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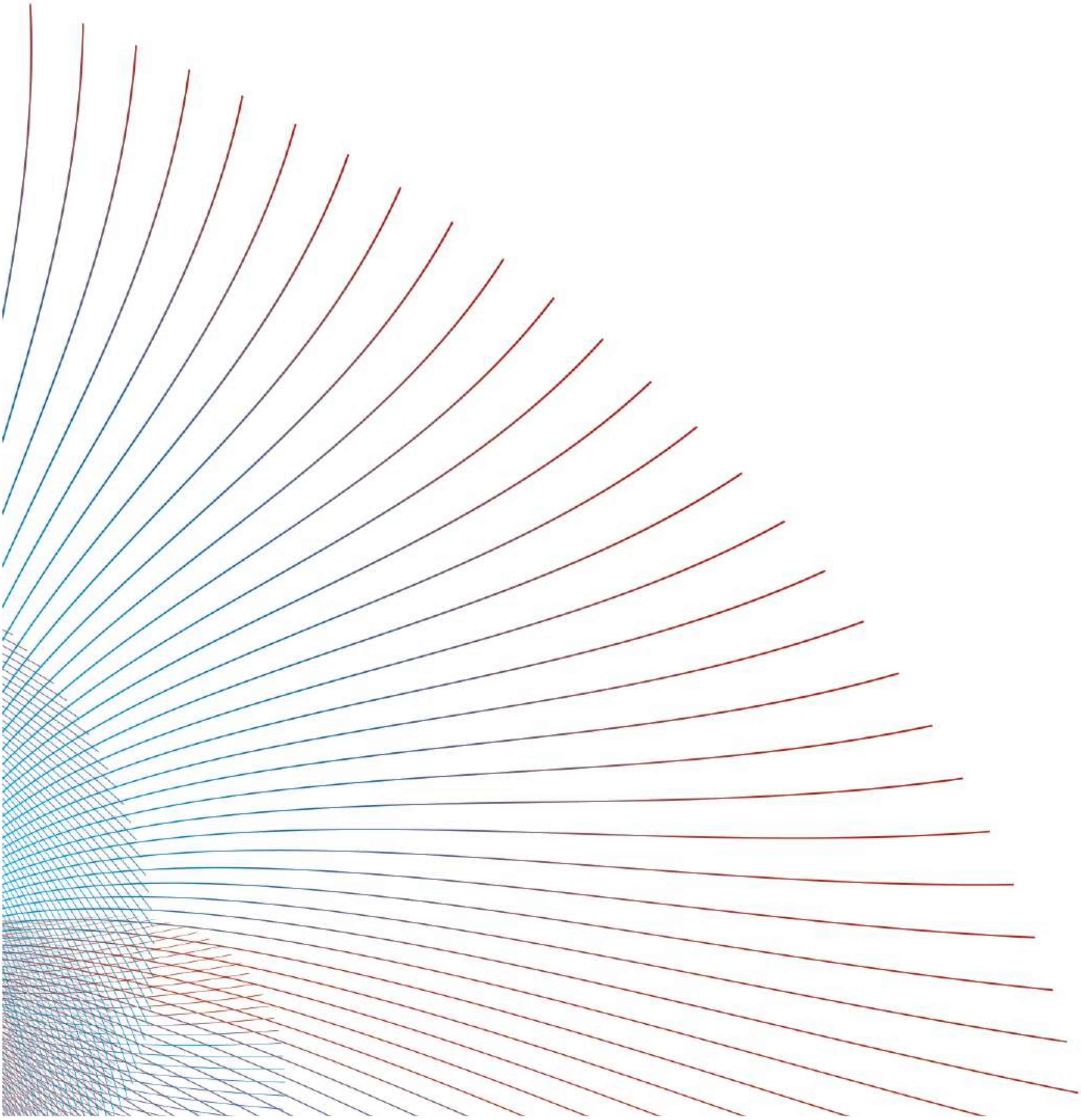
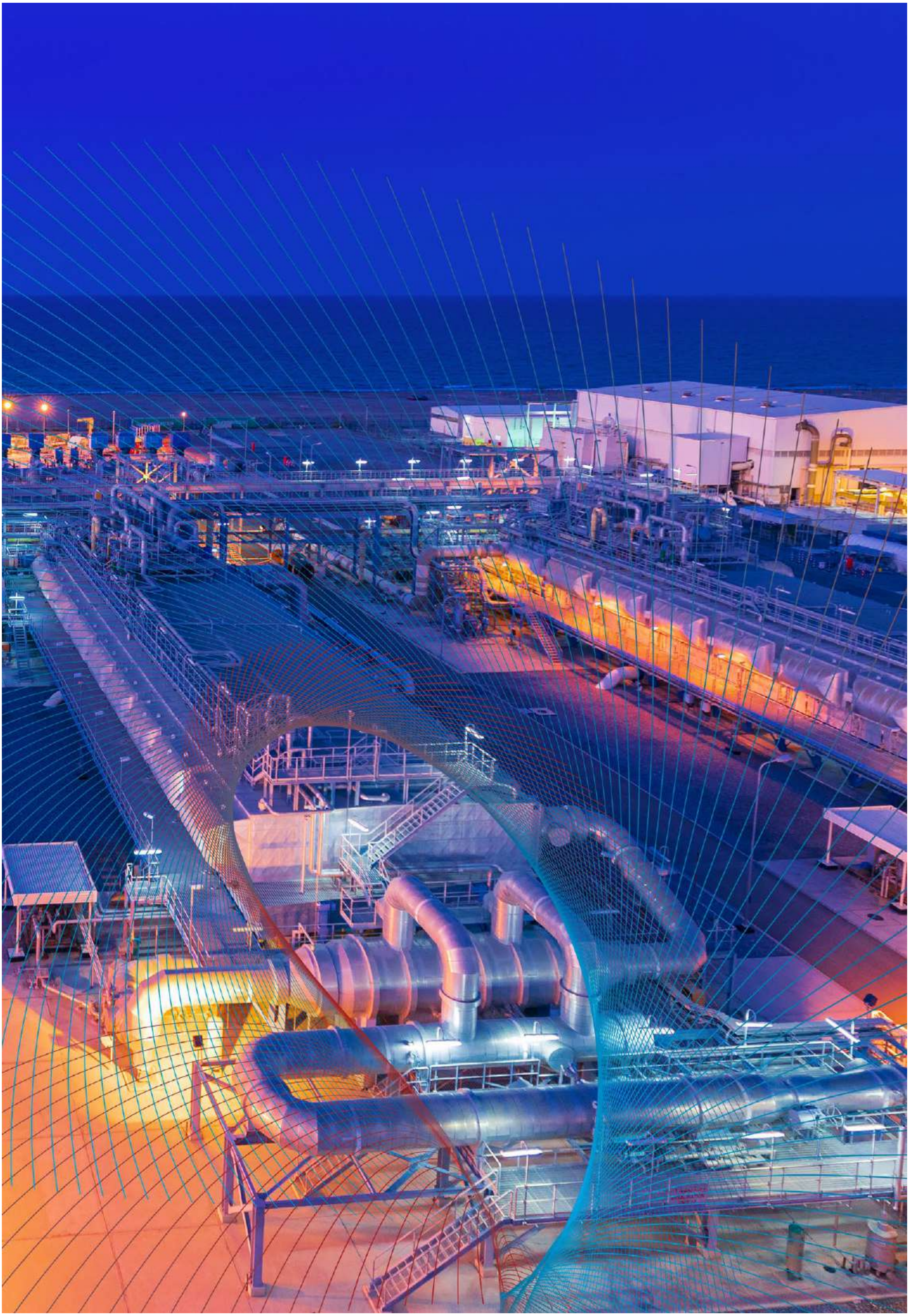
Barka 1

Annual Report **2025**

Sustained by OUR GROWTH



HIS MAJESTY
SULTAN HAITHAM BIN TARIK



Contents

OVERVIEW AND HIGHLIGHTS

Mission

To meet the commitments with the stakeholders by producing safe, environmentally friendly, reliable and cost effective electricity and water in a socially responsible manner.

Vision

Maintain plant overall reliability to maximum, ensuring world class safety and environmental standards. Meet shareholder aspirations by adding maximum value by sustaining project economics.

Values

- Safety First
- Integrity
- Commitment
- Continuous Improvement

Business Continuity

Focus on ongoing, reliable water distribution and Grasp business opportunities in the Spot market or through Bilateral agreements after the regulations are issued by the Public Services Regulatory Authority.

Safety comes first

The Company successfully achieved 22 years without Lost Time Incident, testimony of putting safety first!

Operational Challenge

Achieving highest reliability for the SWRO plants and preserving power plant capacity to produce when opportunities arises.

Developing People

Developing leadership within the local talent pool.

STAKEHOLDERS

STAKEHOLDERS

ACWA Power
Barka Project LLC: 58%

Social Protection
Fund: 9.9%

Others: 32.1%

FUEL SUPPLIER

Ministry of Energy
& Minerals

CUSTOMER

Oman Power and Water

Procurement
Co. SAOC

CONTRACTOR

First National Company
for Operation and
MaintenanceServices LLC
(NOMAC OMAN)

LENDERS

Bank Muscat

Ahlibank

OTHERS

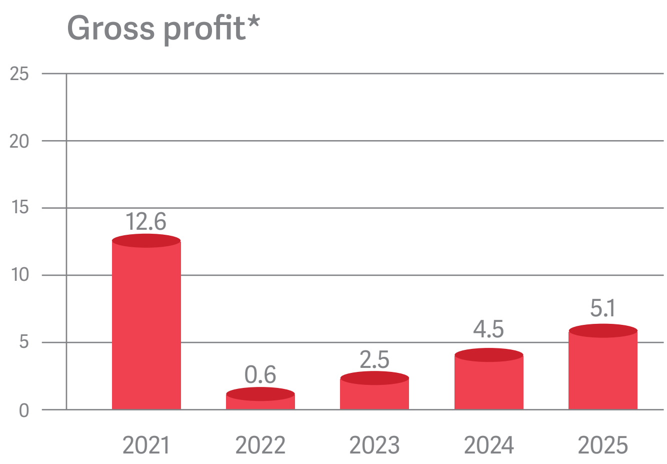
Oman Electricity
Transmission Company

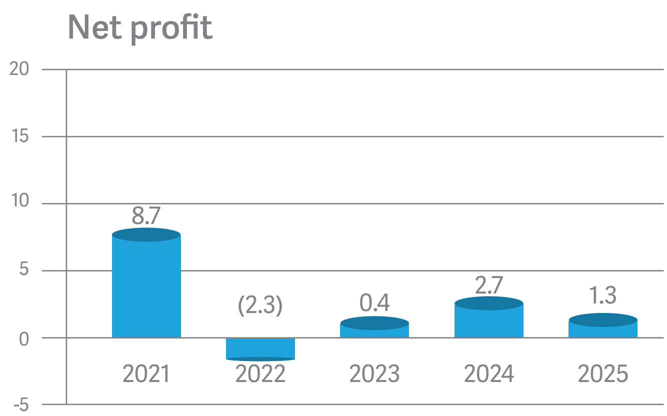
Ministry of Housing
& Urban Planning

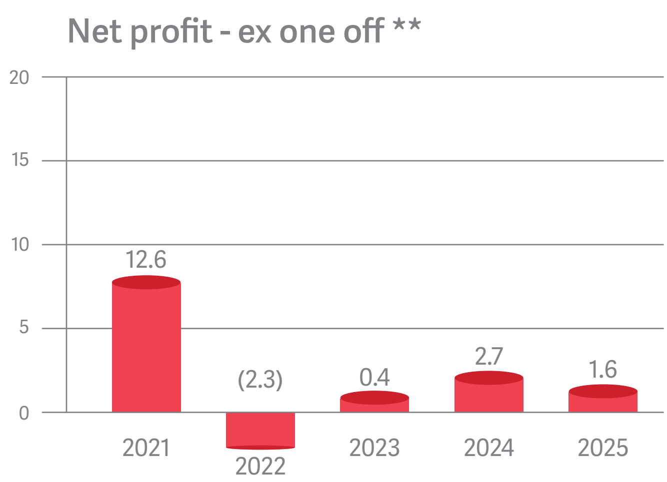
Authority for Public
Services Regulation

Financial, Operational & Safety Highlights

Historical Highlights (in million ⃁)







* Adjusted for current year classification.
** Excluding impacts of impairment., increase in income tax rate and supreme court decision.

