PHOENIX POWER COMPANY SAOG

FINANCIAL STATEMENTS

30 June 2026

Public

PHOENIX POWER COMPANY SAOG

FINANCIAL STATEMENTS

For the year ended 30 June 2026

Contents	***Pages***
Independent auditor's report	1 - 5
Statement of profit or loss and other comprehensive income	6
Statement of financial position	7
Statement of cash flows	8
Statement of changes in equity	9
Notes to the financial statements	10 - 45

Public

Shape the future with confidence

Ernst & Young LLC
P.O. Box 1750, Ruwi 112
5th Floor, Landmark Building
Opposite Al Ameen Mosque
Bowsher, Muscat
Sultanate of Oman
Tax Card No. 8218320

Tel: +968 22 504 559
Fax: +968 22 060 810
muscat@om.ey.com
ey.com

C.R. No. 1224013
PR No. HMH/15/2015; HMA/9/2015

INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF PHOENIX POWER COMPANY SAOG

Report on the audit of the financial statements

Opinion

We have audited the financial statements of Phoenix Power Company SAOG (the "Company"), which comprise the statement of financial position as at 30 June 2026, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the six months period then ended, and notes to the financial statements, including material accounting policy information.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at 30 June 2026 and its financial performance and cash flows for the period then ended in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board (IASB).

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 *Auditor's 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 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.

Other matters

The comparative unaudited statements of profit or loss and other comprehensive income, statements of changes in equity, and statements of cash flows for the six-month period ended 30 June 2025 have not been audited or reviewed and are presented for comparative purposes only. Accordingly, we do not express an opinion, conclusion or any form of assurance on them.

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. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have fulfilled the responsibilities described in the *Auditor's responsibilities for the audit of the financial statements* section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying financial statements.

Report on the audit of the financial statements (continued)

Key audit matters (continued)

Key audit matter	*How our audit addressed the key audit matter*
Property, plant and equipment Property, plant and equipment represents 83% of total assets on the statement of financial position. The Company has entered into a Power Purchase Agreement ("PPA") with Nama Power and Water Procurement Company SAOC ("PWP") to generate electricity and make available the power capacity from the Plant. During the current period, the PPA was extended for a further period of 15 years, effective from 2029 to 2044. Management assessed the recoverable amount of the relevant cash-generating unit ("CGU") using a value-in-use calculation. Following the PPA extension, the discounted cash flow forecasts reflected the contractual cash flows expected under the extended PPA from 2029 to 2044. The impairment model was prepared over the 40-year useful life of the plant and machinery and included cash flows beyond the PPA term based on management's assumptions. The determination of the recoverable amount is sensitive to significant judgements and estimates, including the 40-year useful life of the plant and machinery, forecast generation and availability, tariff and operating assumptions during and beyond the extended PPA term, operating and capital expenditure, and the discount rate. Changes in these assumptions could result in an impairment of property, plant and equipment and have a significant impact on the Company's reported profit and financial position. Considering the significance of the carrying amount and the degree of judgement involved in the impairment assessment, this was considered to be a key audit matter.	Our audit procedures in this area included the following: - Evaluated management's process of assessing impairment indicators and performing of impairment tests. - Assessed, with the assistance of valuation specialist, the estimates and assumptions made by the management regarding any potential impairment related to property, plant and equipment. - Evaluated whether the cash flow forecasts appropriately reflected the terms of the extended PPA from 2029 to 2044 and assessed the reasonableness of management's use of a 40-year useful life for the plant and machinery, including the assumptions applied to cash flows beyond the PPA term. - Assessed management's value-in-use calculation and evaluated the reasonableness of the key assumptions used, including forecast generation and availability, tariff and operating assumptions, operating and capital expenditure, and the discount rate, by comparing them with historical performance, approved budgets, contractual terms and relevant external market information. - Tested the mathematical accuracy of the discounted cash flow model and compared the resulting recoverable amount with the carrying amount of the CGU.

Report on the audit of the financial statements (continued)

Key audit matters (continued)

Considering the significance of the amount and the extent of the judgements involved, this is considered to be a key audit matter Refer to note 10 (Property, plant and equipment) in the financial statements.	- Performed sensitivity analysis and evaluated whether any reasonably possible changes in assumptions could lead to impairment of property, plant and equipment. - Evaluated the adequacy of the disclosures made in the financial statements.

Other information

Other information comprises the Director's report accompanying the Company's financial statements for the six-month period ended 30 June 2026, other than the financial statements and our auditor's report thereon. Management is responsible for the other information.

Our opinion on the financial statements does not cover the Director's report, 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 on the other information obtained prior to the date of the auditor's report, 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 Audit Committee for the financial statements
Management is responsible for the preparation and fair presentation of the financial statements in accordance with IFRS Accounting Standards as issued by the IASB and their preparation in compliance with the relevant requirements of the Commercial Companies Law of 2019 and the Financial Services Authority (the "FSA") of the Sultanate of Oman, 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.

Audit Committee are responsible for overseeing the Company's financial reporting process.

Report on the audit of the financial statements (continued)

Auditor's 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 auditor's 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.
- 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 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 auditor's 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 auditor's 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 Audit Committee 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 Audit Committee with a statement that we have complied with relevant ethical requirements regarding independence, and to 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.

INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF
PHOENIX POWER COMPANY SAOG (CONTINUED)

Report on the audit of the financial statements (continued)

Auditor's responsibilities for the audit of the financial statements (continued)

From the matters communicated with Audit Committee, 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 auditor's 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

We report that the financial statements comply, in all material respects, with the relevant requirements of the Commercial Companies Law of 2019 and FSA of the Sultanate of Oman.

Ernst & Young

Mohamed Al Qurashi
Muscat
15 September 2026

ارنست ويونغ ش م م
س.ت: ١٢٢٤٠١٣
ص.ب: ١٧٥٠ روي - ١١٢، سلطنة عمان
EY ERNST & YOUNG LLC
C.R.No. 1224013
P.O.Box 1750 - P.C. 112, Sultanate of Oman

PHOENIX POWER COMPANY SAOG

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the six months period ended 30 June 2026

	Notes	*30 June 2026*		*30 June 2025 (unaudited and unreviewed)*	
		'000	***USD'000***	*'000*	*USD'000*
Revenue	4	**79,838**	**207,643**	82,971	215,790
Direct costs	5	**(60,572)**	**(157,534)**	(64,104)	(166,724)
GROSS PROFIT		**19,266**	**50,109**	18,867	49,066
Other income	6 (b)	**2,214**	**5,759**	736	1,913
General and administrative expenses	6 (a)	**(968)**	**(2,519)**	(842)	(2,188)
PROFIT BEFORE INTEREST AND TAX		**20,512**	**53,349**	18,761	48,791
Finance costs	7 (a)	**(4,920)**	**(12,798)**	(4,411)	(11,471)
Finance income	7 (b)	**128**	**332**	188	490
PROFIT BEFORE TAX		**15,720**	**40,883**	14,538	37,810
Income tax	8	**(2,400)**	**(6,243)**	(2,271)	(5,905)
PROFIT FOR THE PERIOD		**13,320**	**34,640**	12,267	31,905
OTHER COMPREHENSIVE INCOME/ (LOSS) *Items that may be reclassified to profit and loss in subsequent periods:*					
Net movement in fair value of cash flow hedges	20	**(863)**	**(2,245)**	455	1,183
Deferred tax effect	8	**130**	**337**	(68)	(177)
OTHER COMPREHENSIVE (LOSS) / INCOME		**(733)**	**(1,908)**	387	1,006
TOTAL PROFIT AND OTHER COMPREHENSIVE INCOME FOR THE PERIOD		**12,587**	**32,732**	12,654	32,911
BASIC AND DILUTED EARNINGS PER SHARE	9	**0.009**	**0.024**	0.008	0.022

The attached notes 1 to 32 form part of these financial statements.

