	31	31
	December	December	December	December
	2025	2024	2025	2024
	<u>RO</u>	<u>RO</u>	<u>RO</u>	<u>RO</u>
<i>Recognised over a period-of-time in the Sultanate of Oman</i>				
EPC Projects	37,579,181	23,574,077	37,579,181	23,574,077
<i>Recognised at a point in time in the Sultanate of Oman</i>				
Operations and maintenance	31,908,532	20,844,171	31,943,191	20,844,171
Commission and other revenue from billing of electricity and water	16,603,351	16,903,522	16,603,351	16,903,522
Product and solutions	5,532,380	9,892,513	5,532,380	9,892,513
Oman National Training Institute	-	-	214,459	393,696
Others	1,158,403	766,041	1,590,140	769,652
Total revenue	92,781,847	71,980,324	93,462,702	72,377,631
Less- Inter division sales	(1,113,544)	(1,523,401)	(1,113,544)	(1,523,401)
	<u>91,668,303</u>	<u>70,456,923</u>	<u>92,349,158</u>	<u>70,854,230</u>

25. Other income

	Parent Company		Group	
	Year ended 31 December 2025 <u>RO</u>	Year ended 31 December 2024 <u>RO</u>	Year ended 31 December 2025 <u>RO</u>	Year ended 31 December 2024 <u>RO</u>
Dividend income	110,696	151,620	108,029	161,477
Gain on disposal of property, plant and equipment	7,905	38,165	7,905	38,165
Miscellaneous income	54,088	158,997	47,587	151,608
Rental income from investment properties	795,889	773,556	665,964	721,116
	<u>968,578</u>	<u>1,122,338</u>	<u>829,485</u>	<u>1,072,366</u>

26. Staff costs

	Parent Company		Group	
	Year ended 31 December 2025 <u>RO</u>	Year ended 31 December 2024 <u>RO</u>	Year ended 31 December 2025 <u>RO</u>	Year ended 31 December 2024 <u>RO</u>
Salaries, wages and allowances	20,112,061	17,901,284	20,789,624	18,329,868
Staff welfare expenses	1,757,401	1,665,347	1,827,877	1,678,431
Contribution to end of service benefits (note 22)	536,508	46,172	542,736	49,252
Contribution for social insurance	1,454,567	1,203,663	1,492,225	1,230,792
Staff accommodation rent	602,338	368,011	602,338	368,011
	<u>24,462,875</u>	<u>21,184,477</u>	<u>25,254,800</u>	<u>21,656,354</u>

27. Operating costs

	Parent Company		Group	
	Year ended 31 December 2025 <u>RO</u>	Year ended 31 December 2024 <u>RO</u>	Year ended 31 December 2025 <u>RO</u>	Year ended 31 December 2024 <u>RO</u>
Materials and spares	30,766,083	21,301,034	30,826,237	21,355,187
Sub-contracts and consultancy charges	23,201,702	16,916,459	22,737,118	16,513,579
Rent, electricity and water charges	1,641,677	1,579,647	1,727,159	1,579,647
Fuel and vehicle maintenance	1,498,520	842,055	1,506,846	842,476
Communication expenses	401,034	440,540	401,034	440,540
Repair and maintenance expenses	374,807	210,619	379,328	212,759
Marketing and advertisement	353,527	311,273	358,760	345,546
Travelling expenses	205,461	109,773	209,166	120,349
Professional fees	240,672	243,694	240,672	243,949
Miscellaneous expenses	966,987	579,211	1,033,195	816,056
Less: Inter-division purchases	(1,113,544)	(1,523,401)	(1,113,544)	(1,523,401)
	<u>58,536,926</u>	<u>41,010,904</u>	<u>58,305,971</u>	<u>40,946,687</u>

28. Administrative and general expenses

	Parent Company		Group	
	Year ended 31 December 2025 <u>RO</u>	Year ended 31 December 2024 <u>RO</u>	Year ended 31 December 2025 <u>RO</u>	Year ended 31 December 2024 <u>RO</u>
ECL on trade and other receivables (note 14.5)	-	444,891	-	444,891
Bank charges	644,736	567,239	665,341	572,188
Directors' remuneration and sitting fee (note 33.1)	229,823	212,442	276,323	246,951
Travelling expenses	73,975	40,596	92,625	40,596
Marketing and advertisement	12,640	16,591	17,412	16,591
Professional fees	120,222	33,067	156,796	34,717
Miscellaneous expenses	773,330	577,622	918,531	578,255
	<u>1,854,726</u>	<u>1,892,448</u>	<u>2,127,028</u>	<u>1,934,189</u>