BOARD OF DIRECTORS

Stefan Dizkers
Chairman

Mohammed Al Aghbari
Deputy Chairman

Ibrahim Al Jahwari
Board Member

Hatem Al Sheidi
Board Member

Abdul Aziz Al Failakawi
Board Member

Saif Al Ghafri
Board Member

Omar Al Ahmadi
Board Member

MANAGEMENT
TEAM

Salim Al Sibani
Chief Executive Officer

Adnan Hussain
Finance Manager

Talal Al Mabsali
Asset Manager

BOARD OF DIRECTORS' REPORT

Dear Shareholders,

On behalf of the Board of Directors of Barka Water and Power Company SAOG ('The Company'), I have the pleasure to present the Annual Report of the Company for the year ended 31 December 2025.

Highlights of the year

Our proudest achievement remains our safety record of 23 years without a Lost Time Incident achieved on 2 May 2025. A safe working environment is our topmost priority in line with government directives, The Company and its Operator (NOMAC Oman) established special HSE and operational procedures ensuring safe operation. The credit of this remarkable milestone goes to the entire Barka team who all played a critical role in building such a safe environment.

The Company had entered into Power and Water Purchase Agreement (PWPA) with Nama Power and Water Procurement Company (PWP) which includes Power plant for 8 years and 9 months and multi-stage flash evaporator (MSFE) water plant for 3 years term with extension option at PWP's discretion for a further term of 3 years and another term of 2 years & 9 months (total 8 years and 9 months term).

The Water Purchase Agreements (WPAs) for both RO plants (Phase I and Phase II) expired on 29 September 2024 and the plants have since ceased their operations. APSR has confirmed the removal of RO Plants capacities from the Company's Generation and Desalination License. The Company will initial the disposal process for the RO plants upon obtaining the necessary approvals. As the RO Plants have been already impaired in the Company's financial statements in 2024, no material loss is expected from their disposal.

The Company has met its obligations to the lenders by timely debt service of ﷼6.8m during 2025.

The Company held its Annual General Meeting (AGM) for 2024 on 11 March 2025. All agenda items were approved by the shareholders.

Strategic positioning

NPWP is the sole procurer of the power and water in Omani market and the primary fuel supplier is Ministry of Energy & Minerals. The operations and maintenance of the plants is performed by NOMAC Oman which is wholly owned by ACWA Power.

Operational performance

The operational performance will always remain the key contributor towards the Company's performance and is the backbone of any company in this sector.

The Power & MSFE plants achieved reliability factor of 99.1% & 98.2% respectively for 2025. Further the load factor for Power & MSFE plants remains at 28.7% & 5.4% respectively.

The Company successfully achieved the annual performance test for Power plant and the MSFE on 27 March 2025 as per the requirements of PWPA.

Occupational Health, Safety, and environment

The landmark achievement during the year was the achievement of 23 years without a Lost Time Accident on 2 May 2025. This safety record is not merely a statistic but represents a lot of effort by all the individuals working at the plant. The Barka team strives to improve its work practice based on both internal and external reviews on its safety culture.

Safety remains your Company's topmost priority. The Operator has completed all maintenance activities including the repair work without any accident, which is a remarkable achievement considering the hazards involved with such activities. Preserving the environment is also one of the key considerations of your Company. We are pleased to inform you that there were no environmental exceedances during the year.

Financial performance

The Company strongly believes in an open, transparent environment where integrity and sound ethics are imperative to success. The Company maintains the highest level of financial controls and reporting standards. Your Company continues to achieve these standards, and this is periodically confirmed by timely, accurate reporting as well as rigorous internal and external auditing processes and procedures.

Your Company remains in compliance with the Code of Corporate Governance of the Financial Services Authority.

The Company recorded a gross profit of ⃁5.1m (2024: ⃁4.5m) for the year 2025. The increase mainly attributable to Power plant and MSFE full-year operations, slighted netted off with expiry of WPAs for RO plants in September 2024. The Company is reporting a net profit after tax of ⃁1.3m (2024: ⃁2.7m) which corresponds to earning per share of ⃁0.008 (2024: ⃁0.017).

The Company had distributed interim cash dividends of Bzs 32.63 and Bzs 4.30 per share to the shareholders during the year 2025.

People

The success of any business is driven by its people, the real assets, and their motivation.

The directors of your Company are a set of diversified individuals with vast financial, operational, technical, and market-oriented experience. They have successfully guided the business during challenging times. The Management of the Company, under the guidance of the Board, have worked diligently and creatively to implement the vision of the Board and to bring excellence to the business. The directors and Management of your Company have demonstrated their business acumen and strategy of looking after all shareholders' interests and generating value for everyone.

I, along with the Board, would like to extend my gratitude to the team, which includes the operations and maintenance people of the Operator, who have given their fullest contribution to survive in challenging time. We reaffirm our commitment to develop and garner Omani talent.

The board recognizes the importance of nurturing local talent in line with the national vision and is fully committed to developing the local skill set.

Social Responsibility

The Company firmly believes in the importance of being a good corporate citizen in the conduct of its business activities as well as in fulfilling its corporate and social responsibilities.

#	Beneficiary	Amount (⃁)	Description
1	Oman Charity Organization	5,000	Contribution to Oman Charitable Organization
2	Trainees fee under Eiddad program	14,025	Sponsored for internship for Omani student trainees under the Eiddad program during the year.
3	Social Development Authority	3,000	Back to School initiative- Support orphans and families in South Al Batinah
5	Porta cabin facility	3,000	Port cabin facility for contractors and third-party workers.
	Total	**25,025**	

Outlook for 2026

The Company will initial the disposal process for the RO plants upon obtaining the necessary approvals.

The Company will continue its proactive activities to assure uninterrupted operations and availability of Power plant and MSFE.

Acknowledgements

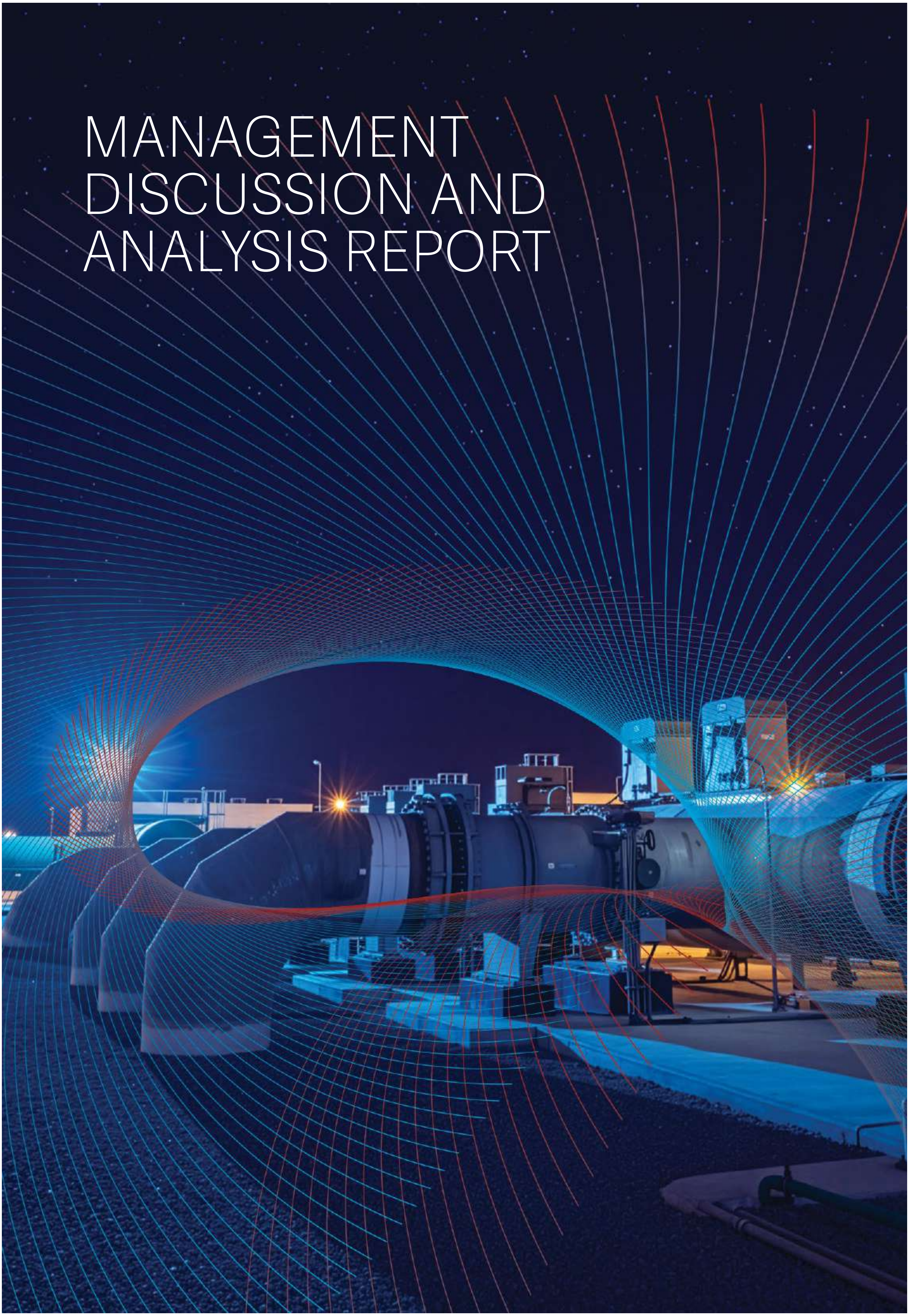
The Company would like to take this opportunity to express its respect and gratitude to all our stakeholders especially NPWP, Ministry of Energy & Minerals, the Authority for Public Services Regulation, and the Financial Services Authority.

Finally, on behalf of the Board of Directors, I would like to take the opportunity to express our gratitude to His Majesty Sultan Haitham bin Tarik and His Government for their vision, guidance, wisdom, and continued support. We would also like to acknowledge the progressive and enlightened vision of His Majesty Sultan Qaboos bin Said which continues to be a model for others to emulate and without it, the success being achieved by many would not have been possible.

Chairman Board of Directors

Director

MANAGEMENT DISCUSSION AND ANALYSIS REPORT



Business Framework

The principal activities of Barka Water and Power Company SAOG (the 'Company') are to develop, finance, design, construct, operate, maintain, insure, and own power generating station and water desalination plants and other related infrastructure.

