MUSANDAM POWER COMPANY SAOG

UNAUDITED FINANCIAL STATEMENTS
FOR THE PERIOD ENDED
30 SEPTEMBER 2026

Registered office:

Musandam Power Company SAOG
PO Box 228
PC 134
Muscat, Sultanate of Oman

MUSANDAM POWER COMPANY SAOG

UNAUDITED FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 30 SEPTEMBER 2026

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MUSANDAM POWER COMPANY SAOG
UNAUDITED STATEMENT OF FINANCIAL POSITION AS AT 30 SEPTEMBER 2026

	Notes	30 September 2026 RO '000	(Audited) 31 December 2025 RO '000
ASSETS			
Non-current assets:			
Property, plant, and equipment	5	**62,204**	62,967
		62,204	62,967
Current assets:			
Inventories	6	**3,664**	3,528
Trade and other receivables	7	**2,565**	1,407
Cash and bank balances	8	**1,867**	405
		8,096	5,340
Total assets		**70,300**	68,307
EQUITY AND LIABILITIES			
Equity:			
Share capital	9	**7,039**	7,039
Legal reserve	10	**2,346**	2,183
Retained earnings		**4,094**	3,330
Total equity		**13,479**	12,552
Non-current liabilities:			
Senior facility loan	11(a)	**39,928**	42,011
Provision for asset retirement obligation	13	**219**	211
Lease liability	14	**95**	90
Deferred tax liability	20(c)	**5,210**	4,903
		45,452	47,215
Current liabilities:			
Senior facility loan	11(a)	**3,843**	3,733
Short term loan facility	11(b)	**4,000**	3,000
Lease liability	14	**3**	4
Trade and other payables	12	**3,323**	1,803
Income tax payables	20(a)	**200**	-
		11,369	8,540
Total liabilities		**56,821**	55,755
Total equity and liabilities		**70,300**	68,307
Net assets per share	24	**0.191**	0.178

Chairman **Director**

The accompanying notes on pages 5 to 35 form an integral part of these financial statements.

MUSANDAM POWER COMPANY SAOG

UNAUDITED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE NINE MONTHS PERIOD 30 SEPTEMBER 2026

	Notes	**30 September 2026 RO '000**	30 September 2025 RO '000
Revenue	15	**16,632**	16,318
Operating costs	16	**(10,323)**	(9,861)
Gross profit		**6,309**	6,457
General and administrative expenses	17	**(938)**	(732)
Finance costs	18	**(1,993)**	(2,072)
Profit before tax		**3,378**	3,653
Tax expense	20(a)	**(508)**	(544)
Profit and total comprehensive income for the period		**2,870**	3,109
Basic and diluted earnings per share for the period	23	**0.041**	0.044

The accompanying notes on pages 5 to 35 form an integral part of these financial statements.

MUSANDAM POWER COMPANY SAOG
UNAUDITED STATEMENT OF CHANGES IN EQUITY
FOR THE NINE MONTHS PERIOD 30 SEPTEMBER 2026

	Share capital RO '000	Legal reserve RO '000	Retained earnings RO '000	Total RO '000
At 1 January 2025	7,039	1,947	3,148	12,134
Profit and total comprehensive income for the period	-	-	3,109	3,109
Transfer to legal reserve (note 10)	-	310	(310)	-
Dividends paid (note 27)	-	-	(1,943)	(1,943)
At 30 September 2025	7,039	2,257	4,004	13,300
At 1 January 2026	**7,039**	**2,183**	**3,330**	**12,552**
Profit and total comprehensive income for the period	**-**	**-**	**2,870**	**2,870**
Transfer to legal reserve (note 10)	**-**	**163**	**(163)**	**-**
Dividends paid (note 27)	**-**	**-**	**(1,943)**	**(1,943)**
At 30 September 2026	**7,039**	**2,346**	**4,094**	**13,479**

The accompanying notes on pages 5 to 35 form an integral part of these financial statements.

MUSANDAM POWER COMPANY SAOG
UNAUDITED STATEMENT OF CASH FLOWS
FOR THE NINE MONTHS 30 SEPTEMBER 2026

	Notes	**30 September 2026 RO '000**	30 September 2025 RO '000
Cash flows from operating activities:			
Profit before tax		**3,378**	3,653
Adjustments for:			
Finance costs	18	**1,988**	2,067
Provision for slow-moving inventories	6	**11**	11
Provision for employee benefits		**100**	-
Finance cost on lease liability		**5**	5
Depreciation of property, plant, and equipment	5	**1,510**	1,506
Operating cash flows before working capital changes		**6,992**	7,242
(Increase)/decrease			
Inventories		**(147)**	(626)
Trade and other receivables		**(1,158)**	(1,081)
Trade and other payables		**777**	720
Net cash generated from operating activities		**6,464**	6,255
Cash flows from investing activities:			
Additions to property, plant, and equipment	5	**(747)**	(387)
Net cash used in investing activities		**(747)**	(387)
Cash flows from financing activities:			
Proceeds from short-term loan facility	11(b)	**6,000**	3,000
Repayment of short-term loan facility		**(5,000)**	(2,000)
Repayment of senior facilities loan		**(2,022)**	(2,008)
Dividends paid	27	**(1,943)**	(1,943)
Finance costs paid		**(1,290)**	(1,295)
Net cash used in financing activities		**(4,255)**	(4,246)
Net increase in cash and cash equivalents		**1,462**	1622
Cash and cash equivalents at the beginning of the period		**405**	818
Cash and cash equivalents at the end of the period	8	**1,867**	2,440

The accompanying notes on pages 5 to 35 form an integral part of these financial statements.

1. Nature of operations

Musandam Power Company SAOG ("the Company") is primarily engaged in the design, construction, ownership, financing, operation, and maintenance of a dual fuel power plant ("the Plant") with natural gas as the primary fuel and diesel oil as the alternative fuel with a capacity of 120 Mega Watt (MW) located in Wilayat Bukha in the Musandam Governorate, the Sultanate of Oman ("the Project"). The Company is selling the electrical energy generated to NAMA Power and Water Procurement Company SAOC ("NPWP"). The Company commenced its commercial operations on 17 June 2017.

2. General information

The Company was registered and incorporated as a closed joint stock company in the Sultanate of Oman on 18 November 2014. The Shareholders at the Company's Extraordinary General Meeting held on 28 May 2019 approved the conversion of the Company from a Closed Joint Stock Company ("SAOC") to a Public Joint Stock Company ("SAOG") by offering its shares for public subscription. The Company was listed on the Muscat Stock Exchange ("MSX") on 5 December 2019 and became a listed public company.

The registered office of the Company is PO Box 228, PC 134, Muscat, Sultanate of Oman.

Significant agreements:

The Company has entered into the following significant agreements:

- An Engineering, Procurement, and Construction ("EPC") contract with Wartsila Muscat LLC (the "EPC contractor") to carry out and complete all design, engineering, procurement, and construction of the power plant and implement the Project.
- A Long-Term Services Agreement ("LTSA") with the EPC contractor was executed on the 25th of November 2014 and was amended on the 24th of June 2015. The LTSA will terminate upon the earlier of the 15th anniversary of the COD or the reaching of 70,000 ERH (Engine Running Hours)
- A Power Purchase Agreement ("PPA') with NPWP to sell the electricity generated from the Plant having validity from 13th April 2015 to 23rd January 2032.
- A Natural Gas Sales Agreement ("NGSA") with Integrated Gas Company SAOC ("IGC") to purchase natural gas for the Plant having validity from 12th July 2015 to 23rd January 2032.
- An operation and maintenance agreement with the EPC contractor to operate and maintain the Plant. The agreement will expire on 16 June 2032.
- A diesel purchase agreement with Al Maha Petroleum Products Marketing Company SAOG. The contract will expire on 10th February 2028 + 2 years.
- An electrical connection agreement with Oman Electricity Transmission Company SAOC ("OETC") for the evacuation of the electricity generated from the Plant.
- Usufruct Agreement with the Ministry of Housing and Urban Planning ("MOH") for the project site, temporary areas, and OETC substation area. The usufruct agreement has a term of 25 years from 9th February 2015, subject to a further extension of 25 years at the option of the Company.
- A senior facility loan agreement with Bank Muscat SAOG as the lead banker to fund the costs of the Project. The final maturity date of the loan under the TSF Facilities is stated as 17 December 2031.