29. Finance costs - net

	Parent Company		Group	
	Year ended	Year ended	Year ended	Year ended
	31	31	31	31
	December	December	December	December
	2025	2024	2025	2024
	<u>RO</u>	<u>RO</u>	<u>RO</u>	<u>RO</u>
Interest expense	2,559,758	2,851,615	2,572,014	2,851,615
Foreign exchange loss	19,363	3,048	19,187	3,110
Interest income	(91,507)	(95,939)	(91,507)	(95,939)
	<u>2,487,614</u>	<u>2,758,724</u>	<u>2,499,694</u>	<u>2,758,786</u>

30. Income tax

The Parent Company and the subsidiaries are subject to income tax at the rate of 15% (2024: 15%) in accordance with the Income Tax Law of the Sultanate of Oman.

Tax assessments of the Parent Company have been completed and agreed with the Oman Tax Authority up to the year 2021. The management considers that the amount of additional taxes, if any, that may become payable in relation to the tax years for which assessments are pending would not be material to the consolidated and separate financial position of the Group and the Parent Company at the reporting date.

	Parent Company		Group	
	Year ended	Year ended	Year ended	Year ended
	31	31	31	31
	December	December	December	December
	2025	2024	2025	2024
	<u>RO</u>	<u>RO</u>	<u>RO</u>	<u>RO</u>
30.1 Income tax expense:				
Current year	469,500	505,671	492,753	518,776
Deferred taxation	155,650	(47,755)	155,635	(47,721)
	<u>625,150</u>	<u>457,916</u>	<u>648,388</u>	<u>471,055</u>

30.2 The movement in current tax liability for the year is as follows:

	Parent Company		Group	
	31	31	31	31
	December	December	December	December
	2025	2024	2025	2024
	<u>RO</u>	<u>RO</u>	<u>RO</u>	<u>RO</u>
Opening balance	505,671	387,818	518,776	425,793
Charge for the year	469,500	505,671	492,753	518,776
Payments during the year	(505,671)	(387,818)	(518,776)	(425,793)
Closing balance	<u>469,500</u>	<u>505,671</u>	<u>492,753</u>	<u>518,776</u>

30. Income tax (continued)

30.3 The reconciliation of tax on the accounting profit at the applicable rate of 15% (2024: 15%) with tax expense in profit or loss is as follows:

	Parent Company		Group	
	Year ended 31 December 2025 <u>RO</u>	Year ended 31 December 2024 <u>RO</u>	Year ended 31 December 2025 <u>RO</u>	Year ended 31 December 2024 <u>RO</u>
Tax charge on accounting profit at applicable rates	576,012	488,794	501,709	468,796
Add tax effect of:				
Net effect of depreciation and other disallowances	(106,512)	16,877	(8,956)	49,980
	<u>469,500</u>	<u>505,671</u>	<u>492,753</u>	<u>518,776</u>

30.4 Deferred tax

Deferred income taxes are calculated on all temporary differences under the liability method using a principal tax rate of 15% (2024: 15%).

Statement of financial position	Parent Company		Group	
	Year ended 31 December 2025 <u>RO</u>	Year ended 31 December 2024 <u>RO</u>	Year ended 31 December 2025 <u>RO</u>	Year ended 31 December 2024 <u>RO</u>
Deferred tax asset	1,277,902	1,277,902	1,277,917	1,277,902
Deferred tax liability	(1,147,448)	(932,512)	(1,147,694)	(932,758)
	<u>130,454</u>	<u>345,390</u>	<u>130,223</u>	<u>345,144</u>

Deferred tax asset	Parent Company		Group	
	31 December 2025 <u>RO</u>	31 December 2024 <u>RO</u>	31 December 2025 <u>RO</u>	31 December 2024 <u>RO</u>
Opening balance	1,277,902	1,211,168	1,277,902	1,211,168
Movement during the year - profit or loss	-	66,734	15	66,734
Closing balance	<u>1,277,902</u>	<u>1,277,902</u>	<u>1,277,917</u>	<u>1,277,902</u>