PHOENIX POWER COMPANY SAOG

STATEMENT OF FINANCIAL POSITION

At 30 June 2026

	Notes	30 June 2026		31 December 2025	
		2026	**2026**	2025	2025
		﷼'000	**USD'000**	﷼'000	USD'000
ASSETS					
Non-current assets					
Property, plant and equipment	10	**430,543**	**1,119,749**	440,609	1,145,922
Right-of-use assets	11	**6,958**	**18,094**	7,094	18,448
Derivative financial instruments	20(a)	**-**	**-**	97	253
		437,501	**1,137,843**	447,800	1,164,623
Current assets					
Trade and other receivables	12	**23,251**	**60,469**	10,228	26,598
Inventories	13	**11,905**	**30,962**	11,693	30,412
Short term deposits	14	**-**	**-**	1,538	4,000
Cash and bank balances	15	**45,027**	**117,106**	17,191	44,709
Derivative financial instruments	20(a)	**-**	**-**	486	1,263
		80,183	**208,537**	41,136	106,982
TOTAL ASSETS		**517,684**	**1,346,380**	488,936	1,271,605
EQUITY AND LIABILITIES					
Equity					
Share capital	16	**146,260**	**380,390**	146,260	380,390
Legal reserve	17	**23,459**	**61,013**	22,127	57,549
Retained earnings		**130,476**	**339,330**	118,488	308,154
Equity before hedging reserve		**300,195**	**780,733**	286,875	746,093
Hedging reserve	20	**(3,002)**	**(7,810)**	(2,269)	(5,902)
Total equity		**297,193**	**772,923**	284,606	740,191
LIABILITIES					
Non-current liabilities					
Interest bearing loans and borrowings	19	**117,752**	**306,246**	75,556	196,506
Deferred tax liabilities	8	**46,172**	**120,085**	46,173	120,087
Lease liabilities	23	**7,274**	**18,920**	7,594	19,754
Derivative financial instruments	20(b)	**2,950**	**7,673**	2,127	5,532
Provision for asset retirement obligation	21	**2,517**	**6,546**	5,927	15,416
Employees' end of service benefits	22(b)	**7**	**18**	5	12
		176,672	**459,488**	137,382	357,307
Current liabilities					
Interest bearing loans and borrowings	19	**13,064**	**33,977**	36,986	96,192
Dividend payable	18	**-**	**-**	2,924	7,608
Accounts payable and accruals	22(a)	**27,325**	**71,072**	20,783	54,043
Derivative financial instruments	20(b)	**583**	**1,516**	1,126	2,928
Lease liabilities	23	**529**	**1,375**	530	1,375
Provision for income tax	8	**2,318**	**6,029**	4,599	11,961
		43,819	**113,969**	66,948	174,107
Total liabilities		**220,491**	**573,457**	204,330	531,414
TOTAL EQUITY AND LIABILITIES		**517,684**	**1,346,380**	488,936	1,271,605
NET ASSETS PER SHARE	24	**0.203**	**0.528**	0.195	0.506

The financial statements were authorised for issue and approved by the Board of Directors on 14/09/2026 and were signed on their behalf by:

Khalid jolo (Sep 14, 2026 10:49:24 GMT+3)
Director

Director

The attached notes 1 to 32 form part of these financial statements.

PHOENIX POWER COMPANY SAOG

STATEMENT OF CASH FLOWS

For the six months period ended 30 June 2026

	Notes	30 June 2026		30 June 2025 (unaudited and unreviewed)	
		2026 £'000	**2026 USD'000**	2025 £'000	2025 USD'000
OPERATING ACTIVITIES					
Profit before tax		**15,720**	**40,883**	14,538	37,810
Adjustments for:					
Depreciation of property, plant and equipment	10	**7,893**	**20,529**	7,939	20,646
Depreciation of right-of-use assets	11	**136**	**354**	136	354
Finance costs	7 (a)	**4,920**	**12,798**	4,411	11,471
Reversal of asset retirement obligation provision		**(1,300)**	**(3,381)**	-	-
Accruals for employees' end of service benefits	22(b)	**2**	**6**	3	7
Finance income	7 (a)	**(128)**	**(332)**	(188)	(490)
		27,243	**70,857**	26,839	69,798
Working capital changes:					
Inventories		**(211)**	**(550)**	68	177
Trade and other receivables		**(13,023)**	**(33,871)**	10,149	26,395
Accounts payable and accruals		**6,547**	**17,029**	(15,421)	(40,101)
Cash generated from operations		**20,556**	**53,465**	21,635	56,269
Finance costs paid		**(4,115)**	**(10,701)**	(3,835)	(9,974)
Tax paid		**(4,552)**	**(11,840)**	(3,660)	(9,519)
Net cash flows from operating activities		**11,889**	**30,924**	14,140	36,776
INVESTING ACTIVITIES					
Short term deposits	14	**1,538**	**4,000**	7,807	20,303
Finance income received	7 (a)	**128**	**332**	188	490
Net cash flows from investing activities		**1,666**	**4,332**	7,995	20,793
FINANCING ACTIVITIES					
Dividend paid	18	**(2,925)**	**(7,608)**	(2,925)	(7,608)
Repayment of interest bearing loans and borrowings	19	**(113,103)**	**(294,155)**	(17,953)	(46,693)
Proceeds from new loan facility	19	**132,200**	**343,823**	-	-
Upfront fees / transaction costs paid for new loan	19	**(1,384)**	**(3,600)**	-	-
Payment of lease liabilities	23	**(507)**	**(1,319)**	(104)	(270)
Net cash flows from / (used in) financing activities		**14,281**	**37,141**	(20,982)	(54,571)
Net increase in cash and cash equivalents		**27,836**	**72,397**	1,153	2,998
Cash and cash equivalents at 1 January		**17,191**	**44,709**	13,456	34,997
CASH AND CASH EQUIVALENTS AT 30 JUNE	15	**45,027**	**117,106**	14,609	37,995

The attached notes 1 to 32 form part of these financial statements.

PHOENIX POWER COMPANY SAOG

STATEMENT OF CHANGES IN EQUITY

For the six months period ended 30 June 2026

	Notes	*Share capital £'000*	*Legal reserve £'000*	*Hedging reserve £'000*	*Retained earnings £'000*	*Total £'000*
Balance at 1 January 2025 (Audited)		146,260	19,525	(2,431)	103,113	266,467
Profit for the period		-	-	-	12,267	12,267
Other comprehensive income		-	-	387	-	387
Total comprehensive income for the period		-	-	387	12,267	12,654
Transfer to legal reserve	17	-	1,227	-	(1,227)	-
Dividends	18	-	-	-	(5,119)	(5,119)
Balance at 30 June 2025 (unaudited & unreviewed)		146,260	20,752	(2,044)	109,034	274,002
Balance at 1 January 2026 (Audited)		146,260	22,127	(2,269)	118,488	284,606
Profit for the period		-	-	-	13,320	13,320
Other comprehensive loss		-	-	(733)	-	(733)
Total comprehensive income for the period		-	-	(733)	13,320	12,587
Transfer to legal reserve	17	-	1,332	-	(1,332)	-
Balance at 30 June 2026		**146,260**	**23,459**	**(3,002)**	**130,476**	**297,193**

	Notes	*Share capital USD'000*	*Legal reserve USD'000*	*Hedging reserve USD'000*	*Retained earnings USD'000*	*Total USD'000*
Balance at 1 January 2025 (Audited)		380,390	50,781	(6,322)	268,168	693,017
Profit for the period		-	-	-	31,905	31,905
Other comprehensive income		-	-	1,006	-	1,006
Total comprehensive income for the period		-	-	1,006	31,905	32,911
Transfer to legal reserve	17	-	3,191	-	(3,191)	-
Dividends	18	-	-	-	(13,314)	(13,314)
Balance at 30 June 2025 (unaudited & unreviewed)		380,390	53,972	(5,316)	283,568	712,614
Balance at 1 January 2026 (Audited)		380,390	57,549	(5,902)	308,154	740,191
Profit for the period		-	-	-	34,640	34,640
Other comprehensive income		-	-	(1,908)	-	(1,908)
Total comprehensive income for the period		-	-	(1,908)	34,640	32,732
Transfer to legal reserve	17	-	3,464	-	(3,464)	-
Balance at 30 June 2026		**380,390**	**61,013**	**(7,810)**	**339,330**	**772,923**

The attached notes 1 to 32 form part of these financial statements.