***Effective from 1 January 2023, vide Ministry of Energy & Minerals Ministerial decision No 19/2023 (the **MEM** transfer decision) and Ministerial Decision No. 248/2022 of the Minister of the Finance (the **MOF** decision), the MOF has established a Wholly owned Oman Government Company named **Integrated Gas Company SAOC** and set the mandate to transfer all the agreements related to the gas sale, purchase, supply, transportation, and related agreements from the **Ministry of Energy & Minerals** (the "MEM") to **IGC** per the MEM transfer decision.*

3. Basis of preparation and adoption of new and amended IFRS Accounting Standards

Statement of compliance

The financial statements have been prepared in accordance with IFRS Accounting Standards issued by the International Accounting Standards Board (IASB), interpretations issued by the International Financial Reporting Interpretations Committee (IFRIC) of the IASB, the disclosure requirements of the Financial Services Authority and the applicable provisions of the Commercial Companies Law of the Sultanate of Oman. These financial statements are prepared under the historical cost convention as modified by the revaluation of financial assets and financial liabilities at fair value, if any, through the statement of comprehensive income.

The preparation of the financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, disclosure of contingent liabilities at the date of the financial statements and reported amounts of revenues and expenses during the reporting period. It also requires management to exercise its judgment in the process of applying the Company′s accounting policies. The areas involving a high degree of judgment or complexity or areas where assumptions and estimates are significant to these financial statements are disclosed in Note 4.21

Functional and presentation currency

The financial statements are presented in Rial Omani (RO) which is also the functional currency of the Company, and all values are rounded to the nearest thousands (RO ‘000) except where otherwise stated.

The following new Standards, amendments to Standards and Interpretations have become effective for the first time for the reporting periods beginning on or after 1 January 2026

The accounting policies adopted are consistent with those of the annual financial statements for the period ended 30 September 2026. However, the following new Standards, amendments to Standards and Interpretations have become effective for the first time for the reporting periods beginning on or after 01 January 2026.

- Lack of exchangeability (Amendments to IAS 21)

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

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

Standards, amendments and interpretations to existing IFRS Accounting Standards that have been issued but are not yet effective

At the time of authorization of these financial statements, the following IFRS Accounting Standards, amendments to Standards, and Interpretations have been issued but not yet effective. In accordance with IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors, the Company discloses information relevant to assessing the possible future effects of applying these requirements once effective.

3. Basis of preparation and adoption of new and amended IFRS Accounting Standards (continued)

Standards, amendments and interpretations to existing IFRS Accounting Standards that have been issued but are not yet effective.

The Company will adopt these standards, amendments and interpretations in future reporting years as indicated below:

	Effective date
IFRS 18: Presentation and Disclosures in Financial Statements (new standard) and consequential amendments of other related standards	January 01, 2027
IFRS 19: Subsidiaries without Public Accountability: Disclosures (new standard)	January 01, 2027
IFRS 20: Regulatory Assets and Regulatory Liabilities: Disclosures (new standard)	January 01, 2029

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

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

4. Material accounting policy information

The principal accounting policies applied in the preparation of the financial statements are set out below. These accounting policies have been consistently applied by the Company to all periods presented, unless otherwise stated.

4.1 Going concern assumption

Management has, at the time of approving the financial statements, a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. Thus, they continue to adopt the going concern basis of accounting in preparing the Company's financial statements.

4.2 Foreign currency transactions and balances

Foreign currency transactions are translated into the functional currency of the Company, using the exchange rates prevailing at the dates of the transactions (spot exchange rate). Foreign exchange gains and losses resulting from the settlement of such transactions and from the re-measurement of monetary items in the statement of financial position at year-end exchange rates are recognised in the statement of profit or loss and other comprehensive income within the 'other income' or 'other expense'

In the Company's financial statements, all items and transactions of the Company with a presented currency other than the Rial Omani (the Company's presentation currency) were translated into the presentation currency. Assets and liabilities have been translated into the Rial Omani at the closing rate at the reporting date. Income and expenses have been translated into the Company's presentation currency at the average rates over the reporting period. Non-monetary items are not retranslated at the year's end. They are measured at historic cost (translated using the exchange rates at the transaction date), except for non-monetary items measured at fair value which are translated using the exchange rates at the date when fair value was determined.

4. Material accounting policy information (continued)

4.3 Property, plant, and equipment

Property, plant, and equipment are initially recognised at acquisition cost, including any cost directly attributable to bringing the assets to the location and condition necessary for it to be capable of operating in the manner intended by the Company. The cost of self-constructed assets includes the cost of materials, direct labour, and any other costs directly attributable to bringing the assets to a working condition for their intended use, the costs of dismantling and removing the items and restoring the site on which they are located and capitalised borrowing costs. Property, plant, and equipment are subsequently measured using the cost model, cost less accumulated depreciation and impairment losses.

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

Plant and machinery	40 years
Building and civil works	40 years
Furniture and fixtures	3 years
Computer and office equipment	3 years
Motor vehicles	3 years

The principal useful lives applied by the Company are disclosed in Note 5.

Capital spares are recognised in the carrying amount of the affected item of property, plant, and equipment when it is put in use. The carrying amount of the replaced item is derecognised. When it is not practical to determine the carrying amount of the replaced part, the cost of the capital spares may be used as an indication of what the cost of the replaced part was at the time it was acquired.

Expenditure incurred to replace a component of an item of property, plant, and equipment that is capitalised if it is probable that the future economic benefits embodied within the part will flow to the Company, and its cost can be measured reliably and the carrying amount of the component that is replaced is written off. Other subsequent expenditure is capitalised only when it increases future economic benefits of the related item of property, plant, and equipment. All other expenditure is recognised in the statement of profit or loss and other comprehensive income 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 and the carrying amounts of the replaced components are written off to the statement of profit or loss and other comprehensive income.

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 gain or loss arising on the derecognition of the asset, calculated as

4. Material accounting policy information (continued)

4.3 Property, plant, and equipment (continued)

the difference between the net disposal proceeds and the carrying amount of the asset, is included in the statement of profit or loss and other comprehensive income in the period the asset is derecognised.
The assets' residual values, useful lives, and methods are reviewed, and adjusted prospectively, if appropriate, at each financial year-end.

4.4 Capital work-in-progress

Capital work-in-progress is stated at cost, less impairment, if any. 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.

4.5 Impairment of non-financial assets

The carrying amounts of the Company's non-financial assets other than inventories are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indications exist, then the asset's recoverable amount is estimated.

An impairment loss is recognised if the carrying amount of an asset or cash-generating unit exceeds its value in use and its fair value less costs to sell. In assessing the value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. Impairment losses recognised in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists.

An impairment loss is reversed if there has been a change in estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised. For the purposes of assessing impairment, assets are grouped at the lowest levels for which they are separately identifiable cash flows as cash-generating units.

For impairment assessment purposes, the Company considers the power plant and related assets as a single CGU. The recoverable amount of this CGU is determined based on value-in-use calculations derived from expected cash flows under the PPA and management's long-term operating forecasts

4.6 Leases

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

Lease liability
The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted by using the interest rate implicit in the lease or, if that rate cannot be

4. Material accounting policy information (continued)

4.6 Leases (continued)

readily determined, which is generally the case for leases in the Company, the lessee's incremental borrowing rate is used, being the rate that the individual lessee would have to pay to borrow the funds necessary to obtain an asset of similar value to the right-of-use asset in a similar economic environment with similar terms, security and conditions.