Deferred tax liability	Parent Company		Group	
	31 December 2025 <u>RO</u>	31 December 2024 <u>RO</u>	31 December 2025 <u>RO</u>	31 December 2024 <u>RO</u>
Opening balance	932,512	918,288	932,758	918,500
Movement during the year - profit or loss	155,650	18,979	155,650	19,013
Movement during the year - OCI	64,002	-	64,002	-
Movement during the year - recorded in equity	(4,716)	(4,755)	(4,716)	(4,755)
Closing balance	<u>1,147,448</u>	<u>932,512</u>	<u>1,147,694</u>	<u>932,758</u>

30. Income tax (continued)**30.4 Deferred tax (continued)****Deferred tax asset**

	Parent Company			Group		
	As at 1 January 2025 <u>RO</u>	Recognised during the year <u>RO</u>	As at 31 December 2025 <u>RO</u>	As at 1 January 2025 <u>RO</u>	Recognised during the year <u>RO</u>	As at 31 December 2025 <u>RO</u>
ECL allowance	1,277,902	-	1,277,902	1,277,902	15	1,277,917
	<u>1,277,902</u>	<u>-</u>	<u>1,277,902</u>	<u>1,277,902</u>	<u>15</u>	<u>1,277,917</u>

Deferred tax liability

	Parent Company			Group		
	As at 1 January 2025 <u>RO</u>	Recognised during the year <u>RO</u>	As at 31 December 2025 <u>RO</u>	As at 1 January 2025 <u>RO</u>	Recognised during the year <u>RO</u>	As at 31 December 2025 <u>RO</u>
Property, plant and equipment	311,249	155,650	466,899	311,495	155,650	467,145
Revaluation reserve	621,263	59,286	680,549	621,263	59,286	680,549
	<u>932,512</u>	<u>214,936</u>	<u>1,147,448</u>	<u>932,758</u>	<u>214,936</u>	<u>1,147,694</u>

Deferred tax asset

	Parent Company			Group		
	As at 1 January 2024 <u>RO</u>	Recognised during the year <u>RO</u>	As at 31 December 2024 <u>RO</u>	As at 1 January 2024 <u>RO</u>	Recognised during the year <u>RO</u>	As at 31 December 2024 <u>RO</u>
ECL allowance	1,211,168	66,734	1,277,902	1,211,168	66,734	1,277,902
	<u>1,211,168</u>	<u>66,734</u>	<u>1,277,902</u>	<u>1,211,168</u>	<u>66,734</u>	<u>1,277,902</u>

Deferred tax liability

	Parent Company			Group		
	As at 1 January 2024 <u>RO</u>	Recognised during the year <u>RO</u>	As at 31 December 2024 <u>RO</u>	As at 1 January 2024 <u>RO</u>	Recognised during the year <u>RO</u>	As at 31 December 2024 <u>RO</u>
Property, plant and equipment	292,270	18,979	311,249	292,482	19,013	311,495
Revaluation reserve	626,018	(4,755)	621,263	626,018	(4,755)	621,263
	<u>918,288</u>	<u>14,224</u>	<u>932,512</u>	<u>918,500</u>	<u>14,258</u>	<u>932,758</u>

31. Earnings per share

	Parent Company		Group	
	31 December 2025	31 December 2024	31 December 2025	31 December 2024
Net profit for the year attributable to shareholders of the Parent Company (RO)	3,214,929	2,800,708	2,733,317	2,612,492
Weighted average number of ordinary shares outstanding during the year	<u>150,000,000</u>	<u>150,000,000</u>	<u>150,000,000</u>	<u>150,000,000</u>
Earnings per share (RO) attributable to shareholders of the Parent Company	<u>0.021</u>	<u>0.019</u>	<u>0.018</u>	<u>0.017</u>

The earnings per share is calculated by dividing the profit attributable to shareholders of the Parent Company for the year by the weighted average number of shares outstanding during the year.

The Parent Company does not have any dilutive potential ordinary shares in issue at the year end, thus, the diluted earnings per share is identical to the basic earnings per share.