The Company's business is regulated by project agreements with various government entities and financing agreements with project lenders. These project agreements provide an assurance both over revenue and cost elements of the business.

The Company has been granted a Generation and Desalination License by the Authority for Public Services Regulation ("APSR") for a period of 25 years.

The Company had entered into Power and Water Purchase Agreement (PWPA) with Nama Power and Water Procurement Company (PWP) which includes Power plant for 8 years and 9 months and multi-stage flash evaporator (MSFE) water plant for 3 years term with extension option at PWP's discretion for a further term of 3 years and another term of 2 years & 9 months (total 8 years and 9 months term).

The Water Purchase Agreements (WPAs) for both RO plants (Phase I and Phase II) expired on 29 September 2024 and the plants have since ceased their operations. APSR has confirmed the removal of RO Plants capacities from the Company's Generation and Desalination License. The Company will initial the disposal process for the RO plants upon obtaining the necessary approvals. As the RO Plants have been already impaired in the Company's financial statements in 2024, no material loss is expected from their disposal.

The Company has contracted out the operation and maintenance activities to First National Company for Operation and Maintenance Services LLC ('NOMAC Oman'). NOMAC Oman is an Omani company wholly owned by ACWA Power. The term of the O&M Agreements is co-terminus with the term of the PWPA.

The Barka Seawater Facilities Company (BSFC) was formed in 2010 as a joint venture between ACWA Power Barka and SMN Barka as 50% equity shareholders. BSFC constitutes seawater intake and outfall facilities. These facilities are currently being operated and maintained by NOMAC Oman under its O&M Agreement with BSFC.

Safety & Environment

The Company achieved landmark milestone of achieving 23 years without a Lost Time Incident in May 2025. Being the first of the Core values of the Company, Safety is always at the forefront. Through concerted efforts and continued focus on Safety by both Barka and NOMAC Oman teams, we have been able to achieve this result. To ensure this is a self-sustaining achievement, safety has been imparted as part of the culture which everyone feels proud to be part of.

There have been zero environmental exceedances during the year and regulatory permits were maintained.

Operational & Organizational Highlights

Power Generation

Power plant achieved a reliability factor of 99.1% and a load factor of 28.7% for the reporting period.

Year	Electricity Delivered (MMWH)	Export Factor (%)	Reliability Factor (%)
2025	1.0	28.7%	99.1
2024*	0.7	36.6%	87.5

* from 6 June 2024

Water Production (MSFE Plant)

MSFE plant achieved a reliability factor of 98.2% and a load factor of 5.4% for the reporting period.

Year	Water delivered (Mm3)	Export Factor (%)	Reliability Factor (%)
2025	1.7	5.4%	98.2%
2024*	0.5	11.8%	88.2%

* from 11 November 2024

Maintenance Highlights

The team believes in a risk-based approach towards maintenance to create a viable balance between predictive, proactive and scheduled maintenance. Accordingly, all required predictive, proactive, scheduled, and corrective maintenance activities were implemented in well manner to assure the operations and availability of power and MSFE plants.

Below are the maintenance activities undertaken by the Operator to ensure reliable operations of the plants during the year.

Power plant

- Testing of Steam Turbine transformer, generator protection relay, main transformer and OLTC tanks oil filtration and GCB completed.
- Calibration of Gas Turbines #1 & 2 Pressure Reducing Terminal's gas detectors completed.
- Deisel tank -1 cleaning and inspection was carried out.
- ST generator minor inspection completed
- ST 3rd governor control valve insulation completed.
- Compressor house extension done to accommodate 5th compressor and exhaust ducting done for all compressors.
- BFP-2 pump and motor overhauling completed.
- ACW-2 pump and motor overhauling completed.
- Band screan-2 overhauling completed.
- HRSG-1&2 passing valves and NRVs defects attended.
- ST borescope inspection for last stage was completed.
- ST main condenser cleaning completed.
- Streat lights lamps replaced with LED type.
- Corrosion survey for complete plant has been completed.

Water Block MSFE:

- Seawater intake screening system mechanical cleaning activity was conducted.
- Main seawater pump-3 motor overhauling in progress.
- MSFE 12 civil and painting work completed.
- MSFE 11,12,13& remen plant pumps and motors PM activities were completed.
- MSFE 11,12,13& remen plant safety valves service and calibration completed

Performance Tests

The Company successfully achieved the annual performance test for Power plant and the MSFE on 27 March 2025 as per the requirements of PWPA.

Omanisation

The Company and its Operator take Omanisation as a responsibility rather than a contractual obligation.

The Company and its Operator continued to remain in compliance with their contractual obligations. The Operator continued the practice of recruiting newly qualified graduates and developing them through numerous in-house and external training programs.

This policy of the Company and its Operator has resulted in the recruitment of experienced local talent at senior leadership positions.

Social responsibility

The Company promotes social responsibility through internship programs for young Omani talent, technical site tours for university students, and a 'Back to School' initiative supporting underprivileged families and orphaned students in south Al Batinah.

Financial Highlights

⃁ in Millions					
Income Statement	**2025**	**2024**	**2023**	**2022**	**2021**
Revenue	30.8	25.7	13.4	14.7	39.5
Operating costs	25.7	21.2	10.9	14.1	26.9
Gross profit	5.1	4.5	2.5	0.6	12.6
Other costs	3.8	1.8	2.1	2.8	3.9
Net profit / (loss) after tax	1.3	2.7	0.4	(2.3)	8.7
Gross profit margin	17%	17%	18%	4%	31%
Net profit / (loss) margin	4%	11%	3%	(15%)	22%
Earnings / (loss) per share (⃁)	0.008	0.017	0.002	(0.014)	0.054

Revenues

Total revenue is higher by ⃁5.1m compared to the previous year. The increase is due to full year operations of power plant & MSFE as compared to partial operations in prior year, marginally setoff with no RO plants revenue due to expiry of WPAs on 29 September 2024.

Operating Costs

The increase in operating costs by ⃁4.5 million is primarily attributable to higher fuel and O&M expenses resulting from the full-year operation of the power plant and MSFE, partially offset by lower O&M costs for the RO plants. In addition, depreciation of property, plant and equipment increased due to impairment reversals recorded in the prior year and additions during the year.

Gross Profit

The increase in gross profit of ⃁0.6m mainly attributable to full year power plant and MSFE operations partially offset with no RO plants operations due to expiry of WPAs on 29 September 2024.

Other Costs

Other costs (net of other income) for the current period are higher by ⃁2.0m primarily due to higher finance costs resulting from long-term loan utilization, higher ECL and income tax expenses. Further impairment reversal of ⃁ 0.7m was recognized in prior year.

⃁ in Millions					
Balance Sheet	**2025**	**2024**	**2023**	**2022**	**2021**
Total assets	73.9	77.0	69.8	80.6	92.4
Total equity	27.6	32.2	34.7	34.3	36.6
Paid up capital	16.0	16.0	16.0	16.0	16.0
Return on assets (%)	1.7	3.5	0.5	(2.8)	9.4
Net assets per share – ⃁	0.172	0.201	0.217	0.214	0.229
Return on paid up capital (%)	8	17	2	N/A	54
Debt equity ratio	52:48	45:55	32:68	37:63	40:60
Ordinary dividend (%)	36.93	32.18	-	-	-
Dividend per share – Bzs	36.93	32.18	-	-	-

N/A – Not Applicable since no meaningful return ratio is computable.

Debt Service and Dividends

The Company has met its obligations to the lenders by timely debt service of ⃁6.8m. The Company distributed interim cash dividends of Bzs 32.63 and Bzs 4.30 per share to the shareholders during the year 2025.

Risks faced by the Company

The primary risks associated with the Company are:

- WPAs for RO plants expired on 29 September 2024 and their capacities have been delisted from Company's license. The Company will initial the disposal process for the RO plants upon obtaining the necessary approvals. As the RO Plants have been already impaired in the Company's financial statements in 2024, no material loss is expected from their disposal. The Company will take all necessary proactive measures to ensure that the dismantling of the plants is carried out safely and in an orderly manner.
- Cybersecurity related attacks are a real risk to industrial infrastructure around the world. The Company continued to implement a robust cybersecurity framework at its plants in line with requirements of the Authority to mitigate such risks.

Outlook

The Company is striving to maintain its safety record in future without safety or environmental incident and to remain in compliance of local regulations.

The Company will continue its proactive and scheduled maintenance activities to assure uninterrupted operations and availability of Power plant and MSFE.

The Company will make efforts to maintain adequate cash reserves to settle its obligations and outstanding liabilities.

History of the Project

Introduction

The Company was incorporated as an Omani Joint Stock Company in the Sultanate of Oman on November 19, 2000 under a trade license issued by Ministry of Commerce & Industry.

History of the company

The Government of the Sultanate of Oman invited proposals (tender number 45/2000) in April 2000 for:

1) The design, procurement, construction, commissioning and financing of a natural gas and fuel oil fired electricity generating plant and a sea- water desalination plant, with

an anticipated guaranteed net contracted capacity of about 427 MW of power and 20 MIGD of water, and the gas connection facilities; and

2) The operation & maintenance of the Plant in such a manner to ensure that the Plant and the gas connection facilities may always be operated for a period of 15 years from the COD; and

3) The sale of the electrical energy and water associated therewith, to the power purchaser, in accordance with the PWPA.

The Project was awarded by the Government to a consortium comprising AES Corporation and Multitech LLC, following a competitive bidding process. The consortium formed the Company for the purposes of entering into the Project Agreements and undertaking the Project. Subsequently in 2010, AES Corporation sold its shareholding in the Project to ACWA Power International. The Project has been developed by the Company under a Build, Own and Operate ("BOO") scheme. The BOO concept enables the Company to operate as a going concern beyond the contracted period of 15 years.

The 427 MW gas fired power plant and 20 MIGD desalination plant is situated on the Omani coast approximately 60 km north-west of Muscat. The site is strategically located near the main gas transmission system and electricity grid network.

The power section of the Plant uses two V94.2 Ansaldo Gas Turbines (to drive electrical generators) with Heat Recovery Steam Generators (HRSG's), which utilize the exhaust heat of the gas turbines to produce steam, and this steam is supplied to a Steam Turbine to complete the combined cycle. The desalination section of the Plant uses three identical Multi-stage Flash Evaporator desalination units supplied by Hitachi, which produce 6.67MIGD each.

The land for the Plant is owned by Government and is leased to the Company for 25 years (renewable for a further 25 years) under a Usufruct Agreement. The plot of land measures about 110,000 sq m. Enel power S.p.A of Italy and Hitachi Zosen Corporation of Japan were the principal Engineering, Procurement, and Construction ("EPC") contractor(s) for the Project.