To determine the incremental borrowing rate, the Company:

- where possible, uses recent third-party financing received by the individual lessee as a starting point, adjusted to reflect changes in financing conditions since third party financing was received.
- uses a build-up approach that starts with a risk-free interest rate; and
- makes adjustments specific to the lease, e.g., term, country, currency and security.

Lease payments included in the measurement of the lease liability comprise:

- fixed lease payments (including in-substance fixed payments), less any lease incentives; and
- variable lease payments that depend on an index or rate, initially measured using the index or rate at the commencement date.

The lease liability is presented as a separate line item in the statement of financial position. Lease payments are allocated between principal and finance cost. The finance cost is charged to the statement of profit or loss and other comprehensive income over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period. The lease liability is subsequently measured by increasing the carrying amount to reflect interest on the lease liability (using the effective interest method) and by reducing the carrying amount to reflect the lease payments made.

The Company remeasures the lease liability and makes a corresponding adjustment to the related right-of-use asset whenever:

- the lease term has changed or there is a change in the assessment of exercise of a purchase option, in which case the lease liability is remeasured by discounting the revised lease payments using a revised discount rate.
- the lease payments change due to changes in an index or rate or a change in expected payment under a guaranteed residual value, in which cases the lease liability is remeasured by discounting the revised lease payments using the initial discount rate unless the lease payments change is due to a change in a floating interest rate, in which case a revised discount rate is used.
- a lease contract is modified, and the lease modification is not accounted for as a separate lease, in which case the lease liability is remeasured by discounting the revised lease payments using a revised discount rate.

The Company did not make any such adjustments during the periods presented.

Right-of-use asset

The right-of-use asset comprise the initial measurement of the corresponding lease liability, lease payments made at or before the commencement day and any initial direct costs. They are subsequently measured at cost less accumulated depreciation and impairment losses.

Right-of-use asset is depreciated over the shorter period of lease term and useful life of the underlying asset. If a lease transfers ownership of the underlying asset or the cast of the right-of-use asset reflects that

4. Material accounting policy information (continued)

4.6 Leases (continued)

Right-of-use asset (continued)

the Company expects to exercise a purchase option, the related right-of-use asset is depreciated over the useful life of the underlying asset. The depreciation starts at the commencement date of the lease.

The right-of-use asset is presented as a separate line item in the property, plant and equipment. The Company applies IAS 36 *"Impairment of assets"* to determine whether a right-of-use asset is impaired and accounts for any identified impairment loss as described in the note 4.5.

Variable rents that do not depend on an index or rate are not included in the measurement of the lease liability and the right-of-use asset. The related payments are recognised as an expense in the period in which the event or condition that triggers those payments occurs and are included in the line 'Operating expenses" in the statement of profit or loss and other comprehensive income.

As a practical expedient, IFRS 16 permits a lessee not to separate non-lease components, and instead account for any lease and associated non-lease components as a single arrangement- The Company has not used this practical expedient.

The Company as lessor
The Company has entered into a Power Purchase Agreement ("PPA") with NAMA Power and Water Procurement Company SAOC ("NPWP") on take or pay arrangement for the sale of electricity generated by the Company to NPWP. PPA do not take the legal form of a lease but convey the rights to NPWP to use the Company's power generation plant in return for payments as defined in the contract. Contracts meeting these criteria are identified as either operating leases or finance leases.

Leases for which the Company is a lessor are classified as finance or operating leases. Whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee, the contract is classified as a finance lease. All other leases are classified as operating leases.

Rental income from operating leases is recognised on a straight-line basis over the term of the relevant lease (for capacity revenue refer revenue accounting policy). Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised on a straight-line basis over the lease term.

When a contract includes lease and non-lease components, the Company applies IFRS 15 to allocate the consideration under the contract to each component.

4.7 Financial instruments

To determine the classification and measurement category, IFRS 9 requires all financial assets, except equity instruments and derivatives, to be assessed based on a combination of the entity's business model

4. Material accounting policy information (continued)

4.7 Financial instruments (continued)

for managing the assets and the instruments' contractual cash flow characteristics. The IFRS 9 measurement categories of financial assets are:

- Financial assets carried at amortised cost;
- Financial assets carried at fair value through other comprehensive income (FVOCI); and
- Financial assets carried at fair value through profit or loss (FVTPL).

The Company's financial assets include trade and other receivables and cash and bank balances. These financial assets are measured at amortised cost.

Debt and equity instruments are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Company are recognised at the proceeds received, net of direct issue costs.

Repurchase of the Company's own equity instruments is recognised and deducted directly in equity. No gain or loss is recognised in the statement of profit or loss and other comprehensive income on the purchase, sale, issue or cancellation of the Company's own equity instruments.

All financial liabilities are measured subsequently at amortised cost using the effective interest method or at fair value through profit or loss, the Company does not have any liabilities measured at fair value through profit or loss. Financial liabilities are measured subsequently at amortised cost using the effective interest method.

I. Recognition and measurement

Financial assets and financial liabilities are initially recognised when the Company becomes a party to the contractual provisions of the instrument.

A financial asset is initially measured at fair value plus, for an item not at FVTPL, transaction costs that are directly attributable to its acquisition or issue. Accounts receivables are measured at the transaction price determined under IFRS 15.

All recognised financial assets are measured subsequently in their entirety at either amortised cost or fair value, depending on the classification of the financial assets.

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

The Company does not trade in any financial liabilities and does not classify or measure any financial liabilities as at fair value through profit or loss. Consequently, all financial liabilities are classified and subsequently measured at amortized cost.

4. Material accounting policy information (continued)

4.7 Financial instruments (continued)

II. Derecognition of financial assets and liabilities
The Company derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity.

On derecognition of a financial asset measured at amortised cost, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognised in the statement of profit or loss and other comprehensive income.

The Company derecognises financial liabilities when, and only when, the Company's obligations are discharged, cancelled or have expired. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in the statement of profit or loss and other comprehensive income.

The Company's financial assets primarily comprise trade receivables and cash and bank balances, all of which are measured at amortised cost. Financial liabilities comprise loans and borrowings and trade and other payables, which are also measured at amortised cost.

Impairment of financial assets

The Company recognises allowances for expected credit losses (ECLs) on financial instruments, including financial assets measured at amortised cost and accounts and other receivables. Credit losses are measured as the present value of all cash shortfalls.

For trade and other receivables, the Company applies a simplified approach in calculating ECLs. Loss allowances for accounts receivables are always measured at an amount equal to lifetime 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. In assessing expected credit losses, the Company considers the credit quality of counterparties, including the fact that its major customers are government-related entities.

The Company has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment. At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analysed.

Credit-impaired financial assets

At each reporting date, the Company assesses whether financial assets carried at amortised cost are credit impaired. A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred. A receivable is considered as in default, if the receivable is past due more than 90 days.

Impairment provisions for other receivables are also recognised based on a forward looking expected credit loss model.

4. Material accounting policy information (continued)

Impairment of financial assets (continued)

Write-off
The Company writes off a financial asset when there is information indicating that the counterparty is in severe financial difficulty and there is no realistic prospect of recovery, e.g., when the counterparty has been placed under liquidation or has entered into bankruptcy proceedings, financial assets written off may still be subject to enforcement activities under the Company's recovery procedures, taking into account legal advice where appropriate. Any recoveries made are recognised in the statement of profit or loss and other comprehensive income.

Offsetting of financial instruments
Financial assets and financial liabilities are offset, and the net amount reported in the statement of financial position if, and only if:

- there is a currently enforceable legal right to offset the recognised amounts; and
- there is an intention to settle on a net basis, or to realise the assets and settle the liabilities simultaneously.