32. Net assets per share

Net assets per share is calculated by dividing the equity attributable to the shareholders of the Parent Company at the reporting date by the number of shares outstanding, as follows:

	Parent Company		Group	
	31 December 2025	31 December 2024	31 December 2025	31 December 2024
Equity attributable to the shareholders of the Parent Company (RO)	33,706,507	31,086,413	33,183,140	31,023,246
Ordinary shares outstanding at the reporting date	<u>150,000,000</u>	<u>150,000,000</u>	<u>150,000,000</u>	<u>150,000,000</u>
Net assets per share (RO)	<u>0.225</u>	<u>0.207</u>	<u>0.221</u>	<u>0.207</u>

33. Related parties' transactions and balances

The Parent Company and the Group, in the ordinary course of business, deal with parties which fall within the definition of 'related parties' as contained in International Accounting Standard 24. Such transactions are entered into at mutually agreed terms.

33.1 Transactions with related parties included in profit or loss are as follows:

	Parent Company		Group	
	Year ended 31 December 2025	Year ended 31 December 2024	Year ended 31 December 2025	Year ended 31 December 2024
	<u>RO</u>	<u>RO</u>	<u>RO</u>	<u>RO</u>
Sub-contractor charges	630,629	527,191	157,477	-
Training and other expenses	260,512	81,239	-	-
Proposed directors' remuneration (note 28)	188,123	168,042	204,123	204,851
Sitting fees paid to directors (note 28)	41,700	44,400	72,200	42,100
Key management remuneration	686,128	698,601	900,202	610,899
Post-employment benefits	57,177	25,652	74,684	27,000

33.2 Related party balances

	Parent Company		Group	
	31 December 2025	31 December 2024	31 December 2025	31 December 2024
	<u>RO</u>	<u>RO</u>	<u>RO</u>	<u>RO</u>
Due to related parties				
Tasdeed for Electronic Services LLC	574,313	436,010	-	-
National Medical and Healthcare Services LLC	6,867	-	-	-
Others	184,820	188,755	23,378	29,965
	<u>766,000</u>	<u>624,765</u>	<u>23,378</u>	<u>29,965</u>
	Parent Company		Group	
	31 December 2025	31 December 2024	31 December 2025	31 December 2024
	<u>RO</u>	<u>RO</u>	<u>RO</u>	<u>RO</u>
Due from related parties				
Tasdeed for Electronic Services LLC	65,021	44,845	-	-
National Medical and Healthcare Services LLC	301,158	-	-	-
Others	280,676	37,995	-	-
	<u>646,855</u>	<u>82,840</u>	<u>-</u>	<u>-</u>

34. Contingencies and commitments**a. Contingencies**

	Parent Company		Group	
	31	31	31	31
	December	December	December	December
	2025	2024	2025	2024
	<u>RO</u>	<u>RO</u>	<u>RO</u>	<u>RO</u>
Guarantees	39,285,515	21,964,831	39,378,515	22,057,831

The bank guarantees are issued in the normal course of business.

b. Commitments

Letters of credit	7,205,339	12,557,700	7,978,139	12,557,700
Purchase commitments	40,359,713	30,338,184	40,435,904	30,548,564
Capital commitments	592,501	501,249	1,743,910	519,094

35. Financial assets and liabilities and risk management**35.1 Financial assets and liabilities**

Financial assets and liabilities carried on the separate and consolidated statement of financial position include cash and bank balances, trade and other receivables, investments, long term creditors, bank borrowings, term loans, loans against specific projects and trade and other payables. The particular recognition methods adopted are disclosed in the individual policy statements associated with each item.

35.2 Risk management

Risk management is carried out by the management under policies approved by the Board of Directors. The Group's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the performance.

35.3 Capital management

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern, so that it can provide returns for shareholders and benefits for other stakeholders.

The Group sets the amount of capital in proportion to risk. The Group manages the capital structure and makes adjustments to it in the light of changes in economic conditions and the risk characteristics of the underlying assets. The Group is required to meet the regulatory capital maintenance requirement set out in the Commercial Companies Law and Regulations of the Sultanate of Oman.

35.4 Market risk

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

The Parent Company and the Group are exposed to market risk through its use of financial instruments and specifically to currency risk, interest rate risk and certain other price risks.

35. Financial assets and liabilities and risk management (continued)**35.4 Market risk (continued)****35.4.1 Foreign exchange risk**

Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. Assets are typically funded in the same currency as that of the business being transacted to eliminate exchange exposures. Management believes that there is a minimal risk of significant loss due to exchange rate fluctuations and consequently the Parent Company and the Group does not hedge its foreign currency exposure.