1 ACTIVITIES

Phoenix Power Company SAOG ("the Company") is registered under the Commercial laws of the Sultanate of Oman as a Public Joint Stock Company and principal activities of the Company are to develop, finance, design, construct, operate, maintain, insure and own a power generating station and associated gas interconnection facilities and other relevant infrastructure. The Company's registered address is P O Box 96, Postal Code 102, Muscat, Sultanate of Oman. The Company's principal place of business is located at Sur, Sultanate of Oman.

During the year 2015, Company proceeded with initial public offering (IPO). The promoting shareholders at the Company's Extraordinary General Meeting held on 9 March 2015 approved the conversion of the Company from a Closed Joint Stock Company (SAOC) to a Public Joint Stock Company (SAOG) by offering their 511,910,511 shares for the public subscription. The Company closed its IPO on 8 June 2015 and its shares were listed on the Muscat Securities Market on 22 June 2015.

1.2 SIGNIFICANT AGREEMENTS

The Company has entered into following significant agreements:

i. The Company has a Power Purchase Agreement (PPA) with Nama Power and Water Procurement Company SAOC (PWP), under which it has the right to generate and supply electricity from its Sur plant for a period of 15 years from the commercial operation date, based on an agreed tariff structure. In April 2026, the Company entered into an extension of the PPA for a further 15-year term effective from April 2029, extending the contract period until 31 March 2044.

ii. On 29 June 2026, the Company entered into a USD 720 million secured commercial term loan facility with National Bank of Oman SAOG and Sohar International Bank SAOG, with Sohar International Bank SAOG acting as global and commercial facility agent. The facility comprises two tranches and was obtained principally to refinance the existing senior facilities and to fund eligible future requirements in accordance with the facility agreements. The initial drawdown on 26 June 2026 was USD 343.823 million (RO 132.200 million).

iii Natural Gas Sales Agreement (NGSA) with the Integrated Gas Company (IGC) formerly known as Ministry of Oil and Gas of the Government of the Sultanate of Oman (MOG) for the purchase of natural gas for fifteen years till end of 2029 at a pre-determined price.

iv The Company entered into a Usufruct Agreement with the Public Establishment for Industrial Estates of the Sultanate of Oman, granting usufruct rights over the plant site for a period of 25 years ending in 2036. The agreement includes an option to renew the usufruct rights for an additional 25-year term, which the lessor is contractually obligated to grant.

v Agreement with local and international banks for long-term loan facilities and interest rate hedge arrangements.

vi Agreement with Siemens LLC Oman for long term service contract for maintenance service of the gas turbines.

vii Agreement with Siemens Aktiengesellschaft for long term supply contract for supplying the spare parts of gas turbines.

viii Agreement with Phoenix Operation and Maintenance Company LLC for the operation and maintenance of the Sur IPP Project.

ix Agreement with Daewoo Engineering and Construction Co. Ltd for engineering, procurement and construction of the Sur IPP Project.

x Project Founders' Agreement dated 13 July 2011 made between Electricity Holding Company SAOC, Marubeni Corporation; Chubu Electric Power Co; Qatar Electricity and Water Company (Q.S.C.); and Multitech LLC.

xi Shareholders' Agreement dated 13 July 2011, amended and restated dated 28 November 2011 made between Electricity Holding Company SAOC, Axia Power Holdings B.V; Chubu Electric Power Sur B.V; Qatar Electricity and Water Company (Q.S.C.); and Multitech LLC.

1.2 SIGNIFICANT AGREEMENTS (continued)

xii Electrical Connection Agreement dated 13 July 2011 with Oman Electricity Transmission Company SAOC for connection of the Company's equipment to the transmission system.

2 ADOPTIONS OF NEW AND REVISED INTERNATIONAL FINANCIAL REPORTING STANDARDS (IFRS)

A number of new standards, amendments to standards and interpretations are effective for the periods beginning on or after 1 January 2026. Those which are relevant to the Company, are set out below.

2.1 New and amended standards and interpretations that are effective for the current year

The Company applied for the first-time certain standards and amendments, which are effective for annual periods beginning on or after 1 January 2026 (unless otherwise stated). The Company has not early adopted any other standard, interpretation or amendment that has been issued but is not yet effective.

- Annual Improvements to IFRS Accounting Standards – Volume 11
- Classification and Measurement of Financial Instruments—Amendments to IFRS 9 and IFRS 7
- Contracts Referencing Nature-dependent Electricity – Amendments to IFRS 9 and IFRS 7

These amendments are not expected to have a significant impact on the Company's financial statements.

2.2 New and amended standards and interpretations issued but not yet effective

The new and amended standards and interpretations that are issued, but not yet effective, up to the date of issuance of the Company's financial statements are disclosed below. The Company intends to adopt these new and amended standards and interpretations, if applicable, when they become effective.

- IFRS-19 Subsidiaries without public accountability (Effective for reporting periods beginning on or after 1 January 2027)
- IFRS-18 Presentation and disclosure in the financial statements (Effective for reporting periods beginning on or after 1 January 2027)

These amendments are not expected to have a significant impact on the Company's financial statements.

3 MATERIAL ACCOUNTING POLICY INFORMATION

3.1 Basis of preparation

These financial statements have been prepared in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board ("IASB"), and in compliance with the relevant requirements of the Financial Services Authority and the applicable provisions of the Commercial Companies Law of 2019. The results for the six months period ended 30 June 2026 are not necessarily indicative of the results for the year ending 31 December 2026.

3.2 Basis of measurement

These financial statements have been prepared on a historical cost basis modified to include the measurement at fair value of derivative financial instruments.

3 MATERIAL ACCOUNTING POLICY INFORMATION (continued)

3.3 Presentation and functional currency

Items included in the financial statements of the Company are measured and presented in US Dollars (USD) being the currency of the primary economic environment in which the Company operates.

These financial statements are presented in US Dollars and Rial Omani (﷼), rounded to the nearest thousand. The ﷼ amounts shown in the financial statement have been translated using exchange rate of USD 1 = ﷼ 0.3845 and are shown for the convenience of the reader.

3.4 Financial Instruments

Initial recognition 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.

Initial recognition and measurement

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

The classification of debt 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, 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.

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. Financial assets with cash flows that are not SPPI are classified and measured at fair value through profit or loss, irrespective of the business model.

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. Financial assets classified and measured at amortised cost are held within a business model with the objective to hold financial assets in order to collect contractual cash flows while financial assets classified and measured at fair value through OCI are held within a business model with the objective of both holding to collect contractual cash flows and selling.

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)
- Financial assets at fair value through profit or loss

Financial assets at amortised cost

This category is the most relevant to the Company. A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at fair value through profit or loss:

- It is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- Its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

3 MATERIAL ACCOUNTING POLICY INFORMATION (continued)

3.4 Financial Instruments (continued)

Financial assets (continued)

Subsequent measurement (continued)

Financial assets at amortised cost (continued)

Financial assets at amortised cost are subsequently measured using the effective interest (EIR) method and are subject to impairment. Gains and losses are recognised in statement of profit or loss and other comprehensive income when the asset is derecognised, modified or impaired.

Derecognition

A financial asset (or, where applicable a part of a financial asset or part of a group of similar financial assets) is derecognised when:

a) The rights to receive cash flows from the asset have expired; or
b) 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) has transferred substantially all the risks and rewards, or (b) has neither transferred nor retained substantially all the risks and rewards of the asset but has transferred control of the asset.

On derecognition of a financial asset, the difference between the carrying amount of the asset (or the carrying amount allocated to the portion of the asset derecognized) and the sum of (i) the consideration received (including any new asset obtained less any new liability assumed) and (ii) any cumulative gain or loss that had been recognised in the statement of other comprehensive income is recognised in the profit or loss account.

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 recognize the transferred asset to the extent of the Company's continuing involvement. In that case, the Company also recognizes 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 loss allowances for ECLs on financial assets measured at amortised cost.

Measurement of loss allowances

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.