4.8 **Provisions, contingent liabilities and contingent assets**
Provisions are recognised when present obligations as a result of a past event will probably lead to an outflow of economic resources from the Company and amounts can be estimated reliably. Timing or amount of the outflow may still be uncertain. A present obligation arises from the presence of a legal or constructive commitment that has resulted from past events, for example, legal disputes or onerous contracts. Restructuring provisions are recognised only if a detailed formal plan for the restructuring has been developed and implemented, or management has at least announced the plans main features to those affected by it. Provisions are not recognised for future operating losses.

Provisions are measured at the estimated expenditure required to settle the present obligation, based on the most reliable evidence available at the reporting date, including the risks and uncertainties associated with the present obligation. Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. Provisions are discounted to their present values, where the time value of money is material.

Any reimbursement that the Company can be virtually certain to collect from a third party with respect to the obligation is recognised as a separate asset. However, this asset may not exceed the amount of the related provision. All provisions are reviewed at each reporting date and adjusted to reflect the current best estimate. Probable inflows of economic benefits to the Company that do not yet meet the recognition criteria of an asset are disclosed as contingent assets.

No liability is recognised if an outflow of economic resources as a result of present obligations is not probable. Such situations are disclosed as contingent liabilities unless the outflow of resources is remote.

4.9 Post employment benefits and short-term employee benefits
The provision for employees' end of service benefits is based upon the liability accrued in accordance with the terms of employment of the Company's employees at the reporting date, having regard to the requirements of the Oman Labour Law, 2023 and the Social Security Law, 1991.

4. Material accounting policy information (continued)

4.9 Post employment benefits and short-term employee benefits (continued)

Government of Oman Social Insurance Scheme (the "Scheme")

The Company contributes to the Scheme for all Omani employees. The Scheme, which is a defined contributions retirement plan, is administered by the Government of Oman. The Company and Omani employees are required to make monthly contributions to the Scheme at prescribed rates of gross salaries.

Non-Omani employee terminal benefits
The provision for end of service benefits for non-Omani employees is made in accordance with the requirements of the Oman Labour Law of 2023, as amended. Employees are entitled to end of service benefits calculated at the rate of 30 days basic salary for each year of continuous service. This is an unfunded defined benefits retirement plan. Accrued non-Omani staff terminal benefits are payable on termination of employment.

4.10 Cash and cash equivalents
Cash and cash equivalents comprise cash in hand and at bank. Cash and cash equivalents are short term, highly liquid investments that are readily convertible to known amount of cash, which are subject to an insignificant risk of changes in value and have maturity of three months or less at the date of acquisition.

4.11 Income tax
Income tax on the profit or loss for the year comprises current and deferred tax. Taxation is provided for in accordance with Omani fiscal regulations.

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

Deferred income tax is provided, using the liability method, on all temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts. Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realised or the liability is settled, based on laws that have been enacted at the reporting date. 'Current and deferred tax are recognised in profit or loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognized in other comprehensive income or directly in equity respectively.

Deferred tax assets are recognised for all deductible temporary differences and carry-forward of unused tax assets and unused tax losses to the extent that it is probable that taxable profit will be available against which the deductible temporary differences and the carry-forward of unused tax assets and unused tax losses can be utilised. The carrying amount of deferred tax assets is reviewed at each reporting date and the deferred tax assets are reduced to the extent that it is no longer probable that the related tax benefits will be realised.

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

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax assets and liabilities and they relate to income taxes levied by the same tax authority on the same taxable entity, or

4. Material accounting policy information (continued)

4.11 Income tax (continued)

on different taxable entities, but they intend to settle current tax assets and liabilities on a net basis, or their tax assets and liabilities will be realised simultaneously.

Income tax relating to items recognised directly in equity is recognised in the statement of changes in equity and not in the statement of profit or loss and other comprehensive income.

4.12 Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the respective assets. All other borrowing costs are expensed in the period they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

4.13 Interest bearing loans and borrowings

Borrowings are initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortised cost.

Borrowings are classified as current liabilities unless the Company has an unconditional right to defer settlement of the liability for at least 12 months after the reporting period.

4.14 Revenue

Revenue is measured based on the consideration to which the Company expects to be entitled in a contract with a customer and excludes amounts collected on behalf of third parties. The tariff structure under the PPA is comprised of power capacity (includes investment charge and fixed operation and maintenance charge), electrical energy and fuel charges components.

Capacity revenue

The PPA with NPWP is considered as a lease within the context of IFRS 16 and has been classified as an operating lease under IFRS 16. Under the PPA, the Company is entitled to the capacity charges for each hour during which the plant is available for power generation. Power capacity investment charge is treated as lease revenue under IFRS 16 and is recognised on a straight-line basis over the lease term. Fixed operation and maintenance charge is recognised based on the capacity made available in accordance with contractual terms stipulated in the PPA.

Other revenue from contracts with customers

Revenue is measured based on the terms specified in the contract with a customer. The Company recognizes electrical energy and fuel charges revenue when it transfers the control of a product or service to a customer i.e., when electricity is delivered, and the customer has accepted the deliveries and the control has been transferred to the customer. Energy charge and fuel charge is determined based on the fuel and variable cost of power.

No revenue is recognised if it is not probable that the Company will collect the consideration to which the Company will be entitled in exchange for the goods or services that will be transferred to customers. In evaluating whether collectability of an amount of consideration is probable, the Company considers only the customers' ability and intention to pay that amount of consideration when it is due.

The Company has a long-term agreement with NPWP which determines performance obligation, transaction price and allocates the transaction price to each of the separate performance obligations. Accumulated experience is used to estimate and provide for the discounts, using the expected value method, and revenue is only recognised to the extent that it is highly probable that a significant reversal will not occur.

4. Material accounting policy information (continued)

4.14 Revenue
The Company does not adjust any of the transaction prices for time value of money as the period between the transfer of the promised goods or services to the customer and payment by the customer does not exceed one year and the sales are made with agreed credit terms which is in line with the industry practice.

4.15 Asset retirement obligation
The provision for asset retirement obligation is recognised when there is a present obligation as a result of asset constructed on land under usufruct contracts with Ministry of Housing and Urban Planning, it is probable that an outflow of economic benefits will be required to settle the obligation, and the amount of provision can be measured reliably. The estimated future obligations include the costs of removing the facilities and restoring the affected areas. A corresponding asset is recognised as a part of plant and machinery in property, plant and equipment and depreciated accordingly.

The provision for asset retirement obligation is a best estimate of the present value of expected costs required to settle the obligation, at the reporting date based on the current requirements of the Usufruct agreement, using estimated cash flows. The cash flows are discounted at a current pre tax rate that reflects the risks specific to the asset retirement obligation. The unwinding of the discount is expensed as incurred and recognised in the statement of profit or loss and other comprehensive income as a finance cost.

4.16 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. As of reporting date, inventories consist of spares, diesel, and lube oil.

4.17 Directors' sitting fees and remuneration
The Board of Directors sitting fees and remuneration are calculated as per the guidelines prescribed by the FSA and these are approved by the Shareholders in the ordinary annual general meeting of the Company.

4.18 Dividends on ordinary shares
Dividends on ordinary shares are recognised as a liability and deducted from equity when they are approved by the Shareholders.

4.19 Earnings and net assets per share
The Company presents earnings per share ("EPS") and net assets per share 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.

Net assets per share is calculated by dividing the net assets attributable to ordinary Shareholders of the Company by the number of ordinary shares outstanding at the end of the reporting period. Net assets for the purpose are defined as total equity.

4.20 Segmental reporting
Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The chief operating decision-maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the Chief Executive Officer ("CEO") who manages the Company on a day-to-day basis, as per the directives given by the Board of Directors that makes strategic decisions.