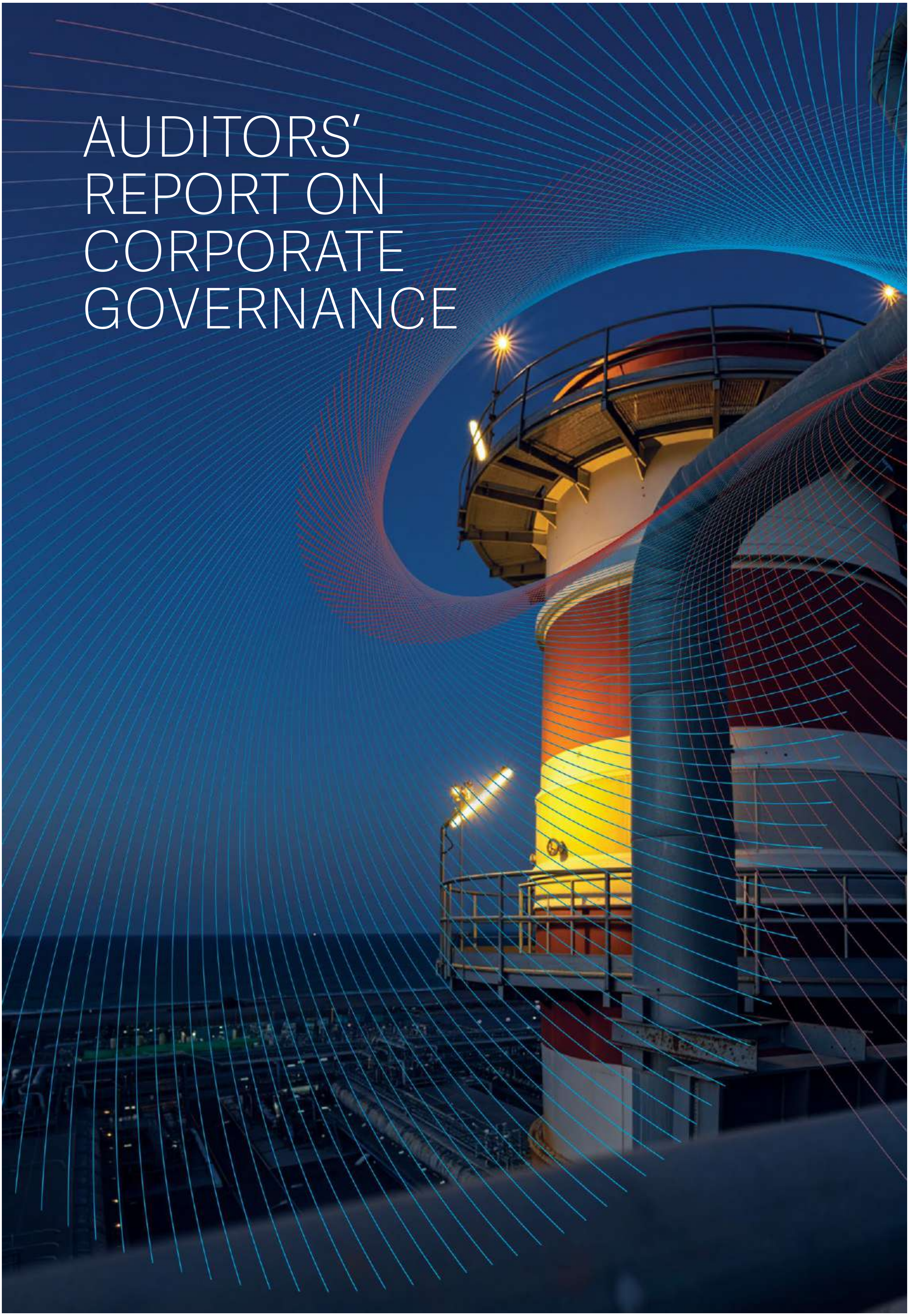
Major Stakeholders

Shareholders	:	ACWA Power, Social Protection Fund.
Lenders	:	Consortium of local banks led by Bank Muscat SAOG
Off taker	:	PWP
O&M arrangements	:	NOMAC Oman
EPC contractor(s)	:	Enel power S.p.A. of Italy (Power) and Hitachi Zosen Corporation of Japan (MSFE)
		\ABEINSA (RO Phase I) & Osmoflo (RO Phase II)

Chief Executive Officer

Finance Manager

AUDITORS' REPORT ON CORPORATE GOVERNANCE



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P O Box 641, PC 112
Sultanate of Oman
Tel. +968 24 749600, www.kpmg.com/om

Private and confidential
Our ref: aud/ky/ss/24891/26

Agreed-upon procedures on Code of Corporate Governance ("the Code") of Barka Water and Power Company SAOG

To the Board of Directors of Barka Water and Power Company SAOG

Purpose of this Agreed-Upon Procedures Report and Restriction on Use and Distribution

Our report is solely for the purpose of assisting the Barka Water and Power Company SAOG for submission of agreed upon procedures report on the compliance with the Code of Corporate Governance (the "Code") to the Financial Services Authority (FSA) to assist in compliance of requirements prescribed in the FSA Circular No. E/10/2016 dated 1 December 2016 (together the "Governance Code") and may not be suitable for another purpose. This report is intended solely for the Barka Water and Power Company SAOG and the intended users and should not be used by, or distributed to, any other parties.

Responsibilities of the Barka Water and Power Company SAOG

The Board of Directors has acknowledged that the agreed-upon procedures are appropriate for the purpose of the engagement.

The Management of Barka Water & Power Company SAOG is responsible for the accuracy and completeness of the subject matter on which the agreed-upon procedures are performed.

Practitioners' Responsibilities

We have conducted the agreed-upon procedures engagement in accordance with the International Standard on Related Services (ISRS) 4400 (Revised), *Agreed-Upon Procedures Engagements*. An agreed-upon procedures engagement involves our performing the procedures that have been agreed with Barka Water and Power Company SAOG, and reporting the findings, which are the factual results of the agreed-upon procedures performed. We make no representation regarding the appropriateness of the agreed upon procedures.

This agreed-upon procedures engagement is not an assurance engagement. Accordingly, we do not express an opinion or an assurance conclusion.

Had we performed additional procedures, other matters might have come to our attention that would have been reported.

Practitioners' Responsibilities (continued)

Professional Ethics and Quality Management

We have complied with the relevant ethical requirements including independence requirements of International Ethics Standards Board for Accountants International Code of Ethics for Professional Accountants (including International Independence Standards) (IESBA Code) issued by the International Ethical Standards Board for Accountants.

Our firm applies International Standard on Quality Management 1, which requires the firm to design, implement and operate a system of quality management including policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Procedures and Findings

We have performed the procedures described below, which were agreed upon with Barka Water and Power Company SAOG in the terms of engagement dated 07 March 2025, on the compliance with the Code:

S. No	Procedures	Findings
(a)	We checked that the corporate governance report (the report) issued by the Board of Directors includes as a minimum, all items suggested by the FSA to be covered by the report as detailed in the Annexure 3 of the Code by comparing the report with such suggested content in the Annexure 3	No exceptions noted.
(b)	We obtained the details regarding areas of non-compliance with the Code identified by the Company's Board of Directors for the year ended 31 December 2025. With respect to procedure above, we inquired from and obtained written representation from management and those charged with governance for non-compliance with the Code for the year ended 31 December 2025.	No non-compliance with the Code noted during the year.

This report relates only to the items specified above and does not extend to the Company's financial statements taken as a whole.

KPMG

KPMG
KPMG LLC
Children's Public Library Building
4th floor, Shatti Al Qurum
P O Box 641, PC 112
Sultanate of Oman
CR.No: 1358131

KPMG LLC
Muscat, Sultanate of Oman

10 February 2026

شركة بركاء للمياه والطاقة ش.م.ع.ع
BARKA WATER AND POWER COMPANY S.A.O.G

Barka Water and Power Company SAOG
Code of Corporate Governance Report
31 December 2025

Statement of Issue:

This report is being presented to comply with the fourteenth principle of the Code of Corporate Governance of Muscat Securities Exchange (the "MSX") applicable to Public Joint Stock Companies issued vide Circular No. E/4/2015 dated 22 July 2015 and further amendments to FSA Code of Corporate Governance issued under circular no. E/10/2016 dated 1 December 2016 and Decision No. 27/2021 dated 25 February 2021 (collectively the "Code") issued by the Financial Services Authority (the "FSA") for the purpose of establishing a framework of good governance, whereby a listed company is managed in compliance with the best practices of corporate governance.

We are pleased to report that Barka Water and Power Company SAOG ("the Company") remained in compliance with the principles of the Code. The Company was listed on the Muscat Securities Market on 12 January 2005.

Company Philosophy on Code of Governance:

The Company is committed to the highest standards of corporate governance. The Company operates with a set of business principles and corporate conduct is its most important element. These values are reflected in the leadership, management, and day to day operations of the Company by the Board of Directors, the management, and the employees of the Company.

The Company believes in and practices good corporate governance. The Company's philosophy of the Code of Corporate Governance is aimed at assisting the top management in the efficient conduct of its business and fulfilling its obligations towards all its stakeholders.

The Company has applied the principles of corporate governance in the following manner:

The Company has adopted a Code of Business Conduct which is applicable to the employees. The Code is intended to govern as a requirement of employment and govern the actions of everyone who works at the Company. This Code addresses the following topics:

- Compliance with All Laws, Rules, Regulations, and the Code of Corporate Governance
- Conflicts of Interest and Corporate Opportunities
- Quality of Public Disclosures
- Protection and Proper Use of Company Assets
- Protection of Confidential Proprietary Information
- Insider Trading
- Fair Dealing
- Interacting with Government
- Environment, Health, and Safety
- Respect for One Another
- Record Retention

Barka Water and Power Company SAOG
Code of Corporate Governance Report
31 December 2025

Board of Directors

The Company encourages representation of non-executive and independent directors on its Board of Directors. At present, the Board consists of seven directors all of which are non-executive directors and four of them are independent directors. All the directors have excellent industry and corporate governance experience. Their experience is complimented by their academic qualifications in the field of administration, management, finance, accounting and engineering.

The Board of Directors was elected at the Annual General Meeting held on 29 March 2023 and is subject to re-election in March 2026. Six meetings of the Board of Directors were convened during the year on the following dates:

Meeting number	Date of the meeting
BOD meeting # 1/2025	17 Feb 2025
BOD meeting # 2/2025	24 Apr 2025
BOD meeting # 3/2025	1 July 2025
BOD meeting # 4/2025	17 Jul 2025
BOD meeting # 5/2025	22 Oct 2025
BOD meeting # 6/2025	15 Dec 2025

These meetings were convened by issuing proper notices along with the agenda and relevant work papers. All meetings were presided over by the Chairman of the Board. The minutes of the meetings were appropriately recorded and circulated.

Details of composition and category of directors and their attendance at the meetings of the Board of Directors, Annual General Meeting and Ordinary General Meeting are given as under:

Barka Water and Power Company SAOG
Code of Corporate Governance Report
31 December 2025

Name of Director	Category	Board Meetings held during 2025						AGM	OGM
		17 Feb	24 Apr	1 Jul	17 Jul	22 Oct	15 Dec	11 Mar	22 Jul
Mr. Stefan Dijkers (Chairman)	Non-Independent	✓	✓	✓	✓	✓	✓	✓	-
Mr. Mohammed Al Aghbari (Deputy Chairman)	Independent	✓	✓	✓	✓	✓	✓	✓	✓
Mr. Abdul Aziz Al Failakawi	Independent	✓	✓	✓	✓	✓	-	✓	-
Mr. Hatem Al Sheidi	Independent	✓	✓	✓	✓	✓	✓	✓	✓
Mr. Ibrahim Al Jahwari	Independent	✓	✓	✓	✓	✓	-	✓	-
Mr. Omar Al Ahmadi	Non-Independent	✓	✓	✓	✓	✓	✓	✓	✓
Mr. Saif Al Ghafri	Non-Independent	✓	✓	✓	✓	✓	✓	✓	✓

Legend: ✓: Present or proxy   -: Apologies

The Company held its Annual General Meeting ("AGM") of shareholders on 11 March 2025 for the year ended 31 December 2024.