3 MATERIAL ACCOUNTING POLICY INFORMATION (continued)

3.4 Financial Instruments (continued)

Financial assets (continued)

Measurement of loss allowances (continued)

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-month 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).

The Company determines the amount of expected credit losses by evaluating the range of possible outcomes as well as incorporating the time value of money. These expected losses are discounted to the reporting date using the effective interest rate of the asset (or an approximation thereof) that was determined at initial recognition.

Expected credit losses are a probability-weighted estimate of credit losses.

Financial assets that are not credit-impaired at the reporting date

Measured as the present value of all cash shortfalls (i.e. the difference between the cash flows due to the Company in accordance with the contract and the cash flows that the Company expects to receive).

Financial assets that are credit-impaired at the reporting date

Measured as the difference between the gross carrying amount and the present value of estimated future cash flows discounted at the financial asset's original effective interest rate. Any adjustment is recognised in the profit or loss account as an impairment gain or loss.

Presentation of expected credit losses

Loss allowances for financial assets measured at amortised cost are deducted from the gross carrying amount of the assets and is charged to the statement of profit or loss.

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 accounts payable and accruals, loans and borrowings and derivative financial instruments.

Subsequent measurement

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. This category generally applies to interest-bearing loans and borrowings.

3 MATERIAL ACCOUNTING POLICY INFORMATION (continued)

3.4 Financial Instruments (continued)

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 comprehensive income.

Offsetting

Financial assets and financial liabilities are offset, and the net amount presented in the statement of financial position when, and only when, the Company currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realize the asset and settle the liability simultaneously.

Write - off

The gross carrying amount of a financial asset is written off (either partially or in full) to the extent that there is no realistic prospect of recovery. This is generally the case when the Company determines that the debtor does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Company's procedures for recovery of amounts due.

Derivative financial instruments and hedging

The Company uses derivative financial instruments as trading investments to hedge its risks associated with interest rate, foreign currency, commodity price fluctuations and also to satisfy the requirements of its customers. Derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently remeasured at fair value. Derivatives are carried as assets when the fair value is positive and as liabilities when the fair value is negative.

Any gains or losses arising from changes in fair value of derivatives that do not qualify for hedge accounting are taken directly to the profit or loss account.

In accordance with IFRS 9, the Company applies hedge accounting only if all of the following conditions are met:

- There is 'an economic relationship' between the hedged item and the hedging instrument;
- The effect of credit risk does not 'dominate the value changes' that result from that economic relationship; and
- The hedge ratio of the hedging relationship is the same as that resulting from the quantity of hedged item that the entity actually hedges and the quantity of the hedging instrument that the entity actually uses to hedge that quantity of hedged item.

For the purpose of hedge accounting, hedge is classified as hedges of highly probable future cash flows attributable to a recognised asset or liability, or a forecasted transaction (cash flow hedge).

3 MATERIAL ACCOUNTING POLICY INFORMATION (continued)

3.4 Financial Instruments (continued)

Derivative financial instruments and hedging (continued)

At the inception of a hedge relationship, the Company formally designates and documents the hedge relationship to which the Company wishes to apply hedge accounting and the risk management objective and strategy for undertaking the hedge. The documentation includes identification of the hedging instrument, the hedged item or transaction, the nature of the risk being hedged and how the entity will assess the hedging instrument's effectiveness in offsetting the exposure to changes in the hedged item's fair value or cash flows attributable to the hedged risk. The documentation also includes the hedge ratio and potential sources of ineffectiveness.

Hedges which meet the strict criteria for hedge accounting is accounted for as follows:

Cash flow hedge

The effective portion of changes in the fair value of derivatives that are designated and qualify as cash flow hedges are recognised in equity. The gain or loss relating to the ineffective portion is recognised immediately in the profit or loss account.

Amounts recognised as OCI are transferred to the profit or loss account when the hedged transaction affects the profit or loss account, such as when the hedged financial income or financial expense is recognised or when a forecast sale occurs. When the hedged item is the cost of a non-financial asset or non-financial liability, the amounts recognised as OCI are transferred to the initial carrying amount of the non-financial asset or liability.

When a hedging instrument expires or is sold, or when a hedge no longer meets the criteria for hedge accounting, any cumulative gain or loss existing in equity at that time remains in equity and is recognised when the forecast transaction is ultimately recognised in the profit or loss account. When a forecast transaction is no longer expected to occur, the cumulative gain or loss that was reported in equity is immediately transferred to the profit or loss account.

The Company entered a derivative financial instrument to manage its exposure to interest rate risk, which include interest rate swaps. Further details of derivative financial instruments are disclosed in note 20.

3.5 Revenue

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. The standard establishes a five step model to account for revenue arising from contracts with customers. The Company's contract with its sole customer contains a lease, which is scoped out of IFRS 15.

The Company recognises revenue from the following major sources

- Capacity charge
- Variable charge

Capacity charge

Capacity charge include investment charge and fixed O&M charge. Investment charge is treated as revenue under operating lease and recognised on straight line basis over the lease term or another systematic basis which is more representative of the pattern in which benefit from the use of the underlying asset is diminished. Fixed O&M charge is recognised based on the capacity made available in accordance with contractual terms stipulated in PPA.

3 MATERIAL ACCOUNTING POLICY INFORMATION (continued)

3.5 Revenue (continued)

Variable charge

Energy charge and fuel charge are recognised when electricity are delivered; which is taken to be over time when the customer has accepted the deliveries, the control of utilities have been transferred to the customer and there is no unfulfilled obligation that could affect the customer's acceptance of the utilities.

The Company has a long-term agreement with pwp 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.

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.

3.6 Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes 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 as incurred. Borrowing costs consist of interest and other costs that the Company incurs in connection with the borrowing of funds.

3.7 Income tax

Taxation is provided for in accordance with Omani fiscal regulations.

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 income tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on laws that have been enacted at the reporting date.

Deferred income 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 income tax assets are reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilized. Income tax relating to items recognised directly in equity is recognised in equity and not in the profit or loss.

3 MATERIAL ACCOUNTING POLICY INFORMATION (continued)

3.7 Income tax (continued)

On 31 December 2024, Oman issued Royal Decree Number 70/2024, enacting new global minimum tax rules to align with the Organization for Economic Co-operation and Development (OECD) Base Erosion and Profit Shifting (BEPS) Pillar Two rules (GloBE Rules). The enacted law introduces a domestic minimum top-up tax (DMTT) and an Income Inclusion Rule (IIR), effective from 1 January 2026. This tax applies to entities that are part of an Multinational Entity (MNE) Group with annual revenues amounting to or exceeding the Omani rial equivalent of EUR 750 million or more in two of the last four financial years.For Oman, the taxable income and effective tax rate will be calculated in accordance with the Executive Regulations to the Royal Decree.

Based on management's assessment, the Company is not within the scope of the Pillar Two GloBE Rules for the financial period ending 30 June 2026, as the company is not a subsidiary of a foreing parent, nor does the company have any foreign subsidiaries or branches. Accordingly, no Pillar Two top-up tax exposure arises for the current reporting period.

Management will continue to monitor the issuance of the Executive Regulations, further OECD guidance, and global implementation developments. Should the Group's structure, operations, or revenue levels change in a manner that could bring it within the scope of Pillar Two, the Company will update its assessment and related disclosures accordingly.

3.8 Property, plant and equipment

Property, plant and equipment is stated at cost less accumulated depreciation and any impairment in value. Capital work in progress is recorded at cost less impairment, if any. Cost includes expenditure that is directly attributable to the acquisition of the asset.

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 for long-term construction projects if the recognition criteria are met.

An item of property, plant and equipment and any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on de-recognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the profit or loss, when the asset is derecognised.

Depreciation is calculated using the straight-line method to allocate the cost less its residual value so as to write off items of property, plant and equipment over their estimated useful lives. Each part of an item of property, plant and equipment with a cost that is significant in relation to the total cost of an item is depreciated separately.

The estimated useful lives are as follows:

	Years
Plant and machinery	40
Plant building	40
Strategic spares	15
Other assets	5

Where the carrying amount of an asset is greater than its estimated recoverable amount it is written down immediately to its recoverable amount.