The Parent Company and the Group's transactions in foreign currencies are in AED, EURO and US Dollars. There are no significant fluctuations in exchange rate as Rial Omani is mostly stable and furthermore, Rial Omani is pegged against US Dollar, therefore, the Parent Company and the Group is not subject to significant foreign currency risk.

35.4.2 Interest rate risk

Interest rate risk is the risk that fair value or future cash flows of a financial instrument will fluctuate due to changes in market interest rates. The Group is exposed to interest rate risk on its floating interest-bearing liabilities which include short term loan and bank overdraft. Management monitors the interest rate risk by setting limits on the interest rate gaps for stipulated periods.

The sensitivity of profit or loss is the effect of the assumed changes in interest rates on the Group's profit for one year, based on the floating rate financial assets and financial liabilities held on 31 December 2025. Most of the Company's interest bearing financial instruments are at fixed rate and hence exposure to interest rate risk is minimal. Sensitivity analysis of interest rates is as follows: If the interest rates were to be 50 basis points higher or lower with all other variables held constant, the Group's net profit would decrease or increase by RO 5,689 (2024: by RO 1,748).

35.5 Credit risk

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 its trade and other receivables and cash at bank. The credit risk on trade receivables is subjected to credit evaluations and a provision is made for estimated irrecoverable amounts. The amounts presented in the separate and consolidated statement of financial position are net of ECL allowance on trade receivables. The Parent Company and the Group is not exposed to any significant concentration. Exposures within each credit risk grade are segmented based on actual credit loss experience over the past years. These rates are multiplied by scalar factors to reflect differences between economic conditions during the period over which the historical data has been collected, current conditions and the Parent Company's and the Group's view of economic conditions over the expected lives of the receivables.

The Parent Company's and the Group's maximum exposure to credit risk is limited to the carrying amount of the financial assets recognised at the reporting date, as summarised below:

	Parent Company		Group	
	31 December 2025	31 December 2024	31 December 2025	31 December 2024
	<u>RO</u>	<u>RO</u>	<u>RO</u>	<u>RO</u>
Non-interest bearing				
Trade and other receivables	66,103,881	65,221,342	66,209,484	65,467,215
Cash at banks	11,688,075	10,806,262	13,282,400	11,309,627
	<u>77,791,956</u>	<u>76,027,604</u>	<u>79,491,884</u>	<u>76,776,842</u>
Interest bearing				
Fixed deposits	1,100,000	1,100,000	1,100,000	1,100,000
	<u>1,100,000</u>	<u>1,100,000</u>	<u>1,100,000</u>	<u>1,100,000</u>

35. Financial assets and liabilities and risk management (continued)**35.6 Liquidity risk**

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

The Parent Company's and the Group's risk to liquidity is a result of funds available to cover future commitments. The Parent Company and the Group manages liquidity risk through an ongoing review of future commitments and credit facilities.

The table below analyses the Parent Company's and the Group's financial liabilities into relevant maturity groupings based on the remaining period at the reporting date to the contractual maturity date. The amounts disclosed in the table are contractual cash flows.

At the end of the year, the contractual maturity analysis (at Group level) in respect of financial liabilities is provided below:

Liabilities as at 31 December 2025	Carrying amounts <u>RO</u>	Contractual cash flows <u>RO</u>	Less than a year <u>RO</u>	Between 1- 5 years <u>RO</u>	More than 5 years <u>RO</u>
Borrowings	73,279,418	83,398,112	47,208,283	21,740,637	14,449,192
Trade and other payables	50,030,733	50,030,733	50,030,733	-	-
Liabilities as at 31 December 2024	Carrying amounts <u>RO</u>	Contractual cash flows <u>RO</u>	Less than a year <u>RO</u>	Between 1- 5 years <u>RO</u>	More than 5 years <u>RO</u>
Borrowings	60,662,265	69,543,115	36,696,966	19,589,155	13,256,994
Trade and other payables	54,919,951	54,919,951	54,919,951	-	-

36. Fair values

Fair value is an amount for which an asset could be exchanged, or a liability settled, between knowledgeable willing parties in an arm's length transaction. Consequently, differences may arise between the carrying value and the fair value estimates.

Financial and non-financial assets measured at fair value in the separate and consolidated statement of financial position are grouped into three levels of a fair value hierarchy. The three levels are defined based on the observability of significant inputs to the measurement, as follows:

Level 1: quoted (unadjusted) prices in active markets for identical assets or liabilities.