No director is holding directorship/chairmanship in other public joint stock companies in Oman as of 31 December 2025.

Board committees

- **Audit Committee**

The Board of Directors constituted the Audit Committee by appointing three directors as Audit Committee members, two of which are independent. The Chairman of the Audit Committee is an independent director. These members have required knowledge and experience of accounting, international financial reporting standards and commercial law that enable them to perform their functions. The Committee supports the Board in fulfilling its oversight and review function. The Committee reviews the Company's adherence to policies, procedures, practices and compliance with laws and regulations.

The Committee ensures that the financial statements prepared are in accordance with the International Financial Reporting Standards and the disclosure rules issued by the FSA.

A brief description of the terms of reference of the Audit Committee is as under:

- The Audit Committee has the power to seek the required information and/or presence of any employee of the Company.
- Ensuring adequacy of the control environment and overseeing the issuance of financial statements to the stake holders.
- Acting as a communication channel between Auditors, Management, and the Board.

Detail of meetings held during the year and attendance by the members is as under:

Name of Director	Category	BAC Meetings held during 2025			
		17 Feb	23 Apr	17 Jul	21 Oct
Mr. Abdul Aziz Al Failakawi (Chairman)	Independent	✓	✓	✓	✓
Mr. Ibrahim Al Jahwari	Independent	✓	✓	✓	✓
Mr. Omar Al Ahmadi	Non - Independent	✓	✓	✓	✓

Legend: ✓: Present or proxy —: Apologies

The Audit Committee heard the views of the external auditors before forwarding the financial statements for the year 2024 to the Board of Directors in their meeting held on 17 February 2025. During this meeting, the views of the internal auditor and the external auditors were heard separately without the presence of the Management. In addition, the Audit Committee has also reviewed the reports and heard the views of Internal Auditor on quarterly basis. The Audit Committee reviewed and approved the Internal Audit plan for 2025. The Audit Committee also submitted its plan for 2026 to the Board at the meeting held on 22 October 2025.

By interaction with, and oversight of the Management, Internal and External Auditors along with evaluation of submitted reports, the Audit Committee reviewed the effectiveness of the internal control system and found it to be adequate and effective.

Nomination and Remuneration Committee

The Board of Directors constituted the Nomination and Remuneration Committee (NRC) by appointing three directors as its members, one of which is independent. These members possess adequate knowledge and experience to carry out their responsibilities diligently. The Committee assisted the Board and the shareholders in the nomination of the most proficient directors to fill the vacancies and aims to assist the Board in selecting the appropriate and necessary executives for the Executive Management. The Committee meets at least 2 times annually.

A brief description of the terms of reference of the Nomination and Remuneration Committee is as under:

- Ensuring the nominated directors possess the necessary skills and abilities as has been defined in the Code.
- Ensure a succession strategy in place for directors and the executive management.

On a yearly basis, the NRC defines its working plan for the coming year which is presented to the Board. The 2025 NRC plan was approved by the Board on 16 October 2024. The Committee also submitted its plan for 2026 to the Board at the Board meeting held on 22 October 2025.

Details of meetings held during the year and attendance by the members are as under:

Name of Director	Category	NRC Meeting held and attended during 2025	
		5 Feb	20 Oct
Mr. Omar Al Ahmadi (Chairman)	Non – Independent	✓	✓
Mr. Saif Al Ghafri	Non – Independent	✓	✓
Mr. Hatem Al Sheidi	Independent	✓	✓

Legend: ✓: Present —: Apologies

Process of nomination of directors

Directors are selected as per the Articles of Association of the Company at the AGM. The process calls for any individual or registered shareholders to file their nominations for the post of directors in prescribed form as stipulated by the FSA. The nomination files are scrutinized as prescribed by the FSA guidelines before being accepted. Elections are held by ballot at the AGM.

Pursuant to the terms of Article 181 of the Commercial Companies Law No 18/2019 as translated and Articles of Association of the Company, the tenure of the members of the Board shall be for three (3) years.

Remuneration of Directors and Key Management Officers

As approved by the shareholder, members of the Board, Audit Committee and Nomination and Remuneration Committee are entitled to a sitting fee of ﷼ 400 per meeting attended during the year. The sitting fee of Directors for the year ended 31 December 2025 amounted to ﷼ 23,200 for Board and its Committee meetings attended during the year. Further the Company will propose ﷼ 50,000 as remuneration to Directors for the year 2025 to the Shareholders for approval in the Annual General Meeting planned to be held on 12 March 2026.

Key management personnel are those executives having powers, authority and responsibility in planning, directing and monitoring the business of the company directly or indirectly. The key management personnel were paid an aggregate amount of ﷼ 176,120 which includes remuneration and other perquisites. The remuneration paid to the officers is commensurate with the role, responsibilities and skills required for the position based on a well laid down policy and process for determining remuneration linked with performance. Employment contracts of executive management meet the requirements of Omani labor law and there is a standard notice period as per Company's policy in case of resignation by the employee.

Non-Compliance and Penalties during last three years

No penalties or fines were imposed on the Company during the last three years.

Communication to Shareholders

The Company effectively communicated with the shareholders during the year using all available means of communication. Periodic financial statements along with the Directors' Report were approved by the Board for issuance.

The financial statements were submitted to MSX according to timelines prescribed by the law. The annual and quarterly financial statements were also published in two daily newspapers i.e. Arabic and English. In addition, annual audited financial statements and annual reports are published on the Company's website. The Company has also appointed an Investment Relations Officer in compliance with the requirements of MSX. Further the Company conducted discussion sessions with stakeholders answering the questions of attendees. The Annual Report for the year ended 31 December 2025 includes the Board of Directors' Report and the Management Discussion and Analysis Report.

Barka Water and Power Company SAOG
Code of Corporate Governance Report
31 December 2025

Distribution of Shareholdings

The shares of the Company are listed and traded on MSX. The shareholding of the Company is widely distributed. The pattern of shareholding, major shareholders and their shareholdings as on 31 December 2025, were as follows:

Shareholders by type	Shareholding
Omani	98.22%
GCC Nationals	1.06%
Foreigners	0.72%

Major Shareholders	Shareholding
ACWA Power Barka Project LLC	58.00%
Social Protection Fund	9.95%
Shareholders holding less than 5%	32.05%

Market price data and Company's stock performance

Year 2025	Barka Water and Power Company SAOG		MSX (Services Sector)	
	High	Low	High	Low
January	0.319	0.311	1,764.00	1,685.32
February	0.305	0.270	1,704.93	1,631.01
March	0.267	0.267	1,639.07	1,588.82
April	0.278	0.260	1,588.29	1,511.34
May	0.255	0.200	1,626.05	1,526.96
June	0.220	0.190	1,642.85	1,567.10
July	0.210	0.173	1,853.65	1,595.45
August	0.184	0.171	1,968.01	1,798.28
September	0.179	0.170	2,108.22	1,956.77
October	0.180	0.168	2,288.63	2,051.57
November	0.177	0.170	2,379.96	2,242.15
December	0.185	0.174	2,473.88	2,340.03

Source: The above data has been obtained from MSX website.

The Company has not issued any securities or convertible financial instruments which have any impact on equity.

Barka Water and Power Company SAOG
Code of Corporate Governance Report
31 December 2025

Professional Profile of External Auditor – KPMG

The shareholders of the Company appointed KPMG LLC as its external auditors for 2025. KPMG LLC has been operating in Oman since 1974 and is part of KPMG Lower Gulf Limited. KPMG in Oman employs more than 180 people, amongst whom are six partners and five other engagement leaders, including Omani nationals. KPMG is a global network of professional services firms providing Audit, Tax and Advisory services. It operates in 138 countries and territories and have 276,000 people working in member firms around the world. KPMG LLC and KPMG Lower Gulf Limited are member firms of the KPMG global organization of independent member firms affiliated with KPMG International Limited.

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

Acknowledgement

The Board of Directors acknowledges as at 31 December 2025:

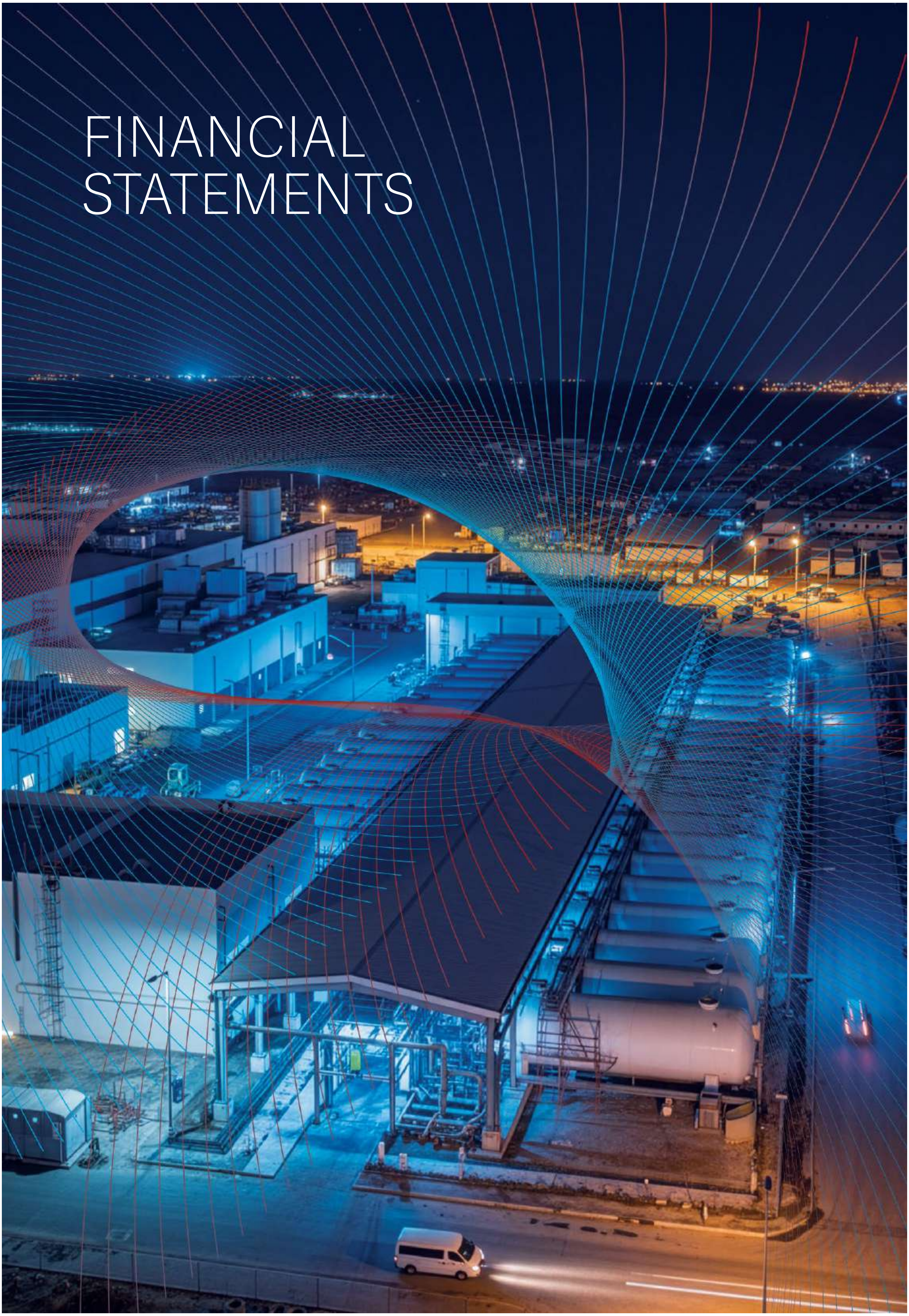
- Its' responsibility for the preparation of financial statements in accordance with the applicable standards and rules.
- Review of the efficiency and adequacy of internal control systems of the Company through the Audit Committee and that it complies with internal rules and regulations.
- That there is no material matter that affects the continuation of the company and its ability to continue its production and operations during the next financial year.