Gains and losses on disposals of property, plant and equipment are determined by reference to their carrying amounts and are taken into account in determining operating profit.

The assets' residual values, useful lives and methods of depreciation are reviewed at each reporting period and adjusted prospectively, if applicable.

3 MATERIAL ACCOUNTING POLICY INFORMATION (continued)

3.9 Inventories

Inventories are stated at the lower of cost and net realisable value. Costs comprise purchase cost, and, where applicable, direct labour costs and those overheads that have been incurred in bringing the inventories to their 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.

3.10 Foreign currencies

Transactions in foreign currencies are recorded at the spot rate at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated at the spot rates of exchange at the reporting date. All differences arising on settlement or translation of monetary items are taken to the statement of profit or loss and other comprehensive income. 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.

3.11 Dividend

The Board of Directors takes into account appropriate parameters including the requirements of the Financial Services Authority (formerly known as Capital Market Authority) while recommending the dividend. The Company recognises a liability to pay a dividend when it is approved by the shareholders. A corresponding amount is recognised directly in equity.

3.12 Asset retirement obligation

The provision for asset retirement obligation arose on assets constructed on land under usufruct contracts with Public Establishment for Industrial Estate. A corresponding asset is recognised in property, plant and equipment. The asset retirement obligation is provided at the present value of expected costs to settle the obligation 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 as a finance cost. The estimated future costs of decommissioning 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.

3.13 Account payable and accruals

Liabilities are recognised for amounts to be paid in the future for goods or services received, whether billed by the supplier or not.

3.14 Provisions

Provisions are recognised when the Company has an obligation (legal or constructive) arising from a past event, and the costs to settle the obligation are both probable and able to be reliably measured.

3.15 Employees' end of service benefits

The Company provides end of service benefits to its expatriate employees. The entitlement to these benefits is based upon the employees' final salary and length of service, subject to the completion of a minimum service period and is payable under the Omani labor law issued under Royal Decree.

Obligations for contributions to a defined contribution retirement plan, for Omani employees, in accordance with the Oman Social Insurance Scheme, are recognised as an expense in the statement of profit or loss as incurred.

3 MATERIAL ACCOUNTING POLICY INFORMATION (continued)

3.16 Leases

The Company assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

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 less any lease incentives received. The recognised right of use assets are depreciated on a straight-line basis over the shorter of lease term and the estimated useful lives of the assets, as follows:

	Years
Land	35
Connection fee	35

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 lease incentives receivable, 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.

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.

3 MATERIAL ACCOUNTING POLICY INFORMATION (continued)

3.16 Leases (continued)

Company as a lessor

Leases in which the Company does not transfer substantially all the risks and rewards incidental to ownership of an asset are classified as operating leases. Rental income arising is accounted for on a straight-line basis over the lease terms and is included in revenue in the statement of profit or loss due to its operating nature. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income. Contingent rents are recognised as revenue in the period in which they are earned.

3.17 Fair values

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability. The principal or the most advantageous market must be accessible to by the Company.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

The fair value of interest-bearing items is estimated based on discounted cash flows using interest rates for items with similar terms and risk characteristics. The fair value of unquoted derivatives is determined by reference to broker/dealer price.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

Level 1 - Quoted (unadjusted) market prices in active markets for identical assets or liabilities.

Level 2 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.

Level 3 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable quotations.

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Company determines whether transfers have occurred between Levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

3 MATERIAL ACCOUNTING POLICY INFORMATION (continued)

3.18 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.

The Company's operating activities are disclosed in note 1 to the financial statements. The strategic business unit offers similar products and services and is managed as one segment. For the strategic business unit, the Chief Executive Officer 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 Chief Executive Officer considers the business of the Company as one operating segment and monitors accordingly.

3.19 Capital spares

Cost of capital spares relates to spare parts for plants and includes all expenditure directly attributable to the acquisition of capital spares. Capital spares are tested for impairment annually.

Spare parts which meets the definition of property, plant and equipment are recorded as capital spares upon purchase and depreciated over the useful life of related plant and equipment when it is put in use.

3.20 Current versus non-current classification

The Company presents assets and liabilities in statement of financial position based on current/non-current classification.

An asset as current when it is:

- Expected to be realised or intended to be sold or consumed in normal operating cycle
- Held primarily for the purpose of trading
- Expected to be realised within twelve months after the reporting period, or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

A liability is current when:

- It is expected to be settled in normal operating cycle
- It is held primarily for the purpose of trading
- It is due to be settled within twelve months after the reporting period, or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

The Company classifies all other liabilities as non-current.

3.21 Impairment of non-financial assets

The Company assesses, at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash generating unit's (CGU) 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. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

3 MATERIAL ACCOUNTING POLICY INFORMATION (continued)

3.21 Impairment of non-financial assets (continued)

In assessing 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. 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.

The Company bases its impairment calculation on most recent budgets and forecast calculations, which are prepared separately for each of the Company's CGUs to which the individual assets are allocated. These budgets and forecast calculations generally cover a period of five years. A long-term growth rate is calculated and applied to project future cash flows after the fifth year.

Impairment losses are recognised in the statement of profit or loss in expense categories consistent with the function of the impaired asset.

3.22 Cash and cash equivalents

Cash and cash equivalents comprise cash, bank balances and short-term deposits with an original maturity of three months or less.

3.23 Critical accounting judgments and key sources of estimation uncertainty

The presentation of financial statements, in conformity with IFRS, requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, incomes and expenditures. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from those estimates.

The estimates and underlying assumptions are reviewed on an on-going basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

Information about critical judgements in applying accounting policies that have the most significant effect on the amounts recognised in the financial statements is included in impairment of property, plant and equipment, financial valuation of derivative financial instruments, asset retirement obligation, impairment of financial assets and operating leases.

The following are the significant estimates used in the preparation of the financial statements:

a) Classification of power plant as operating lease

The Company has entered into the Power Purchase Agreement (“PPA”) with Nama Power and Water Procurement Company SAOC (“PWP”) to generate electricity and make available the power capacity from its Plant.

Management believes that IFRIC 12 is not applicable to the arrangement as the residual interest is controlled by the Company and not PWP. The estimated useful life of the power plant of 40 years takes into account. 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 spot market for power sector.Management believes that PPA will be renewed by PWP based on the current industrial practice.

3 MATERIAL ACCOUNTING POLICY INFORMATION (continued)

3.23 Critical accounting judgments and key sources of estimation uncertainty (continued)

a) Classification of power plant as operating lease (continued)

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 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 Leases. 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 PWP is considered as a lease within the context of IFRS 16 Leases and has been classified as an operating lease under IFRS 16 Leases since significant risks and rewards associated with the ownership of the plant lies with the Company and not with pwp.

Based on management assessment, no indicator of impairment of property, plant and equipment exist as at the reporting date.

b) Useful lives of property, plant and equipment

The Company's management determines the estimated useful lives of its property, plant and equipment for calculating depreciation. This estimate is determined after considering the expected usage of the asset or physical wear and tear. Management reviews the residual value and useful lives annually and future depreciation charge would be adjusted where the management believes the useful lives differ from previous estimates. This estimate has not been revised as of the date. Management has determined the estimated useful life of the power plant to be 40 years. This assessment is based on an independent technical evaluation which is consistent with industrial practices followed in the country.

Further a Usufruct Agreement has been established with the Public Establishment for Industrial Estates of the Government of the Sultanate of Oman, granting usufruct rights over the plant site for a duration of twenty-five years effective from July 2011 valid till July 2036. This agreement includes an option for renewal for an additional twenty-five years, which the lessor is obligated to grant.

The power plant, utilizing advanced Siemens Gas Turbine technology for high fuel efficiency, is the largest and most reliable facility in Oman, contributing approximately 25% of the grid capacity, achieving significant dispatch levels, and remaining economically viable while supporting future renewable initiatives and meeting the growing electricity demand, all backed by a historical trend of longevity exceeding 40 years. Management believes that PPA will be renewed by pwp based on the current industrial practice and criticality of its infrastructure in Sur region . Management has also evaluated the opportunities within the spot market to capitalize on the growing electricity demand.

c) Asset retirement obligation

Asset retirement obligation costs are based on management's technical assessment of the probable future costs to be incurred in respect of the decommissioning of the plant facilities. The Company estimates that the costs would be incurred after the useful life of the plant and estimates the obligation using the DCF method.