4. Material accounting policy information (continued)

4.21 Significant management judgement in applying accounting policies and estimation uncertainty
When preparing the financial statements, management makes a number of judgements, estimates and assumptions about the recognition and measurement of assets, liabilities, revenue and expenses.

Significant management judgements
The following are the judgements made by management in applying the accounting policies of the Company that have the most significant effect on these financial statements.

Lease classification
The Company has entered into PPA with NPWP to generate electricity and make available the power capacity from its Plant.

Management believes that IFRIC 12 *"Service Concession Arrangements"* is not applicable to the arrangement as the residual interest is borne by the Company and not NPWP. The estimated useful life of the power plant of 40 years takes into account the Company's right to extend the land lease under a Usufruct Agreement for an additional term of 25 years. Furthermore, the residual value of the assets will have substantial value at the conclusion of the PPA and the Company will be able to continue to generate revenue through supply of power taking into account the government's future plans to deregulate the power sector in Oman.

Management considers the requirements of IFRS 16 *"Leases"*, which sets out guidelines to determine when an arrangement might contain a lease. 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 a specific asset or assets and the arrangement convey 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.

Based on management's evaluation, the PPA with NPWP is considered as a lease within the context of IFRS 16 and has been classified as an operating lease since significant risks and rewards associated with the ownership of the plant lies with the Company and not with NPWP.

The primary basis for this conclusion is that the PPA is for a term of 15 years while the economic life of the power plant is estimated to be 40 years. The present value of minimum lease payments under the PPA does not substantially recover the fair value of the plant at the inception of the lease.

Fuel incremental costs
The Company and MEM have entered into NGSA, which includes a clause for reimbursement of the incremental fuel oil costs (this represents an amount by which the cost of fuel oil is more than the cost of Natural Gas). Due to the shortage of the natural gas supply, the Company has incurred additional fuel oil costs to maintain the operations of the Plant (since the commercial operation date).

The Company has recognised reimbursement of incremental fuel oil cost as allowed under NGSA and based on the correspondence with MEM and NPWP in respect of this matter. The Company has received the confirmation from NPWP that the parameters used by the Company in the calculation of the incremental fuel oil costs does not materially differ from their basis.

4. Material accounting policy information (continued)

4.21 Significant management judgement in applying accounting policies and estimation uncertainty (continued)

Estimation uncertainty
Information about estimates and assumptions that have the most significant effect on recognition and measurement of assets, liabilities, income and expenses is provided below. Actual results may be substantially different.

Useful lives and residual values of property, plant and equipment
Depreciation is charged so as to write-off the cost of assets over their estimated useful lives. The calculation of useful lives is based on management's assessment of various factors such as the operating life, the maintenance programs, and normal wear and tear using its best estimates. Management reviews its estimate of the useful lives and residual values of depreciable assets at each reporting date based on the expected utility of the assets. The carrying amounts are analysed in note 5 and 4.3 in the material accounting policy information.

Income tax
Uncertainties exist with respect to interpretation of the tax regulations and the amount of timing of future taxable income. Differences arising between the actual result and the assumptions made, or future changes to such assumptions, could necessitate future adjustments to tax income and expense already recorded. The Company establishes provisions, based on reasonable estimate, for possible consequences of the finalisation of the tax assessment of the Company. The amount of such provision is based on various factors, such as experience of previous assessment and differing interpretations of tax regulations by the taxable entity and the responsible tax authority.

Estimating the incremental borrowing rate - leases
The Company cannot readily determine the interest rate implicit in the lease, therefore, it uses its incremental borrowing rate (IBR) to measure lease liabilities. The IBR is the rate of interest that the Company would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment. The IBR therefore reflects what the Company 'would have to pay', which requires estimation when no observable rates are available or when they need to be adjusted to reflect the terms and conditions of the lease. The Company estimates the IBR using observable inputs (such as market interest rates) when available and is required to make certain entity-specific estimates.

Provision for decommissioning costs
Management uses the best estimate of the present value of the expenditure required to settle the decommissioning obligation at the reporting date based on the current requirements. Future decommissioning costs are reviewed annually and any changes in the estimate are reflected in the present value of the decommissioning provision at each reporting date.

5. Property, plant, and equipment

	Plant and machinery RO '000	Buildings and civil works RO '000	Furniture and fixtures RO '000	Computer and office equipment RO '000	Motor vehicles RO '000	Right-of-use asset RO '000	Capital work-in-progress RO '000	Total RO '000
Cost:								
At 1 January 2025	58,498	20,739	33	100	44	113	84	79,611
Additions	320	-	-	3	-	-	452	775
At 31 December 2025	58,818	20,739	33	103	44	113	536	80,386
At 1 January 2026	**58,818**	**20,739**	**33**	**103**	**44**	**113**	**536**	**80,386**
Additions	**-**	**-**	**-**	**6**	**-**	**-**	**741**	**747**
At 30 September 2026	**58,818**	**20,739**	**33**	**109**	**44**	**113**	**1,277**	**81,133**
Depreciation:								
At 1 January 2025	11,161	4,077	32	67	44	31	-	15,412
Charge for the year	1,464	518	-	20	-	5	-	2,007
At 31 December 2025	12,625	4,595	32	87	44	36	-	17,419
At 1 January 2026	**12,625**	**4,595**	**32**	**87**	**44**	**36**	**-**	**17,419**
Charge for the period	**1,105**	**390**	**-**	**11**	**-**	**4**	**-**	**1,510**
At 30 September 2026	**13,730**	**4,985**	**32**	**98**	**44**	**40**	**-**	**18,929**
Net book value:								
At 30 September 2026	**45,088**	**15,754**	**1**	**11**	**-**	**73**	**1,277**	**62,204**
3								
At 31 December 2025 (Audited)	46,193	16,144	1	16	-	77	536	62,967

5. Property, plant and equipment (continued)

a) The CWIP balance represents costs for the Cyber Security, Fuel Oil System Upgrade, Mountain Civil Work, and Warehouse projects, which saw progress during the year. As project components are finalised, their costs will be capitalised to "Plant and Machinery" or "Buildings and Civil Works." These costs are capitalised as they relate to assets under construction that are expected to generate future economic benefits.

b) The Company's immovable assets are mortgaged against senior facility loan (note 11).

c) Right-of-use asset represents the land leased from Ministry of Housing and Urban Planning (note 14) on which the Company's power plant is constructed.

d) The depreciation charged for the year is allocated as follows:

	30 September 2026 RO '000	30 September 2025 RO '000
Operating costs (note 16)	**1,495**	1,486
General and administrative expenses (note 17)	**15**	20
	1,510	1,506

Impairment:

In 2025, the Company conducted impairment testing for the plant using the discounted cash flow method. This approach involved estimating the present value of net cash flows expected from the plant, factoring in guaranteed revenue from the existing Power Purchase Agreement (PPA) valid until 2032. Given the Company's highly leveraged position, the expected net cash flows were discounted using a risk-adjusted discount rate. While Management acknowledges that the Sultanate is shifting towards renewable energy sources, they firmly believe that progress in the Musandam Governorate will be slower compared to other areas, due to its remote location, challenging terrain, and the absence of competing energy providers. The value-in-use calculation is primarily supported by contracted capacity and energy revenues under the PPA, which provide predictable cash flows up to 2032. This view aligns with the most recent 7-year statement (2023-2029) released by the NPWP.

6. Inventories

	30 September 2026 RO '000	(Audited) 31 December 2025 RO '000
Stores and spares	**1,646**	1,601
Fuel and lube oil	**2,095**	1,994
	3,741	3,595
Less: Provision for slow-moving inventories	**(77)**	(67)
	3,664	3,528

Movement in the provision for slow-moving inventories is as follows:

	30 September 2026 RO '000	(Audited) 31 December 2025 RO '000
At 1 January	**67**	52
Charge during the period	**10**	15
	77	67

7. Trade and other receivables

	30 September 2026 RO '000	(Audited) 31 December 2025 RO '000
Trade receivables (i)	**2,231**	1,010
Other receivables (ii)	**138**	268
Prepaid expenses	**196**	129
	2,565	1,407

(i) The Company has only one customer, NPWP – a government-owned entity, and the balance relates to the invoiced amounts that are largely current at the reporting date. Details of ageing and credit risk are disclosed in Note 22. Given no history of default, no allowance for expected credit losses has been recognised.