Level 2: other techniques which uses inputs (other than quoted prices) that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3: techniques which use inputs for the asset or liability that are not based on observable market data (i.e., unobservable inputs).

The face value less any estimated credit adjustments for financial assets and liabilities with a maturity of less than one year are assumed to approximate to their fair values. The fair values of short-term loans are considered to approximate to their carrying amounts as these carry interest rates which are believed to be the commercial interest rates.

36. Fair values (continued)

The following table shows the levels within the hierarchy of financial and non-financial assets (at Group level) measured at fair value at 31 December 2025 and 2024.

Financial assets - recurring basis	Level 1 <u>RO</u>	Level 2 <u>RO</u>	Level 3 <u>RO</u>	Total <u>RO</u>
Financial assets at fair value through other comprehensive income	1,274,608	-	-	1,274,608
Non-financial assets - non-recurring basis				
Land and building	-	8,165,028	-	8,165,028
As at 31 December 2025	<u>1,274,608</u>	<u>8,165,028</u>	<u>-</u>	<u>9,439,636</u>

Financial assets	Level 1 <u>RO</u>	Level 2 <u>RO</u>	Level 3 <u>RO</u>	Total <u>RO</u>
Financial assets at fair value through other comprehensive income	1,794,012	-	-	1,794,012
Non-financial assets				
Land and building	-	7,915,620	-	7,915,620
As at 31 December 2024	<u>1,794,012</u>	<u>7,915,620</u>	<u>-</u>	<u>9,709,632</u>

Fair value of investments is based on quoted market prices at the reporting date. Fair value of land and building is categorized under Level 2 as the value is determined based on the market price of similar properties.

Any increase or decrease in fair value by 5% would increase or decrease the other comprehensive income by RO 410,744 (2024: RO 426,114), net of tax.

There were no transfers between the levels during the years ended 31 December 2025 and 2024.

The Parent Company's and the Group's external expert performs valuations for financial reporting purposes for Level 3 fair values. Valuation techniques are selected based on the characteristics of each asset, with the overall objective of maximizing the use of market-based information.

37. Segment reporting

The Parent Company and the Group has only one geographical segment i.e. Sultanate of Oman. Segment information is, accordingly, presented in respect of the Group's business segments. The primary format, business segments, is based on the Parent Company's and the Group's management and internal reporting structure.

Segment results, assets and liabilities include items directly attributable to a segment as well as those that can be allocated on a reasonable basis.

37.1 Business segments

For management purposes, the Group is organized into six (2024: six) operating divisions. The Group reports segment information for the segments which meet the quantitative thresholds defined by IFRS 8 for reportable segments and information for other segments is presented on an aggregated level. Principal activities of the Group are as follows:

37. Segment reporting (continued)**37.1 Business segments (continued)**

- a. Engineering, Procurement and Construction (EPC) and contracting, including supply and installation of power generating equipment, construction of power supply lines and other related projects.
- b. Operation and maintenance business includes the operation and maintenance of power generation stations, desalination plants, hospitals equipment, air conditioning plants, and sewage treatment plants.
- c. Billing division business includes billing and collection of electricity, telecom, PASI and water dues across Oman;
- d. Products and solutions
Products and solutions business includes:
 - i. Mechanical - rehabilitation of desalination station, supply of High-Density Polyethylene pipes (HDPE) and manhole covers, design, supply, installation and commissioning of sewage treatment plants; and
 - ii. Electrical - supply of isolators and fuses, metering system for distribution networks etc.
- e. Training centre
Training centre provides training in professional courses to third parties and the Group's staff. The Parent Company setup a new company for this segment where the Parent Company holds 100% shareholding. Therefore, this segment does not have any results in the Parent Company's books.
- f. Investments
Investment segment includes investment properties, investments in equity instruments listed on muscat stock exchange and fixed deposits with banks.
- g. Fire and safety
Fire and Safety segment installs and maintains fire prevention systems., fire extinguishers., circuits, sensors and extension cords.