3 MATERIAL ACCOUNTING POLICY INFORMATION (continued)

3.23 Critical accounting judgments and key sources of estimation uncertainty (continued)

d) Impairment of non-financial assets

Impairment exists when the carrying value of an asset or cash generating unit exceeds its recoverable amount, which is the higher of its fair value less costs of disposal and its value in use. The fair value less costs of disposal calculation is based on available data from binding sales transactions, conducted at arm's length, for similar assets or observable market prices less incremental costs of disposing of the asset. The value in use calculation is based on a DCF model. The cash flows are derived from the budget for the next five years and do not include restructuring activities that the Company is not yet committed to or significant future investments that will enhance the performance of the assets of the CGU being tested. The recoverable amount is sensitive to the discount rate used for the DCF model as well as the expected future cash-inflows and the growth rate used for extrapolation purposes. These estimates are most relevant to right of use and property, plant and equipment recognised by the Company.

The carrying amounts of the Company's plant and capital spares are reviewed at each reporting date to determine whether there is any indication of impairment. When making the impairment assessment, the management has taken into account both internal and external factors including recent economic and regulatory development in the Sultanate of Oman. Based on management assessment, there is no indicator of impairment of plant and capital spares as at the reporting date.

e) Deferred taxation

Deferred tax asset amounting to USD Nil (2025:USD Nil million) has not been recognised in profit or loss relating to the carried forward losses amounting to USD Nil (2025:USD Nil million), which are expected to expire within a period of five years from the year of origination of taxable loss. The Company has accounted for a deferred tax asset only for the carried forward losses which are expected to be utilised against the taxable profits to be generated in future. The related details are set out in note 8.

f) Significant judgement in determining the lease term of contracts with renewal and termination options - Company as lessee

The Company determines the lease term as the non-cancellable term of the lease, together with any periods covered by an option to extend the lease if it is reasonably certain to be exercised, or any periods covered by an option to terminate the lease, if it is reasonably certain not to be exercised. The Company has the option, under some of its leases to lease the assets for additional terms. The Company applies judgement in evaluating whether it is reasonably certain to exercise the option to renew. That is, it considers all relevant factors that create an economic incentive for it to exercise the renewal. After the commencement date, the Company reassesses the lease term if there is a significant event or change in circumstances that is within its control and affects its ability to exercise (or not to exercise) the option to renew or to terminate (e.g., a change in business strategy, construction of significant leasehold improvements or significant customisation to the leased asset).

g) Leases - Estimating the incremental borrowing rate

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 fund 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 (such as for subsidiaries that do not enter into financing transactions) 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 (such as the subsidiary's stand-alone credit ratings).

4 REVENUE AND OPERATING SEGMENTS

	30 June 2026		*30 June 2025 (unaudited & unreviewed)*	
	﷼'000	***USD'000***	*﷼'000*	*USD'000*
Capacity charges	**34,370**	**89,390**	34,081	88,638
Energy charges	**45,468**	**118,253**	48,890	127,152
	79,838	**207,643**	82,971	215,790

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 chief operating decision maker in order to allocate resources to the segment and to assess its performance.

The Company operates in one business segment that of generation of power. No geographical analysis has been disclosed as 100% of the Company's revenue is from its only customer Nama Power and Water Procurement Company SAOC (PWP) based in the Sultanate of Oman.

5 DIRECT COSTS

	30 June 2026		*30 June 2025 (unaudited & unreviewed)*	
	﷼'000	***USD'000***	*﷼'000*	*USD'000*
Gas consumption	**43,103**	**112,101**	46,695	121,444
Depreciation of property, plant and equipment (note 10)	**7,885**	**20,507**	7,920	20,598
Operation and maintenance cost (note 26)	**5,430**	**14,123**	4,832	12,568
Contractual services maintenance cost	**2,916**	**7,583**	3,738	9,723
Insurance cost	**1,069**	**2,781**	734	1,910
Depreciation of right-of-use assets (note 11)	**126**	**328**	136	354
Connection and license fee	**43**	**111**	49	127
	60,572	**157,534**	64,104	166,724

Included in operation and maintenance cost are costs of inventories recognised as expense amounting to USD 1.2 million (﷼: 0.47 million) for the period ended 30 June 2026 [30 June 2025: USD 0.84 million (﷼ 0.32 million)].

6 (a) GENERAL AND ADMINISTRATIVE EXPENSES

	30 June 2026		*30 June 2025 (unaudited & unreviewed)*	
	﷼'000	***USD'000***	*﷼'000*	*USD'000*
Staff costs and other benefits	**474**	**1,232**	437	1,137
Legal and professional charges	**123**	**320**	92	238
Public company related costs	**107**	**278**	60	155
Office related expenses	**80**	**208**	72	188
Corporate social responsibilities	**38**	**100**	27	69
Depreciation on right of use assets (Note 11)	**10**	**27**	10	25
Depreciation of property, plant and equipment (note 10)	**8**	**22**	8	22
Short term lease rental	**2**	**5**	7	19
Other expenses	**126**	**327**	129	335
	968	**2,519**	842	2,188

6 (b) OTHER INCOME

	30 June 2026		*30 June 2025 (unaudited & unreviewed)*	
	£'000	**USD'000**	£'000	USD'000
Corporate tax reimbursement under PPA	**914**	**2,377**	736	1,913
Reversal of asset retirement obligation	**1,300**	**3,382**	-	-
	2,214	**5,759**	736	1,913

7 (a) FINANCE COSTS

	30 June 2026		*30 June 2025 (unaudited & unreviewed)*	
	£'000	***USD'000***	*£'000*	*USD'000*
Interest - term loans and swap settlements	**3,743**	**9,735**	3,807	9,900
Write-off of transaction costs on derecognition of old loan (note 19)	**560**	**1,457**	216	561
Exchange loss	**371**	**966**	9	24
Interest expense for lease liabilities (note 23)	**186**	**485**	192	499
Asset retirement obligation - unwinding of discount (note 21)	**60**	**155**	141	367
Debt service commission	**-**	**-**	46	120
	4,920	**12,798**	4,411	11,471

7 (b) FINANCE INCOME

Interest income	**128**	**332**	188	490

8 INCOME TAX

	30 June 2026		*30 June 2025 (unaudited & unreviewed)*	
	£'000	***USD'000***	*£'000*	*USD'000*
Deferred tax expense recognised in the statement of profit or loss	**129**	**335**	-	-
Income tax expense	**(2,529)**	**(6,578)**	(2,271)	(5,905)
	(2,400)	**(6,243)**	(2,271)	(5,905)
Deferred tax expense recognised in other comprehensive income	**130**	**337**	(68)	(177)

For the purpose of determining the taxable results for the year, 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. The adjustments to accounting profit for the period has resulted in a taxable profit which is adjusted against the brought forward tax losses.

a) Reconciliation of income tax expense

The following is a reconciliation of income tax on the accounting profit with the tax expenses at the applicable tax of 15% (2025:15%):

	30 June 2026		*30 June 2025 (unaudited & unreviewed)*	
	£'000	***USD'000***	*£'000*	*USD'000*
Profit before tax	**15,720**	**40,883**	14,538	37,810
Net effect of expenses that are not deductible and income not considered to be taxable in determining taxable profit:	**(453)**	**(174)**	-	-
	15,267	**40,709**	14,538	37,810
Current tax is provided at the rate of 15%.	**2,290**	**6,106**	2,181	5,672
Prior period	**(28)**	**(77)**	-	-
Net Tax payable	**2,262**	**6,029**	2,181	5,672

8 INCOME TAX (continued)

As of 30 June 2026, the Company's tax assessments for the year 2011 to 2021 have been completed by the Omani taxation authorities. The Company's assessment for the tax years 2022 to 2025 have not yet been finalised with the Tax Authority at the Ministry of Finance. Management 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 June 2026.