(ii) Other receivables include RO NIL (2025: RO 8 thousand) receivables from Integrated Gas Company SAOC for incremental fuel oil costs due to shortage of the supply (note 19). These receivables are settled through periodic reconciliations with the counterparty and are considered fully recoverable. Management has assessed the expected credit loss on other receivables and considers it immaterial due to the nature of the counterparty and historical settlement experience.

(iii) Note 22 includes disclosures relating to the credit risk exposures and analysis relating to the allowance for expected credit losses.

8. Cash and bank balances

	30 September 2026 RO '000	(Audited) 31 December 2025 RO '000
Cash at the bank	**1,865**	403
Cash in hand	**2**	2
	1,867	405

There are no restrictions on bank balances at the time of approval of the financial statements.

9. Share capital

	30 September 2026 RO '000	(Audited) 31 December 2025 RO '000
Authorised share capital represents 200,000,000 shares of RO 0.1 each (2025: 200,000,000 shares of RO 0.1 each)	**20,000**	20,000
Issued and fully paid-up share capital represents 70,390,000 shares of RO 0.1 each (2025: 70,390,000 shares of RO 0.1 each)	**7,039**	7,039

The holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at meetings of the Company. All shares rank equally with regard to the Company's residual assets.

Shareholders details

The Shareholders of the Company, who own 10% or more of the Company's shares and the number of shares held by them during the periods 2026 and 2025 are as follows:

	30 September	
	Number of shares held ('000)	**Percentage of shareholding**
Oman Oil Facilities Development Company LLC	**29,564**	**42%**
LX International Corp.	**12,670**	**18%**

10. Legal reserve

In accordance with the Commercial Companies Law of the Sultanate of Oman, 2019, annual appropriations of 10% of the profit for the period are made to this reserve until the accumulated balance of the reserve is equal to one-third of the Company's paid-up share capital. Accordingly, during the current period **RO 163 thousand** (2025: RO 236 thousand) transfer is made to the legal reserve. The reserve is not available for distribution.

During the period, the legal reserve has reached the statutory minimum of one-third of the share capital.

11. Borrowings

a) Senior facility loan

	30 September 2026 RO '000	(Audited) 31 December 2025 RO '000
	43,771	45,744
Less: Current portion	**(3,843)**	(3,733)
Non-current portion	**39,928**	42,011

The senior facility loan is denominated in Rials Omani and carries interest rate of 5.25% per annum (2025: 5.25% per annum). The loan is to be repaid in half yearly instalments commencing on 30 June 2017, with the last instalment scheduled on 17 December 2031. The loan is subject to applicable financial covenants and DSRA requirements.

11. Borrowings (continued)

a) Senior facility loan (continued)

The loan is secured by:

- Legal mortgage over the Company's immovable assets (note 5).
- Pledge over shares of some of the Shareholders.
- Pledge over the project accounts.
- Assignment/charge over all of the Company's rights, titles and interest in and to the project documents, the insurances and reinsurance's, the consents and any other material agreements to which the Company is a party and other material property, asset and revenue of the Company.

b) Short term loan facility

During the period, the Company has obtained a short-term loan facility of RO 6 million (2025: RO 6 million) from a commercial bank. The facility carried an interest rate of 4.25 % per annum (2025: 4.25 % per annum). The outstanding balance at the end of the period is RO 4 million (2025: RO 3 million).

c) Reconciliation of financing cash flows

A reconciliation between opening and closing balances in the statement of financial position for liabilities that result in financing cash flows is presented below:

Borrowings	**As at 1 January**	**Proceeds / (repayments) during the period**	**Non-cash changes**	**As at 30 September**
30 September 2026	**RO'000**	**RO'000**	**RO'000**	**RO'000**
Short-term loan facility	**3,000**	**1,000**	**-**	**4,000**
Senior facility loan	**45,744**	**(2,023)**	**50**	**43,771**
	48,744	**(1,023)**	**50**	**47,771**
31 December 2025 (Audited)				
Short-term loan facility	1,000	2,000	-	3,000
Senior facility loan	49,295	(3,621)	70	45,744
	50,295	(1,621)	70	48,744

12. Trade and other payables

	30 September 2026	(Audited) 31 December 2025
	RO '000	RO '000
Trade payables	**1,026**	393
Accrued expenses and provisions	**2,197**	1,410
Provision for end of service benefits	**100**	-
	3,323	1,803

Trade payables include RO NIL (2025: RO 8 thousand) payable to Integrated Gas Company SAOC for the supply of gas (note 19).

13. Provision for asset retirement obligation

Under the Usufruct Agreement with the Ministry of Housing and Urban Planning, the Company has an obligation to remove the plant and restore the land to its original condition. During the previous years, the Company appointed an independent external firm with relevant expertise to reassess the estimated provision for asset retirement obligation. Based on the expert's report, the provision is maintained. The movement in the provision for asset retirement obligation is as follows:

	30 September 2026 RO '000	(Audited) 31 December 2025 RO '000
As at 1 January	**211**	201
Unwinding of discount	**8**	10
	219	211

14. Lease liability

	30 September 2026 RO '000	(Audited) 31 December 2025 RO '000
Gross lease liability related to right-of-use asset	**155**	155
Future finance charges on finance leases	**(57)**	(61)
Present value of lease liability	**98**	94
The maturity of lease liability is as follows:		
Not later than 1 year	**8**	4
Later than 1 year	**90**	90
	98	94

15. Revenue

	30 September 2026 RO '000	30 September 2025 RO '000
Revenue from a contract with a customer		
Capacity charges	**9,842**	9,730
Energy charges	**2,192**	2,145
Other charges	**4,598**	4,443
	16,632	16,318

16. Operating costs

	30 September 2026 RO '000	30 September 2025 RO '000
Fuel cost	**4,744**	4,649
Operating and maintenance expenses	**3,491**	3,324
Depreciation expense (note 5)	**1,495**	1,486
Connection fees	**141**	159
Insurance costs	**210**	151
Other expenses	**242**	92
	10,323	9,861

17. General and administrative expenses

	30 September 2026 RO '000	30 September 2025 RO '000
Staff costs	**640**	475
Office expenses	**155**	126
Professional charges	**65**	71
Directors' remuneration and sitting fees (note 19)	**62**	37
Depreciation expense (note 5)	**15**	20
Other expenses	**1**	3
	938	732

18. Finance costs

	30 September 2026 RO '000	30 September 2025 RO '000
Interest on senior facility loan	**1,835**	1,983
Interest on short-term loan facility	**137**	59
Other finance charges	**21**	30
	1,993	2,072

19. Related party transactions and balances

Related parties comprise the Shareholders, directors, key management personnel, and business entities that have the ability to control or exercise significant influence in financial and operating decisions. Terms of these transactions are approved by the Company's Board.

Government of Sultanate of Oman ("the Government") indirectly owns 42 % (2025: 42%) of the Company's shares. The Company has applied the exemptions in IAS 24 'Related Party Disclosures' related to transactions with the Government and other entities controlled, jointly controlled, or significantly influenced by the Government. In this respect, the Company has disclosed certain information to meet the disclosure requirements of IAS 24 in this note.

Balances with related parties included in the statement of financial position are as follows:

a) Due from/to the government and other state-controlled entities

	30 September 2026 RO '000	(Audited) 31 December 2025 RO '000
Trade receivable due from state-controlled entity (note 7)	**2,231**	1,010
Other receivable due from government (note 7)	**-**	8
Due to the government (note 12)	**-**	(8)

Balances with government-related entities are unsecured and are settled in accordance with normal credit terms. No allowance for expected credit losses has been recognised in respect of amounts due from NPWP.