Yours faithfully

DocuSigned by:
7B823A4C1744487...
Chairman Board of Directors

Signed by:
Omar Al Alamadi
734432C0103C4BC...
Director

FINANCIAL STATEMENTS



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Independent auditors' report

To the Shareholders of Barka Water and Power Company SAOG

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Barka Water and Power Company SAOG ("the Company"), which comprise the statement of financial position as at 31 December 2025, the statements of profit or loss and other comprehensive income, changes in equity and cash flows for the year then ended, and notes, comprising material accounting policies and other explanatory information.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at 31 December 2025, and its financial performance and its cash flows for the year then ended in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board (IFRS Accounting Standards).

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditors' Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards) (IESBA Code), as applicable to audits of the financial statements of public interest entities, together with the ethical requirements that are relevant to audits of the financial statements of public interest entities in the Sultanate of Oman. We have also fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Continued on page 1b

Continued from page 1a

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Assessment of impairment indicators or reversal for non-financial assets

See Note 6(e) and 31 to the financial statements.

The key audit matter

The Company holds significant non-financial assets, including property, plant and equipment, primarily relating to its power generation and water desalination operations. As at 31 December 2025, the carrying value of these non-financial assets amounted to ﷼ 55.7 million.

At each reporting date, management assesses whether there are any indicators of impairment or reversal for non-financial assets which includes the Power Generating Plant (“Power Plant”), the Multi-stage Flash Evaporator (“MSFE Plant”), the 10 MIGD Sea Water Reverse Osmosis Plant (“SWRO Plant-1”), the 12.5 MIGD Sea Water Reverse Osmosis Plant (“SWRO Plant-2”), and the related right-of-use assets for the underlying land. Each plant, together with its associated right-of-use asset, is considered a separate cash-generating unit (CGU).

Based on the assessment, management has concluded that no indicators of impairment or reversal were identified as at 31 December 2025, and accordingly, no impairment assessment was performed.

This matter was considered a key audit matter due to the significance of the non-financial assets to the financial statements and the judgement involved in assessing whether indicators impairment or reversal exist, which could have a material impact on the Company’s financial position and results if such indicators were identified.

How the matter was addressed in our audit

- Understanding the Company’s process for assessing impairment or reversal triggers;
- Evaluating the design and implementation of key controls over the impairment or reversal trigger assessment;
- Assessed management’s consideration of key internal indicators and external indicators including but not limited to:
  - Assessing changes in market interest rates;
  - Obsolesce or physical damage of an asset
  - Significant adverse changes in the technological market, economic or legal environment
  - Assessing the economic performance
- Performing a retrospective review of prior year assumptions by comparing forecasted results to actual performance.
- Evaluating the adequacy of the related financial statement disclosures in accordance with IAS 36 – Impairment of assets.

Continued on page 1c

Continued from page 1b

Other Information

Management is responsible for the other information. The other information comprises the Board of Director's report, Management Discussion and Analysis report and Corporate Governance report.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with IFRS Accounting Standards and their preparation in compliance with the relevant requirements of the Financial Services Authority and the applicable provisions of the Commercial Companies Law of 2019, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with Governance are responsible for overseeing the Company's financial reporting process.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

Continued on page 1d

Continued from page 1c

Auditors' Responsibilities for the Audit of the Financial Statements (continued)

— Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.

— Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

— Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.

— Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

Further, we report that these financial statements as at and for the year ended 31 December 2025, comply, in all material respects, with the:

- relevant requirements of the Financial Services Authority; and
- applicable provisions of the Commercial Companies Law of 2019.

KPMG

10 February 2026 KPMG LLC

KPMG LLC
Children's Public Library Building
4th floor, Shatti Al Qurum
P O Box 641, PC 112
Sultanate of Oman
CR.No: 1358131

Statement of financial position as at 31 Decemeber

(Expressed in Omani Rial ⃁)

	Notes	2025	2024
ASSETS			
Non-current assets			
Property, plant and equipment	7	**56,126,755**	60,132,145
Intangible Assets	8	**178,012**	-
Right-of-use assets	9	**38,064**	234,675
		56,342,831	60,366,820
Current assets			
Inventories	10	**5,362,550**	4,495,535
Trade and other receivables	11	**4,881,394**	11,801,106
Cash and cash equivalents	12	**7,331,637**	363,454
		17,575,581	16,660,095
Total assets		**73,918,412**	77,026,915
EQUITY AND LIABILITIES			
Equity			
Share capital	13	**16,000,000**	16,000,000
Legal reserve	14	**5,333,333**	5,333,333
Special reserve	15	**85,555**	85,555
Retained earnings		**6,154,379**	10,807,704
		27,573,267	32,226,592
Non-current liabilities			
Long-term loan	17	**23,404,638**	20,574,524
Deferred tax liability	18	**5,056,475**	5,495,627
Provision for site restoration	19	**4,879,943**	4,602,678
Employee benefit liabilities	20	**17,424**	13,580
Lease liabilities	21	**609,160**	815,431
		33,967,640	31,501,840
Current liabilities			
Long-term loan	17	**5,245,727**	5,059,927
Trade and other payables	22	**3,428,437**	6,544,809
Short term borrowing	23	**2,700,000**	-
Lease liabilities	21	**68,848**	11,267
Taxation	18	**934,493**	1,682,480
		12,377,505	13,298,483
Total liabilities		**46,345,145**	44,800,323
Total equity and liabilities		**73,918,412**	77,026,915
Net assets per share	30.b	**0.172**	0.201

These financial statements were approved and authorised for issue by the Board of Directors on 10 February 2026 and are signed on their behalf by:

Chairman of the Board of Directors

Chief Executive Officer

Statement of profit or loss and other comprehensive income for the year ended 31 December

(Expressed in Omani Rial ﷼)

	Notes	2025	2024
Revenue	25	**30,805,662**	25,665,825
Direct costs	26	**(25,699,833)**	(21,209,505)
Gross profit		**5,105,829**	4,456,320
Other income	27	**167,961**	47,987
Expected credit loss on trade receivable	11(b)	**(480,301)**	(5,853)
General and administrative expenses	28	**(1,050,791)**	(970,425)
Impairment reversal on non-financial assets	31	**-**	729,890
Profit from operations		**3,742,698**	4,257,919
Finance costs	29	**(2,181,170)**	(1,372,281)
Profit before tax		**1,561,528**	2,885,638
Income tax	18	**(306,053)**	(181,473)
Net Profit after tax and total comprehensive income for the year		**1,255,475**	2,704,165
Basic and diluted earnings per share	30.a	**0.008**	0.017

Statement of changes in shareholders' equity for the year ended 31 December

(Expressed in Omani Rial ⃁)

	"Share capital"	Legal reserve	Special reserve	Retained earnings	Total
Balance at 1 January 2024	16,000,000	5,333,333	85,555	13,252,339	34,671,227
Net profit after tax and total comprehensive income for the year	-	-	-	2,704,165	2,704,165
Dividend declared and paid during the year (Note 16)	-	-	-	(5,148,800)	(5,148,800)
Balance at 31 December 2024	16,000,000	5,333,333	85,555	10,807,704	32,226,592
Balance at 1 January 2025	16,000,000	5,333,333	85,555	10,807,704	32,226,592
Net profit after tax and total comprehensive income for the year	-	-	-	1,255,475	1,255,475
Dividend declared and paid during the year (Note 16)	-	-	-	(5,908,800)	(5,908,800)
Balance at 31 December 2025	**16,000,000**	**5,333,333**	**85,555**	**6,154,379**	**27,573,267**

Statement of cash flows
for the year ended 31 December

(Expressed in Omani Rial ﷼)

	Notes	2025	2024
Cashflows from operating activities			
Profit before tax		**1,561,528**	2,885,638
Adjustments for:			
Depreciation on property, plant and equipment	7	**4,912,188**	3,498,426
Amortisation of intangible assets	8	**31,414**	3,710
Depreciation of right-of-use assets	9	**14,918**	29,160
Amortisation of loan transaction costs	29	**124,498**	108,673
Interest on provision for site restoration	19	**277,265**	248,119
Impairment on non-financial assets	31	**-**	(729,890)
Provision for employee benefit liabilities	20	**3,844**	3,729
Unbilled revenue	25	**117,354**	(301,286)
Gain on sale of vehicles	27	**(13,510)**	-
Interest income on short term deposits	27	**(68,648)**	(8,849)
Allowance for ECL of trade and other receivables	11(b)	**480,301**	5,853
Allowance for ECL on bank balances	12(b)	**4,988**	(5,853)
Reassessment of provision for site restoration	27	**-**	(39,138)
Interest on lease liabilities	21	**49,543**	47,426
Interest on loan	29	**1,729,864**	968,063
		9,225,547	6,713,781
Changes in:			
Inventories		**(867,015)**	(595,882)
Trade and other receivables		**6,322,057**	(9,349,704)
Trade and other payables		**(3,116,823)**	(1,497,939)
Cash generated from / (used in) operating activities		**11,563,766**	(4,729,744)
Income tax paid	18	**(1,493,192)**	(11,300)
Net cash generated from / (used in) operating activities		**10,070,574**	(4,741,044)
Cashflows from investing activities			
Acquisition of property, plant and equipment	7	**(906,798)**	(1,169,123)
Acquisition of an intangible asset	8	**(209,426)**	-
Interest income on short term deposits	27	**68,648**	8,849
Proceeds from disposal of motor vehicles	27	**13,510**	-
Net cash used in investing activities		**(1,034,066)**	(1,160,274)

Statement of cash flows
for the year ended 31 December (Continued)

(Expressed in Omani Rial ﷼)

	Notes	2025	2024
Cash flows from financing activities			
Transaction cost related to long term loan	17	**-**	(542,544)
Finance cost paid	37	**(1,729,414)**	(968,063)
Short term borrowings	23	**2,700,000**	-
Proceeds from long term loan	17	**7,951,340**	26,648,800
Repayment of long-term loan	17	**(5,059,923)**	(15,816,852)
Dividend paid	16	**(5,908,800)**	(5,148,800)
Payment of lease liabilities	21	**(16,540)**	(11,022)
Net cash (used in) / generated from financing activities		**(2,063,337)**	4,161,519
Net increase / (decrease) in cash and cash equivalents			
Cash and cash equivalents at 1 January (gross)		**6,973,171**	(1,739,799)
Cash and cash equivalents at 31 December (gross)	12	**366,208**	2,106,007
		7,339,379	366,208

Disclosure as required by IAS 7, "Statement of Cash Flows" has been shown in Note 37 to the financial statements.