b) Deferred tax assets/(liabilities)

30 June 2026	***As at 1 January £'000***	***Recognised In profit or loss £'000***	***Recognised in other comprehensive income £'000***	***As at 30 June 2026 £'000***
Property, plant and equipment	(49,040)	1,667	-	(47,373)
Provision for asset retirement obligation	972	(594)	-	378
Lease liabilities	1,439	(1,312)	-	127
Exchange loss	55	110	-	165
Fair value adjustment of derivatives through equity (note 20)	401	-	130	531
Net deferred tax liabilities	**(46,173)**	**(129)**	**130**	**(46,172)**
	USD'000	***USD'000***	***USD'000***	***USD'000***
Property, plant and equipment	(127,542)	4,336	-	(123,206)
Provision for asset retirement obligation	2,528	(1,545)	-	983
Lease liabilities	3,743	(3,412)	-	331
Exchange loss	142	286	-	428
Fair value adjustment of derivatives through equity (note 20)	1,042	-	337	1,379
Net deferred tax liabilities	**(120,087)**	**(335)**	**337**	**(120,085)**

	As at 1 January £'000	*Recognised In profit or loss £'000*	*Recognised in other comprehensive income £'000*	*As at 30 June 2025 £'000*
Property, plant and equipment	(48,908)	-	-	(48,908)
Provision for asset retirement obligation	915	-	-	915
Lease liabilities	1,421	-	-	1,421
Exchange loss	55	-	-	55
Fair value adjustment of derivatives through equity (note 20)	428	-	(68)	360
Net deferred tax liabilities	(46,089)	-	(68)	(46,157)
	USD'000	*USD'000*	*USD'000*	*USD'000*
Property, plant and equipment	(127,200)	-	-	(127,200)
Provision for asset retirement obligation	2,382	-	-	2,382
Lease liabilities	3,693	-	-	3,693
Exchange loss	142	-	-	142
Fair value adjustment of derivatives through equity (note 20)	1,116	-	(177)	939
Net deferred tax liabilities	(119,867)	-	(177)	(120,044)

9 EARNINGS PER SHARE

Basic earnings per share are calculated by dividing the profit for the period by the weighted average number of shares outstanding during the period.

	30 June 2026		30 June 2025 (unaudited & unreviewed)	
	£'000	***USD'000***	*£'000*	*USD'000*
Profit attributable to ordinary shareholders of the Company (£/USD'000s)	**13,320**	**34,640**	12,267	31,905
Weighted average number of shares (in '000')	**1,462,601**	**1,462,601**	1,462,601	1,462,601
Basic earnings per share (£/ USD)	**0.009**	**0.024**	0.008	0.022

No figure for diluted earnings per share has been presented as the Company has not issued any instruments which would have an impact on earnings per share when exercised.

10 PROPERTY, PLANT AND EQUIPMENT

	Building £'000	***Plant and equipment £'000***	***Strategic spares £'000***	***Asset retirement £'000***	***Other assets £'000***	***Total £'000***
Cost						
At 1 January 2026	83,876	518,087	10,809	3,249	296	616,317
Remeasurement of asset retirement obligation	-	-	-	(3,249)	-	(3,249)
At 30 June 2026	83,876	518,087	10,809	-	296	613,068
Accumulated depreciation						
At 1 January 2026	23,011	143,216	8,148	1,076	257	175,708
Charge for the period	1,049	6,476	360	(1,076)	8	6,817
At 30 June 2026	24,060	149,692	8,508	-	265	182,525
Net book value						
At 30 June 2026	**59,816**	**368,395**	**2,301**	**-**	**31**	**430,543**

	Building £'000	*Plant and equipment £'000*	*Strategic spares £'000*	*Asset retirement £'000*	*Other assets £'000*	*Total £'000*
Cost						
At 1 January 2025	83,876	518,087	10,809	3,249	296	616,317
At 31 December 2025	83,876	518,087	10,809	3,249	296	616,317
Accumulated depreciation						
At 1 January 2025	20,914	130,264	7,427	986	240	159,831
Charge for the period	2,097	12,952	721	90	17	15,877
At 31 December 2025	23,011	143,216	8,148	1,076	257	175,708
Net book value						
At 31 December 2025	60,865	374,871	2,661	2,173	39	440,609

10 PROPERTY, PLANT AND EQUIPMENT (continued)

	Building USD'000	***Plant and equipment USD'000***	***Strategic spares USD'000***	***Asset retirement USD'000***	***Other assets USD'000***	***Total USD'000***
Cost						
At 1 January 2026	218,142	1,347,432	28,113	8,450	761	1,602,898
Remeasurement of asset retirement obligation asset	-	-	-	(8,450)	-	(8,450)
At 30 June 2026	218,142	1,347,432	28,113	-	761	1,594,448
Accumulated depreciation						
At 1 January 2026	59,849	372,476	21,179	2,806	666	456,976
Charge for the period	2,727	16,843	937	(2,806)	22	17,723
At 30 June 2026	62,576	389,319	22,116	-	688	474,699
Net book value						
At 30 June 2026	**155,566**	**958,113**	**5,997**	**-**	**73**	**1,119,749**

	Building USD'000	*Plant and equipment USD'000*	*Strategic spares USD'000*	*Asset retirement USD'000*	*Other assets USD'000*	*Total USD'000*
Cost						
At 1 January 2025	218,142	1,347,432	28,113	8,450	761	1,602,898
At 31 December 2025	218,142	1,347,432	28,113	8,450	761	1,602,898
Accumulated depreciation						
At 1 January 2025	54,395	338,790	19,305	2,571	622	415,683
Charge for the year	5,454	33,686	1,874	235	44	41,293
At 31 December 2025	59,849	372,476	21,179	2,806	666	456,976
Net book value						
At 31 December 2025	158,293	974,956	6,934	5,644	95	1,145,922

Depreciation charged for the year is allocated as follows:

	30 June 2026		*31 December 2025*	
	£'000	***USD'000***	*£'000*	*USD'000*
Operating costs (note 5)	**7,885**	**20,507**	15,860	41,249
General and administrative expenses (note 6)	**8**	**22**	17	44
	7,893	**20,529**	15,877	41,293

The term loan facilities are secured by a comprehensive legal and commercial mortgage on all assets of the Company (note 19).

11 RIGHT-OF-USE ASSETS

The Company has lease contracts for land lease under the Sub-Usufruct Agreement, Connection fee and office lease for the transmission through the system to the connection point under the Electrical Connection

	Land lease £'000	*Connection fee £'000*	*Office £'000*	*Total £'000*
Cost				
At 1 January 2025	1,814	6,995	102	8,911
Additions during the period	-	-	-	-
At 31 December 2025	1,814	6,995	102	8,911
At 1 January 2026	1,814	6,995	102	8,911
Additions during the period	-	-	-	-
At 30 June 2026	1,814	6,995	102	8,911
Accumulated depreciation				
At 1 January 2025	260	1,253	32	1,545
Charge for the period	52	200	20	272
At 31 December 2025	312	1,453	52	1,817
At 1 January 2026	312	1,453	52	1,817
Charge for the period	26	100	10	136
At 30 June 2026	338	1,553	62	1,953
Net book value				
At 30 June 2026	**1,476**	**5,442**	**40**	**6,958**
At 31 December 2025	1,502	5,542	50	7,094

	Land lease USD'000	*Connection fee USD'000*	*Office USD'000*	*Total USD'000*
Cost				
At 1 January 2025	4,718	18,193	264	23,175
Additions during the year	-	-	-	-
At 31 December 2025	4,718	18,193	264	23,175
At 1 January 2026	4,718	18,193	264	23,175
Additions during the period	-	-	-	-
At 30 June 2026	4,718	18,193	264	23,175
Accumulated depreciation				
At 1 January 2025	675	3,260	83	4,018
Charge for the year	135	522	52	709
At 31 December 2025	810	3,782	135	4,727
At 1 January 2026	810	3,782	135	4,727
Charge for the period	68	260	26	354
At 30 June 2026	878	4,042	161	5,081
Net book value				
At 30 June 2026	**3,840**	**14,151**	**103**	**18,094**
At 31 December 2025	3,908	14,411	129	18,448

12 TRADE AND OTHER RECEIVABLES

	30 June 2026		31 December 2025	
	£'000	USD'000	£'000	USD'000
Trade receivables	**21,005**	**54,630**	9,539	24,810
Prepayments	**114**	**298**	593	1,542
Other receivables	**2,132**	**5,541**	96	246
	23,251	**60,469**	10,228	26,598

As at 30 June 2026, none of the Company's receivables were past due or impaired (2025: Nil). The Company has performed an expected credit loss (ECL) assessment in accordance with IFRS 9. Based on the assessment performed, it has been concluded that the related expected credit losses are immaterial and, accordingly, no material ECL allowance has been recognized in the financial statements.