19. Related party transactions and balances (continued)
b) Transactions

Transactions with related parties included in the financial statements are as follows:

i) Transactions with government and state-controlled entities

	30 September 2026 RO '000	30 September 2025 RO '000
Purchase of gas from Integrated Gas Company SAOC	**4,384**	4,124
Fuel incremental cost charge to Integrated Gas Company SAOC	**25**	277
Revenue from NAMA Power and Water Procurement Company SAOC	**16,632**	16,318
Connection charges to Rural Areas Electricity Company SAOC	**141**	159

ii) Directors' remuneration and sitting fees

During the period ended 30th September 2026, the directors' remuneration and sitting fees amounted to RO 62 thousand. (2025 September: RO 37 thousand)

iii) Key management remuneration

During the period ended 30th September 2026, the key management remuneration amounted to RO 280 thousand (2025 September: RO 257 thousand).

20. Taxation

The tax rate applicable to the Company is 15% (2025: 15%). For the purpose of determining the taxable result for the period, the accounting profit has been adjusted for tax purposes. Adjustments for tax purposes include items relating to both income and expense. The adjustments are based on the current understanding of the existing tax laws, regulations, and practices.

No provision for the current tax been made in these financial statements in view of cumulative taxable losses incurred by the Company as at 30 September 2026.

The deferred tax on all temporary differences has been calculated and dealt with in the statement of profit or loss and other comprehensive income.

a) The taxation charge for the period is comprised of:

	30 September 2026 RO '000	30 September 2025 RO '000
Current tax		
Current year	**200**	69
Deferred tax		
Current year	**307**	479
Prior year	**1**	(4)
	308	475
Tax expense for the year	**508**	544

20. Taxation (continued)

b) Tax reconciliation

The following is a reconciliation of income taxes calculated on accounting profits at the applicable tax rate with the income tax expense for the period. The reconciliation of the accounting profit with the taxation charge in the financial statements is as follows:

	30 September 2026 RO '000	30 September 2025 RO '000
Profit before tax	**3,378**	3,653
Taxation @ 15%	**507**	548
Add: Tax effect of:		
Effects of adjustments made in the prior year assessments	**1**	(4)
Tax expense	**508**	544

c) Deferred tax liability

	As at 1 January RO '000	**Recognised during the period RO '000**	**Total RO '000**
As of September 2026,			
Taxable temporary differences			
Effect of accelerated tax depreciation	**(5,063)**	**(211)**	**(5,274)**
Right-of-use asset	**(12)**	**1**	**(11)**
Deductible temporary differences			
Provision for asset retirement	**32**	**1**	**33**
Provision for obsolete inventories	**9**	**3**	**12**
Provision for employee End of Service Benefit	**-**	**15**	**15**
Lease liability	**14**	**1**	**15**
Tax losses	**117**	**(117)**	**-**
	(4,903)	**307**	**(5,210)**
As of December 2025 (Audited)			
Taxable temporary differences			
Effect of accelerated tax depreciation	(4,850)	(213)	(5,063)
Right-of-use asset	(17)	5	(12)
Deductible temporary differences			
Provision for asset retirement	31	1	32
Provision for obsolete inventories	7	2	9
Lease liability	14	-	14
Tax losses	324	(207)	117
	(4,491)	(412)	(4,903)

20. Taxation (continued)

d) Tax assessment status

As of 30 September 2026, the Company's tax assessments for the period from 2014 to 2022 have been completed by the Omani taxation authorities. For the remaining years, the Management of the Company believes that additional taxes, if any, in respect of open tax years, would not be significant to the Company's financial position as at 30 September 2026.

21. Commitments

Operation and maintenance commitment

As per the O&M agreement, Wartsila Muscat LLC will operate and maintain the Company's plant until 16 June 2032. Under the O&M agreement, the Company shall pay the fixed operating fee. The initial agreement signed on July 2015, was expired on 16 June 2025. The initial agreement is renewed until 16 June 2032, and it is effective immediately after the expiry of the initial agreement.

All fees are subject to the agreed indexation as per the O&M agreement. The minimum future payments under the O&M agreement (excluding indexation) are as follows:

	30 September 2026 RO '000	(Audited) 31 December 2025 RO '000
Due within one year	**1,132**	1,132
Due after one year but within five years	**4,528**	5,662
Due after five years	**566**	804
	6,226	7,598

As per the LTSA Agreement, Wartsila Muscat LLC will operate and maintain the Company's plant until 16 June 2032. Under the LTSA agreement, the Company shall pay the fixed operating fee.
All fees are subject to 3% indexation. The minimum future payments under the LTSA (excluding indexation) are as follows:

	30 September 2026 RO '000	(Audited) 31 December 2025 RO '000
Due within one year	**438**	438
Due after one year but within five years	**1753**	1,753
Due after five years	**219**	658
	2,410	2,849
Capital commitments	**650**	1,136

22. Financial risk management

The Company's activities expose it to a variety of financial risks: market risk (including price risk, foreign currency risk, and interest rate risk), liquidity risk, and credit risk. However, the Company's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Company's financial performance.

This note presents information about the Company's exposure to each of the above risks, the Company's objectives, policies, and processes for measuring and managing risk, and the Company's management of capital. Further quantitative disclosures are included throughout these financial statements.

The Board of Directors has overall responsibility for the establishment and oversight of the Company's risk management framework. The Board has entrusted the Management with the responsibility of developing and monitoring the Company's risk management policies and procedures and its compliance with them.

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

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. The Company does not have exposure to equity or commodity price risk on financial instruments. Fuel price fluctuations are substantially recovered through contractual arrangements under the PPA

As the Company has no significant exposure to investments, it does not have the risk of fluctuation in prices. The management consider that sensitivity analysis is not necessary due to the Company's limited exposure to price risk.

Foreign currency risk
Foreign exchange risk arises when transactions or recognised assets or liabilities are denominated in a currency that is not the entity's functional currency. The Company is exposed to foreign exchange risk arising from currency exposures primarily with respect to the US Dollar. The Rial Omani is pegged to the US Dollar. Since most of the Company's foreign currency transactions are in US Dollars or other currencies linked to the US Dollar, management believes that exchange rate fluctuations would have an insignificant impact on the Company's pre-tax profit.

Interest rate risk
The Company is not exposed to interest rate risk on its borrowings as they carry fixed interest rate At the reporting date, the interest rate risk profile of the Company's interest-bearing financial instruments was:

	30 September 2026 RO '000	(Audited) 31 December 2025 RO '000
Borrowings (senior and short-term loan facilities)	**47,771**	48,744

22. Financial risk management (continued)

Fair value sensitivity analysis for fixed rate instruments
The Company does not account for any fixed rate financial liabilities at fair value through profit or loss. Therefore, a change in interest rate at the reporting date would not affect statement of profit or loss and other comprehensive income. The Company's exposure to variability in cash flows arising from interest rate movements is limited, as its borrowings carry fixed interest rates.

Credit risk
Credit risk refers to the risk that a debtor will default on its contractual obligations resulting in financial loss to the Company. The Company maintains a credit policy that states dealing with only creditworthy parties and obtaining sufficient collateral where appropriate as a means of mitigating the risk of financial loss from defaults. The Company monitors regularly, the credit rating of its debtors and the volume of transactions with those debtors during the period. Ongoing credit evaluation is performed on the financial condition of debtors. However, credit risk exposures are insignificant. The carrying amount of financial assets recorded in the financial statements represents the Company's maximum exposure to credit risk without taking into account the value of any collateral obtained.

The credit risk of the Company is primarily attributable to the bank balances and accounts and other receivables. The Company's bank accounts are placed with reputed financial institutions.