37.2 Segment results, assets and liabilities

- a. Segmental results of business segments of the Parent Company for the year are:

	Year ended 31 December 2025 <u>RO</u>	Year ended 31 December 2024 <u>RO</u>
Revenue		
Project EPC	37,579,181	23,574,077
Operations and maintenance	31,908,532	20,844,171
Billing division	16,603,351	16,903,522
Products and solutions	5,532,380	9,892,513
Investments	906,585	925,176
Fire and safety	1,158,403	766,041
Unallocated	61,993	197,162
Less: inter-divisional sales	(1,113,544)	(1,523,401)
Total revenue	<u>92,636,881</u>	<u>71,579,261</u>

37. Segment reporting (continued)

37.2 Segment results, assets and liabilities (continued)

a. Segmental results of business segments of the Parent Company for the year are: (continued)

	Year ended 31 December 2025	Year ended 31 December 2024
	RO	RO
Expenses		
Project EPC	36,626,375	27,025,832
Operations and maintenance	29,422,698	18,419,430
Billing division	13,823,872	10,981,778
Products and solutions	5,252,783	9,576,294
Investments	833,128	848,450
Fire and safety	1,286,051	629,671
Unallocated	3,290,589	2,820,499
Less: inter-divisional purchases	(1,113,544)	(1,523,401)
Total expenses	89,421,952	68,778,553
Profit for the year	3,214,929	2,800,708

b. Segment assets and liabilities of business segments of the Parent Company are:

	Assets		Liabilities	
	31 December 2025	31 December 2024	31 December 2025	31 December 2024
	RO	RO	RO	RO
Project EPC	36,434,517	33,301,062	45,144,120	41,548,486
Operations and maintenance	50,691,911	39,780,632	34,761,277	24,621,631
Billing division	48,611,325	60,713,246	35,359,571	46,133,980
Products and solutions	10,969,194	9,272,240	11,043,627	9,728,645
Investments	17,323,077	15,416,751	5,937,472	6,561,247
Fire and safety	822,146	394,030	1,362,673	612,814
Unallocated	4,016,799	3,666,022	1,553,722	2,250,767
Total	168,868,969	162,543,983	135,162,462	131,457,570

37.3 The segment-wise additions to property, plant and equipment of the Parent Company during the year are:

	Year ended 31 December 2025	Year ended 31 December 2024
	RO	RO
Project EPC	30,989	31,522
Operations and maintenance	2,779,745	719,117
Billing division	228,503	307,232
Products and solutions	39,834	39,448
Investments	1,861	164,818
Fire and safety	5,188	1,385
Unallocated	100,271	188,970
Total	3,186,391	1,452,492

All non-current assets of the Parent Company and Group are located in the Sultanate of Oman.

38. Dividend paid and proposed

The Board of Directors has proposed a cash dividend of RO 10 baizas per share (2024: 10 baizas per share), amounting to RO 1,500,000 (2024: RO 1,500,000) and no bonus shares (2024: no bonus shares) which is subject to the approval of the shareholders at the annual general meeting.

39. Subsequent events

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

40. General

Corresponding figures have either been regrouped and reclassified, wherever considered necessary, for the purposes of comparison and to reflect the substance of the transactions. Such regroupings or reclassifications did not impact the Parent Company's or Group's previous year reported separate or consolidated net profit or shareholders' equity.

41. Reconciliation of liabilities arising from financing activities

	Long term and short term <u>loans</u> <u>RO</u>	Dividend <u>payable</u> <u>RO</u>	Finance charges <u>payable</u> <u>RO</u>	<u>Total</u> <u>RO</u>
2025				
As at 1 January 2025	60,312,607	-	-	60,312,607
Net cash inflows / (outflows)	10,555,386	(1,500,000)	(2,487,614)	6,567,772
Non-cash changes - accruals during the year	-	1,500,000	2,487,614	3,987,614
As at 31 December 2025	<u>70,867,993</u>	<u>-</u>	<u>-</u>	<u>70,867,993</u>
	Long term and short term <u>loans</u> <u>RO</u>	Dividend <u>payable</u> <u>RO</u>	Finance charges <u>payable</u> <u>RO</u>	<u>Total</u> <u>RO</u>
2024				
As at 1 January 2024	57,189,084	-	-	57,189,084
Net cash inflows / (outflows)	3,123,523	(1,500,000)	(2,758,724)	(1,135,201)
Non-cash changes - accruals during the year	-	1,500,000	2,758,724	4,258,724
As at 31 December 2024	<u>60,312,607</u>	<u>-</u>	<u>-</u>	<u>60,312,607</u>