Notes to the financial statements for the year ended 31 December 2025

(Expressed in Omani Rial ﷼)

1 LEGAL STATUS AND ACTIVITIES

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

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

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

2 PLANTS OPERATED BY THE COMPANY

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

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

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

3 SIGNIFICANT AGREEMENTS

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

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

3 SIGNIFICANT AGREEMENTS (continued)

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

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

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

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

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

i. The Water Purchase Agreement (WPA) expired on 29 September 2024 and the plant has ceased its operations.

ii. Usufruct agreement with the Government for grant of usufruct rights over the project site for twenty-five years. The Company has an option to extend the lease term after 25 years.

iii. Supplemental Operation and Maintenance Agreement with NOMAC Oman for the operation and maintenance of Expansion Project-Phase I which is expired along with WPA.

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

i. The Water Purchase Agreement (WPA) expired on 29 September 2024 and the plant has ceased its operations.

ii. Usufruct agreement with the Government for grant of usufruct rights over the project site for twenty-five years. The Company has an option to extend the lease term after 25 years.

iii. Supplemental Operation and Maintenance Agreement with NOMAC Oman for the operation and maintenance of Expansion Project - Phase II which is expired along with WPA.

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

4 BASIS OF PREPARATION

(a) Basis of preparation and functional currencies

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

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

(b) Statement of compliance

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

(c) Standards, amendments and interpretations effective and adopted during the year

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

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

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

(d) New standards and interpretations not yet adopted

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

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

4 BASIS OF PREPARATION (continued)

(d) New standards and interpretations not yet adopted (continued)

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

5 SUMMARY OF MATERIAL ACCOUNTING POLICIES

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

(a) Financial instruments recognition, measurement and subsequent measurement

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

[A] Financial assets

Initial recognition and measurement

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

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

5 SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

(a) Financial instruments recognition, measurement and subsequent measurement (continued)

[A] Financial assets (continued)

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

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

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

Subsequent measurement

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

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

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

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

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

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

Financial assets at amortised cost (debt instruments)

Derecognition

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

5 SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

(a) Financial instruments recognition, measurement and subsequent measurement (continued)

[A] Financial assets (continued)

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

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

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

Impairment of financial assets

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

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

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

5 SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

(a) Financial instruments recognition, measurement and subsequent measurement (continued)

[B] Financial liabilities

Initial recognition and measurement

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

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

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

Subsequent measurement

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

Financial liabilities at fair value through profit or loss

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

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

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

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

Financial liabilities measured at amortized cost

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

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

5 SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

(a) Financial instruments recognition, measurement and subsequent measurement (continued)

[B] Financial liabilities (continued)

Derecognition

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

(b) Taxation

Taxation is provided in accordance with Omani fiscal regulations.

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

Current tax

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

Deferred tax

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes.

Deferred tax is not recognised for temporary differences on the initial recognition of assets or liabilities in a transaction that at the time of the transaction:

i) affects neither accounting nor taxable profit or loss, and

ii) does not give rise to equal taxable and deductible temporary differences.

Deferred tax assets are recognised for unused tax losses, unused tax credits and deductible temporary differences to the extent that it is probable that future taxable profits will be available against which they can be used. Future taxable profits are determined based on the reversal of relevant taxable temporary differences. If the amount of taxable temporary differences is insufficient to recognise a deferred tax asset in full, then future taxable profits, adjusted for reversals of existing temporary differences, are considered, based on the business plans for the Company. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised; such reductions are reversed when the probability of future taxable profits improves.

The measurement of deferred tax reflects the tax consequences that would follow from the manner in which the Company expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities. Deferred tax assets and liabilities are offset as there is a legally enforcement to offset these in Oman.

(c) Property, plant and equipment

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

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

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

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

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

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

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

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

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

(d) Intangible Asset

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

5 SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

(e) Capital work-in-progress

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

(f) Leases

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

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

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

Company as a lessee

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

a. Right-of-use assets

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

5 SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

(f) Leases (continued)

b. Lease liabilities

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

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

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

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

(g) Interest in Joint Operation

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

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

5 SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

(g) Interest in Joint Operation (continued)

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

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

(h) Segment reporting

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

(i) Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale. Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the cost of those assets. All other borrowing costs are recognised as expenses in the period in which they are incurred.

(j) Impairment of non-financial assets

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

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

5 SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

(j) Impairment of non-financial assets (continued)

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

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

(k) Inventories

Inventories are stated at the lower of cost and net realisable value. Costs are those expenses incurred in bringing each product to its present location and condition. Cost is calculated using the weighted average method. Net realisable value represents the estimated selling price for inventories less all estimated costs of completion and costs necessary to make the sale.

(l) Directors' remuneration

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

(m) Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable, net of returns and allowances, trade discounts and volume rebates. The Company's business is to supply power and water for which the Company has entered into PWPA. Revenue is recognised at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer. Revenue from PWP comprises of the following:

1) Capacity charge covering the investment charges and fixed operation and maintenance charges; and

2.) Variable charge covering the fuel, energy and water output charges.

Capacity charges

Capacity charges include investment charge and fixed operation and maintenace charge agaisnt the capital and operational costs of the Project. These are calculated based on fixed rate and guaranteed capacity till the end of the contract.

Variable charge

For Variable energy and water output charges Company revenue is determined based on fixed rate adjusted with inflation year to year and output delivered.

5 SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

(m) Revenue recognition (continued)

Fuel charge is based actual fuel consumed adjusted for efficiency margin and mutually agreed rate with MEM.

The Company sells electricity and water to OPWP in Oman, as its primary customer. Invoices are generated at the end of the month. There are no significant judgements that are involved while recognising revenue from the contract. Revenue is only recognised to the extent that it is highly probable that a significant reversal will not occur. There is no significant financing component attached to the receivable from customer. Services are provided on agreed credit terms of the contract and payment occurs within 25 days from the submission of invoice. The Company submits invoices on monthly basis in arrears and generally are submitted on or before the 5th day of the subsequent month. The revenue is disclosed in note 25.

(n) Provisions

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

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

(o) Site restoration costs

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

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

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

(p) Employee benefit liabilities

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

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

5 SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

(p) Employee benefit liabilitie (continued)

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

(q) Earnings per share

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

Dividend on ordinary shares

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

(r) Foreign currency transaction

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

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

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

(s) Cash and cash equivalents

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

6 CRITICAL ACCOUNTING JUDGMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

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

(a) Classification of plants as a lease

Judgement is required to ascertain whether the PWPA and WPAs agreement with PWP is a concession arrangement as per IFRIC 12: Service Concession Arrangements or contains a lease as per IFRS 16: Leases and if the agreement contains a lease, judgement is required to classify the lease as an operating lease or a finance lease as per IFRS 16 Leases. Management has evaluated the applicability of IFRIC 12 - Service Concession Arrangements and concluded that IFRIC 12 is not applicable to the arrangement as the residual interest is controlled by the Company and not PWP.

(b) Identification of lease and lease classification

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

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

Operating lease

Based on management's evaluation, the PWPA with PWP has been classified as an operating lease under IFRS 16 since significant risks and rewards associated with the ownership of the plant lies with the Company. The primary basis for this conclusion is that the PWPA is for a term of 8 years and 9 months while the remaining economic life of the plant is estimated to be higher. The present value of minimum lease payments under the PWPA does not substantially recover the fair value of the plant at the inception of the lease. Further, the residual risk is borne by the Company.

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

Depreciation is charged so as to write-off the cost of assets, less their residual values, over their estimated useful lives. The calculation of useful lives is based on management's assessment of various factors such as the operating cycles, the maintenance programs, and normal wear and tear using its best estimates. The calculation of the residual value is based on the managements best estimates.

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

(d) Provision for site restoration

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

(e) Impairment indicator

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

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

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

(f) Lease liability

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

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

Notes to the financial statements for the year ended 31 December 2025 (Continued)

(Expressed in Omani Rial ﷼)

7 PROPERTY, PLANT AND EQUIPMENT

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

	Plant and machinery	Tools	Furniture, fixtures and equipment	Motor vehicles	Capital spares	Capital work-in-progress	Total
31 December 2025							
Cost :							
At 1 January 2025	**221,521,846**	**110,063**	**700,941**	**131,083**	**3,894,083**	**60,629**	**226,418,645**
Additions during the year	**383,490**	**-**	**-**	**24,050**	**-**	**499,258**	**906,798**
Transfer from CWIP (f)	**49,189**	**-**	**-**	**-**	**-**	**(49,189)**	**-**
Disposals	**-**	**-**	**-**	**(41,200)**	**-**	**-**	**(41,200)**
At 31 December 2025	**221,954,525**	**110,063**	**700,941**	**113,933**	**3,894,083**	**510,698**	**227,284,243**
Accumulated depreciation: At 1 January 2025	**162,521,321**	**110,063**	**700,941**	**131,083**	**2,823,092**	**-**	**166,286,500**
Depreciation charge for the year	**4,839,373**	**-**	**-**	**4,409**	**68,406**	**-**	**4,912,188**
Disposals	**-**	**-**	**-**	**(41,200)**	**-**	**-**	**(41,200)**
At 31 December 2025	**167,360,694**	**110,063**	**700,941**	**94,292**	**2,891,498**	**-**	**171,157,488**
Net book values							
At 31 December 2025	**54,593,831**	**-**	**-**	**19,641**	**1,002,585**	**510,698**	**56,126,755**

(Expressed in Omani Rial ﷼)

7 PROPERTY, PLANT AND EQUIPMENT (continued)

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

	Plant and machinery	Tools	Furniture, fixtures and equipment	Motor vehicles	Capital spares	Capital work-in-progress	Total
31 December 2024							
Cost:							
At 1 January 2024	220,107,217	110,063	700,941	131,083	3,894,083	-	224,943,387
Additions during the year	1,108,494	-	-	-	-	60,629	1,169,123
Cost adjustment	306,135	-	-	-	-	-	306,135
At 31 December 2024	221,521,846	110,063	700,941	131,083	3,894,083	60,629	226,418,645
Accumulated depreciation and impairment losses:							
At 1 January 2024	160,061,408	110,063	700,475	131,083	2,639,448	-	163,642,477
Impairment (reversal) / charge - net (Note 31)	(948,643)	-	-	-	94,240	-	(854,403)
Depreciation charge for the year	3,408,556	-	466	-	89,404	-	3,498,426
At 31 December 2024	162,521,321	110,063	700,941	131,083	2,823,092	-	166,286,500
Net book values							
At 31 December 2024	59,000,525	-	-	-	1,070,991	60,629	60,132,145

7 PROPERTY, PLANT AND EQUIPMENT (continued)

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

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

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

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

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

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

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

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

8 INTANGIBLE ASSETS

31 December 2025	**Computer software**
Cost	
At 1 January 2025	**432,976**
Additions during the year	**209,426**
At 31 December 2025	**642,402**
Accumulated amortisation	
At 1 January 2025	**432,976**
Charge for the year (Note 26)	**31,414**
At 31 December 2025	**464,390**
Net book amount	
At 31 December 2025	**178,012**
31 December 2024	
Cost	
At 1 January and 31 December 2024	432,976
Accumulated amortisation	
At 1 January 2024	429,266
Charge for the year	3,710
At 31 December 2024	432,976
Net book amount	
At 31 December 2024	-

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

9 RIGHT-OF-USE ASSETS

31 December 2025	Leasehold land
Cost	
At 1 January 2025	**654,977**
Lease modification impact (b)	**(181,693)**
At 31 December 2025	**473,284**
Accumulated depreciation	
At 1 January 2025	**420,302**
Charge for the year (Note 26	**14,918**
At 31 December 2025	**435,220**
Net carrying amount	
At 31 December 2025	**38,064**

31 December 2024	Leasehold land
Cost	
At 1 January and 31 December 2024	654,977
Accumulated depreciation	
At 1 January 2024	266,629
Charge for the year (Note 26)	29,160
Impairment charge (Note 31)	124,513
At 31 December 2024	420,302
Net carrying amount	
At 31 December 2024	234,675

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

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

9 RIGHT-OF-USE ASSETS (continued)

(c) The Company's right-of-use assets include its 50% share of the assets of BSFC of which cost and accumulated depreciation as at the statement of financial position date amounts to RO48,087 (2024: RO48,087) and RO13,464 (2024: RO11,541), respectively.