The Company has a significant concentration of credit risk with NAMA Power and Water Procurement Company SAOC ("NPWP"). Under the terms of the PPA as disclosed in note 2, the Company's sales are billed wholly to NPWP (indirectly wholly owned by the Government). Therefore, the Company's credit risk on receivables from NPWP is limited. Although the Company has a concentration of credit risk with NPWP, this risk is mitigated by NPWP's government ownership, the regulated nature of the PPA, and the absence of any historical defaults.
The tables below detail the overdue status of the Company's financial assets:

			Past due		
	Carrying amount RO'000	**Not due RO'000**	**Up to 90 days RO'000**	**Over 90 days RO'000**	**Total RO'000**
Gross carrying amount:					
30 September 2026					
Trade and other receivables	**2,565**	**2,565**	**-**	**-**	**2,565**
Cash at the bank	**1,865**	**1,865**	**-**	**-**	**1,865**
	4,430	**4,430**	**-**	**-**	**4,430**
31 December 2025 (Audited)					
Trade and other receivables	1,018	1,018	-	-	1,018
Cash at the bank	403	403	-	-	403
	1,421	1,421	-	-	1,421

22. Financial risk management (continued)

Credit risk (continued)
The Company limits its credit risk with regard to bank balance deposits by only dealing with reputable banks and financial institutions with strong credit ratings. The Company's bank accounts are placed with a reputed financial institution having an appropriate credit rating.

Liquidity risk
The Company's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation. Further, the Company maintains sufficient bank balances.

The table below summarises the maturities of the Company's undiscounted financial liabilities at the reporting date. Further, the Company maintains sufficient bank balances and having adequate working capital facilities.

	Less than 3 months RO '000	**3 to 12 months RO '000**	**1 to 5 years RO '000**	**More than 5 years RO '000**	**Total RO '000**
30 September 2026					
Trade and other payables	**3,323**	**-**	**-**	**-**	**3,323**
Senior facility loan	**2,878**	**3,235**	**47,790**	**-**	**53,903**
Short-term loan facility	**4,000**	**-**	**-**	**-**	**4,000**
Lease liability	**10**	**-**	**41**	**104**	**155**
	10,211	**3,235**	**47,831**	**104**	**61,381**
31 December 2025 (Audited)					
Trade and other payables	1,803	-	-	-	1,803
Senior facility loan	-	6,100	51,026	-	57,126
Short-term loan facility	3,000	-	-	-	3,000
Lease liability	-	10	41	104	155
	4,803	6,110	51,067	104	62,084

Categories of financial instruments

	30 September 2026 RO '000	(Audited) 31 December 2025 RO '000
Financial assets (at amortised cost)		
Cash and bank balances	**1,867**	405
Trade and other receivables	**2,369**	1,278
	4,236	1,683
Financial liabilities (at amortised cost)		
Senior facility loan	**43,771**	45,744
Short term loan facility	**4,000**	3,000
Lease liability	**98**	94
Trade and other payables	**3,323**	1,803
	51,192	50,641

22. Financial risk management (continued)

Fair value of financial instruments

The fair values of financial instruments are not materially different from their carrying values.

Capital management
The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern and to provide an adequate return to Shareholders.

The Board's policy is to maintain a strong capital base so as to maintain creditor and market confidence and to sustain future development of the business. The capital structure of the Company comprises share capital, reserves and retained earnings. Debt comprises loan facilities from banks and lease liabilities. The Company is not subject to external imposed capital requirements except those under the Commercial Companies Law of the Sultanate of Oman.

The Company manages the capital structure and makes adjustments to it in the light of changes in economic conditions and the risk characteristics of the underlying assets. In order to maintain or adjust the capital structure, the Company may adjust the amount of dividends paid to Shareholders, return capital to Shareholders, issue new shares, or sell assets to reduce debt. During the period, there is no change in the capital management policy of the Company.

Capital Risk Management

Consistent with best practices, the Company monitors capital on the basis of the gearing ratio. This ratio is calculated as net debt divided by total capital. Net debt is calculated as total borrowings less cash and cash equivalents. Total capital is calculated as equity, as shown in the statement of financial position, plus net debt. The gearing ratio at the end of the reporting period was as follows:

	30 September 2026 RO '000	(Audited) 31 December 2025 RO '000
Debt (senior and short-term loan facilities)	**47,771**	48,744
Cash and bank balances	**(1,867)**	(405)
Net debt	**45,904**	48,339
Equity	**13,479**	12,552
Net debt to equity ratio	**341%**	385%

23. Basic and diluted earnings per share

	30 September 2026	30 September 2025
Net profit attributable to ordinary Shareholders of the Company for basic and diluted earnings per share (RO '000)	**2,870**	3,109
Weighted average number of shares (in '000s)	**70,390**	70,390
Earnings per share (RO) – basic and diluted	**0.041**	0.044

There is no difference between basic and diluted earnings per share because the Company has not issued any instruments which would have an impact on earnings per share when exercised.

24. Net assets per share

Net assets per share are calculated by dividing the net assets attributable to the ordinary shareholders of the Company at the reporting date by the number of ordinary shares outstanding at the end of the period.

	30 September 2026	(Audited) 31 December 2025
Net assets (RO in '000)	**13,479**	12,552
Number of shares outstanding at year end ('000s)	**70,390**	70,390
Net assets per share (RO)	**0.191**	0.178

25. Segment information

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The chief operating decision-maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the strategic decisions maker, which is the CEO. The Company's operating activities are disclosed in note 1 to the financial statements. The strategic business unit offers similar services and is managed as one segment. For the strategic business unit, the CEO reviews internal management reports on a monthly basis. Performance is measured based on the profit before income tax, as included in the internal management reports. The CEO considers the business of the Company as one operating segment and monitors accordingly. The requirements of IFRS 8: Operating Segments - paragraphs 31 to 34 relating to entity wide disclosures have been covered under statements of financial position, profit or loss and other comprehensive income and also in notes to the financial statements.

26. Operating lease arrangement where the Company acts as a lessor

As disclosed in notes 1 and 4 of these financial statements, the arrangement between the Company and NPWP under the PPA is covered under IFRS 16 Leases, and such arrangement in substance represents an operating lease under IFRS 16 Leases. The following is the total of future minimum lease receipts expected to be received under the PPA:

	30 September 2026 RO '000	(Audited) 31 December 2025 RO '000
Due within one year	**11,290**	11,290
Due after one year but within five years	**46,201**	46,201
Due after five years	**5,099**	13,566
	62,590	71,057

27. Dividends

On 09 February 2025, the Board of Directors approved a final cash dividend of Baizas 13.8 per share, amounting to RO 0.971 million, which was paid on 19 March 2025. The dividend was approved by the shareholders in an Annual General Meeting held on 06 March 2025.

On 09 September 2025, the Board of Directors approved an interim cash dividend of Baizas 13.8 per share, amounting to RO 0.971 million, which was paid on 11 September 2025. The dividend was approved by the shareholders in an Annual General Meeting held on 06 March 2025.

On 8 February 2026, the Board of Directors proposed a final cash dividend for the year 2025 of Baizas 13.8 per share amounting to RO 0.971 million which was paid on 25 March 2026. The dividend was approved by the shareholders in an Annual General Meeting held on 8 March 2026.

On 13 September 2026, the Board of Directors proposed an interim cash dividend for the year 2025 of Baizas 13.8 per share amounting to RO 0.971 million which was paid on 21 September 2026. The dividend was approved by the shareholders in an Annual General Meeting held on 8 March 2026.

28. Comparative figures

Comparative figures for the previous year have been reclassified/rearranged wherever necessary to conform with the presentation in the current year's financial statements.

29. Approval of the financial statements

The financial statements were approved by the Board of Directors and authorised for issue on 22 October 2026.