(d) Depreciation charge for the year includes RO1,923 (2024: RO1,923) accounted as Joint Operator's share of BSFC.

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

10 INVENTORIES

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

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

11 TRADE AND OTHER RECEIVABLES

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

11 TRADE AND OTHER RECEIVABLES (continued)

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

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

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

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

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

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

11 TRADE AND OTHER RECEIVABLES (continued)

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

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

12 CASH AND CASH EQUIVALENTS

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

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

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

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

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

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

13 SHARE CAPITAL

	2025	2024
Authorised share capital		
Ordinary shares of ﷼0.100 (2024: ﷼ 0.100) each	**1,000,000,000**	1,000,000,000
Issued and fully paid-up share capital		
Ordinary shares of ﷼0.100 (2024: ﷼0.100) each	**160,000,000**	160,000,000

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

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

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

14 LEGAL RESERVE

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

15 SPECIAL RESERVE

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

16 DIVIDENDS

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

17 LONG-TERM LOAN

	2025	2024
Loan from banks	**29,045,779**	26,154,363
Less: unamortised transaction costs	**(395,414)**	(519,912)
	28,650,365	25,634,451
Current portion	**5,245,727**	5,059,927
Non-current portion	**23,404,638**	20,574,524
	28,650,365	25,634,451

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

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

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

Interest rates

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

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

17 LONG-TERM LOAN (CONTINUED)

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

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

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

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

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

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

18 TAXATION

(a) Statement of profit or loss

	2025	2024
Deferred tax		
Reversal and origination of temporary differences	**(439,152)**	21,854
Current tax		
Current year	**745,205**	159,619
	745,205	159,619
Tax expense for the year	**306,053**	181,473

Statement of financial position		
Non-current liabilities:	**2025**	2024
Deferred tax		
Closing balance	**5,056,475**	5,495,627
Current liabilities:		
Current year	**745,205**	154,679
Prior year	**189,288**	1,527,801
At the reporting date	**934,493**	1,682,480
Deferred tax liabilities:		
Opening balance	**5,495,627**	5,473,773
Movement during the year	**(439,152)**	21,854
Closing balance	**5,056,475**	5,495,627
Provision for income tax		
Opening balance	**1,682,480**	1,534,161
Charge for the year	**745,205**	154,679
Prior year charge	**-**	4,940
Payment during the year	**(1,493,192)**	(11,300)
Closing balance	**934,493**	1,682,480

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

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

18 TAXATION (continued)

(b) Deferred tax

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

	At 1 January 2025	(Reversal) / charge to statement of profit or loss	At 31 December 2025
Assets			
Provision for site restoration expenses	**(656,252)**	**(41,589)**	**(697,841)**
ECL allowance	**(32,290)**	**(72,792)**	**(105,082)**
Lease liability	**(123,386)**	**21,334**	**(102,052)**
Property, plant and equipment	**5,960,677**	**(291,794)**	**5,668,883**
Right-of-use assets	**35,489**	**(29,492)**	**5,997**
Decommissioning/ site restoration asset	**311,389**	**(24,819)**	**286,570**
	5,495,627	**(439,152)**	**5,056,475**

	At1 January 2024	(Reversal) / charge to statement of profit or loss	At 31 December 2024
Assets			
Provision for site restoration expenses	(578,840)	(77,412)	(656,252)
ECL allowance	(32,290)	-	(32,290)
Lease liability	(117,999)	(5,387)	(123,386)
Liabilities			
Property, plant and equipment	5,803,709	156,968	5,960,677
Right of-use assets	58,541	(23,052)	35,489
Decommissioning/ site restoration asset	340,652	(29,263)	311,389
	5,473,773	21,854	5,495,627

(c) Status of tax assessments

Tax Year 2021-2024

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

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

19 PROVISION FOR SITE RESTORATION

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

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

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

20 EMPLOYEE BENEFIT LIABILITIES

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

21 LEASE LIABILITIES

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

Lease payments under the Usufruct Agreements are as follows:

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

	2025	2024
Current portion	**68,848**	11,267
Non-current portion	**609,160**	815,431
	678,008	826,698

21 LEASE LIABILITIES (continued)

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

22 TRADE AND OTHER PAYABLES

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

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

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

23 SHORT TERM BORROWINGS

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

The movement of working capital facility is as follows:

	2025	2024
Opening balance	**-**	-
Proceeds during the year	**2,700,000**	1,000,000
Repayment during the year	**-**	(1,000,000)
Closing balance	**2,700,000**	-

24 RELATED PARTY TRANSACTIONS AND BALANCES

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

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

24 RELATED PARTY TRANSACTIONS AND BALANCES (continued)

Services received	**2025**	2024
Type of transactions		
Operations and Maintenance Fees (Note 26)	**3,892,020**	4,768,011
Capital expenditures	**341,240**	1,081,334
Seconded staff cost	**170,200**	146,665
Operating expenses	**125,911**	178,622
Support services	**127,971**	117,185
Others	**30,778**	31,713
	4,688,120	6,323,530
Services rendered		
Type of transactions		
Expense on behalf of related parties	**11,420**	27,619
	11,420	27,619

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

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

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

24 RELATED PARTY TRANSACTIONS AND BALANCES (continued)

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

Compensation of key management personnel

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

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

25 REVENUE

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

The movement of deferred revenue is provided below:

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

26 DIRECT COSTS

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

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

27 OTHER INCOME

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

28 GENERAL AND ADMINISTRATIVE EXPENSES

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

28 GENERAL AND ADMINISTRATIVE EXPENSES (continued)

(a) Professional services

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

29 FINANCE COSTS

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

30.a BASIC AND DILUTED EARNINGS PER SHARE

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

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

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

30.b NET ASSETS PER SHARE

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

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

31 Impairment on non-financial assets

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

Impairment assessment in 2024

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

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

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

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

31 Impairment on non-financial assets (continued)

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

Recoverable Value	2024
Power Plant (Base plant)	46,731,069
MSFE Water Plant (Base plant)	12,109,124
RO1 Water Plant (Expansion Plant)	670,000
RO2 Water Plant (Expansion Plant)	750,000
Total	60,260,193
Carrying Value	
Power Plant (Base plant)	38,651,070
MSFE Water Plant (Base plant)	-
RO1 Water Plant (Expansion Plant)	8,949,795
RO2 Water Plant (Expansion Plant)	11,929,438
Total	59,530,303
Impairment reversal / (charge)	
Power Plant (reversal)	8,079,999
MSFE Water Plant (reversal)	12,109,124
RO1 Water Plant (impairment)	(8,279,795)
RO2 Water Plant (impairment)	(11,179,438)
Net impairment reversal	729,890

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

Property, plant and equipment (Note 7)	
Impairment charge	(19,334,720)
Impairment reversal	20,189,123
	854,403
Right of use assets (Note 9) - Impairment charge	(124,513)
	729,890

32 OPERATING SEGMENTS

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

32 OPERATING SEGMENTS (continued)

Reportable segments

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

Base Plant

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

Expansion Plants

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

Segment revenues and results	**Base Plant**	**Expansion Plants**	**Total**
Year ended ended 31 December 2025			
Revenue	**30,805,662**	**-**	**30,805,662**
Operation and maintenance fees – NOMAC Oman	**3,892,020**	**-**	**3,892,020**
Depreciation on property, plant and equipment	**4,907,779**	**-**	**4,907,779**
Interest on long-term loan	**1,729,864**	**-**	**1,729,864**
Other costs	**18,603,840**	**110,631**	**18,714,471**
Total costs	**29,133,503**	**110,631**	**29,244,134**
Segment profit before income tax	**1,672,159**	**(110,631)**	**1,561,528**

Year ended 31 December 2024	Base Plant	Expansion Plants	Total
Revenue	16,350,465	9,315,360	25,665,825
Operation and maintenance fee – NOMAC Oman	1,959,398	2,808,613	4,768,011
Depreciation on property, plant and equipment	2,453,729	1,044,231	3,497,960
Impairment charge/ (reversal)	(20,189,123)	19,459,233	(729,890)
Interest on long-term loan	475,837	492,226	968,063
Other costs	12,292,946	1,983,097	14,276,043
Total costs	(3,007,213)	25,787,400	22,780,187
Segment profit / (loss) before income tax	19,357,678	(16,472,040)	2,885,638

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

33 CAPITAL RISK MANAGEMENT

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

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

Capital management

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

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

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

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

34 FINANCIAL ASSETS AND LIABILITIES AND RISK MANAGEMENT

(a) Financial assets and liabilities

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

34 FINANCIAL ASSETS AND LIABILITIES AND RISK MANAGEMENT (continued)

(b) Risk management

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

(c) Market risk

(i) Foreign exchange risk

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

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

(ii) Interest rate risk

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

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

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

	2025	2024
Fixed rate instruments		
Financial liabilities - long-term loans	**28,650,365**	25,634,451
	28,650,365	25,634,451

(iii) Price risk

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

34 FINANCIAL ASSETS AND LIABILITIES AND RISK MANAGEMENT (continued)

(d) Credit risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations and arises principally from the Company's receivables from customers.

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

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

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

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

(e) Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company maintains sufficient bank balances and cash to meet the Company's obligations as they fall due for payment.

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

34 FINANCIAL ASSETS AND LIABILITIES AND RISK MANAGEMENT (continued)

(e) Liquidity risk (continued)

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

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

Year ended 31 December 2024	Carrying value	Less than 1 year	1 - 2 years	More than2 years	Total
Term loan	25,634,451	6,556,232	6,434,023	17,758,969	30,749,224
Trade payables	2,343,155	2,343,155	-	-	2,343,155
Lease liabilities	826,698	11,267	72,163	1,255,070	1,338,500
Due to related parties	1,702,086	1,702,086	-	-	1,702,086
Accrued and other payables	2,499,568	2,499,568	-	-	2,499,568
	33,005,958	13,112,308	6,506,186	19,014,039	38,632,533

35 FAIR VALUE OF FINANCIAL INSTRUMENTS

The management believes that the fair value of the financial assets and liabilities are not significantly different from their carrying amounts as shown in the financial statements at the reporting date. All the financial assets and liabilities of the Company are measured at amortised cost.

When measuring the fair value of an asset or a liability, the Company uses observable market data as far as possible. Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows.

- Level 1 fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2 fair value measurements are those derived from inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3 fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data (unobservable inputs).

35 FAIR VALUE OF FINANCIAL INSTRUMENTS (continued)

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

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

36 SUBSEQUENT EVENTS

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

37 NOTES SUPPORTING THE STATEMENT OF CASH FLOWS

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

Year Ended
31 December 2025

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

Year ended
31 December 2024

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

38 Contingencies

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

39 Commitments

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