13 INVENTORIES

	30 June 2026		31 December 2025	
	£'000	USD'000	£'000	USD'000
Fuel	**5,668**	**14,742**	5,359	13,938
Maintenance spares	**6,237**	**16,220**	6,334	16,474
	11,905	**30,962**	11,693	30,412

The management has assessed that as at 30 June 2026, there are no slow moving inventories for which provision is required (31 December 2025: £ Nil).

14 SHORT TERM DEPOSITS

	30 June 2026		31 December 2025	
	£'000	USD'000	£'000	USD'000
Short term deposits	**-**	**-**	1,538	4,000

Short term deposits have maturity ranging from 3 to 12 months and are placed with reputed financial institutions at commercial rates. Hence, the management believes that the ECL is immaterial to the financial statements as a whole.

15 CASH AND BANK BALANCES

	30 June 2026		31 December 2025	
	£'000	USD'000	£'000	USD'000
Bank balances	**45,027**	**117,106**	17,191	44,709
	45,027	**117,106**	17,191	44,709

Bank balances are placed with reputed financial institutions. Hence, the management believes that the ECL is immaterial to the financial statements as a whole.

At 30 June 2026 Company maintained £ 14.1 million (USD 36.7 million) (2025: Nil) in bank accounts to meet the minimum Debt Service Reserve Account (DSRA) requirement under its financing arrangements (31 December 2025: Nil).

16 SHARE CAPITAL

	30 June 2026		31 December 2025	
	£'000	USD'000	£'000	USD'000
Authorised, issued and fully paid up share capital of 1,462,601,460 shares (2025- 1,462,601,460 shares of £ 0.1 each)	**146,260**	**380,390**	146,260	380,390

17 LEGAL RESERVE

As required by the Commercial Companies Law of the Sultanate of Oman, 10% of annual profit of the Company is required to be transferred to legal reserve until the reserve is equal to one third of the issued share capital of the Company. The reserve is not available for distribution. During the period ended 30 June 2026, the Company transferred [2026: ﷼ 1.3 million (USD 3.4 million)] [2025: ﷼ 2.6 million (USD 6.8 million)] to the legal reserve.

18 DIVIDENDS

	30 June 2026		*31 December 2025*	
	﷼'000	***USD'000***	*﷼'000*	*USD'000*
At 1 January	**2,924**	**7,608**	2,925	7,608
Dividend proposed - 0 baizas per share (2025: 3.25 baizas per share)	**-**	**-**	5,119	13,314
Dividend proposed - 0 baizas per share (2025: 2.00 baizas per share)	**-**	**-**	2,925	7,608
	-	**-**	8,044	20,922
Payments during the period	**(2,924)**	**(7,608)**	(8,045)	(20,922)
At 30 June / 31 December	**-**	**-**	2,924	7,608

Pursuant to shareholders' resolution dated 18 March 25, the Board of Directors in their meetings held on 30 April 2025 and 20 October 2025 approved cash dividend of 3.50 Baizas per share and 2.0 Baizas per share, respectively for the year ended 31 December 2024. Accordingly, dividend amounting to USD 13.31 million (﷼ 5.12 million) was paid in July 2025 and USD 7.61 million (﷼ 2.92 million) is payable as of 31 December 2025 which was paid subsequently in January 2026.

Pursuant to shareholders' resolution dated 18 March 24, the Board of Directors in their meetings held on 24 April 2024 and 23 October 2024 approved cash dividend of 3.25 Baizas per share and 2.0 Baizas per share, respectively for the year ended 31 December 2023. Accordingly, dividend amounting to USD 12.36 million (﷼ 4.75 million) was paid in July 2024 and USD 7.61 million (﷼ 2.92 million) is payable as of 31 December 2024 which was paid subsequently in January 2025.

Pursuant to the shareholders' resolution dated 11 March 2026, the Board of Directors proposed a cash dividend to the shareholders of the Company, which will be paid in July 2026 and January 2027 for the year ended 31 December 2025, provided that the aggregate amount of such dividend shall not exceed 6.00 baizas per share.

The Board of Directors in the board meeting dated on 14 September 2026 proposed a cash dividend, which will be approved in the forthcoming Ordinary General Meeting provided that the aggregated amount of such dividend shall not exceed 81 Baisas per share.

19 INTEREST BEARING LOANS AND BORROWINGS

	30 June 2026		*31 December 2025*	
	﷼'000	***USD'000***	*﷼'000*	*USD'000*
Term loan (settled during the period)	**-**	**-**	113,102	294,155
New loan obtained during the period	**132,200**	**343,823**	-	-
Less: unamortised transaction costs	**(1,384)**	**(3,600)**	(560)	(1,457)
	130,816	**340,223**	112,542	292,698
Less: current portion of loans	**(13,064)**	**(33,977)**	(36,986)	(96,192)
Non-current portion of loans	**117,752**	**306,246**	75,556	196,506

Movement of interest bearing loans and borrowings:

	30 June 2026		*31 December 2025*	
	﷼'000	***USD'000***	*﷼'000*	*USD'000*
At 1 January	**113,102**	**294,155**	149,675	389,273
Repayments of borrowings	**(113,102)**	**(294,155)**	(36,573)	(95,118)
Proceeds from new loan	**132,200**	**343,823**	-	-
At 30 June / 31 December	**132,200**	**343,823**	113,102	294,155

19 INTEREST BEARING LOANS AND BORROWINGS (continued)

Movement of unamortised transaction costs is as follows:

	30 June 2026		*31 December 2025*	
	'000	***USD'000***	*'000*	*USD'000*
At 1 January	**560**	**1,457**	965	2,510
Additions	**1,384**	**3,600**	-	-
Write-off on derecognition of old loan / Amortization	**(560)**	**(1,457)**	(405)	(1,053)
At 30 June / 31 December	**1,384**	**3,600**	560	1,457

During the period, the Company completed the refinancing of its old loan facilities. On 29 June 2026, the outstanding principal of USD 294.155 million (RO 113.102 million) was repaid in full using proceeds from the new loan facility. As the contractual obligations under the existing facilities were discharged, the related financial liabilities were derecognised in accordance with IFRS 9 Financial Instruments. The remaining unamortised transaction costs of USD 1.457 million (RO 0.560 million) relating to the extinguished facilities were written off and recognised in finance costs.

On 29 June 2026, the Company entered into a USD 720 million secured commercial term loan facility with National Bank of Oman SAOG and Sohar International Bank SAOG shared equally, with Sohar International Bank SAOG acting as global and commercial facility agent. The facility comprises two tranches and was obtained principally to refinance the existing senior facilities and to fund eligible future requirements in accordance with the facility agreements. The initial drawdown was USD 343.823 million (RO 132.200 million).

At 30 June 2026, the gross amount outstanding under the new facility was USD 343.823 million (RO 132.200 million), and the undrawn commitment was USD 376.177 million. Principal repayments commence on 28 December 2026 and are scheduled in instalments through the final maturity date of 25 June 2043. The current portion of the loan was USD 33.977 million (RO 13.064 million) and the non-current carrying amount, net of transaction costs, was USD 306.246 million (RO 117.752 million).

The facility bears interest at compounded SOFR plus the applicable contractual margin. In accordance with the financing documents, the Company is required to maintain interest rate hedging for 95% of the projected floating-rate exposure through the final maturity date; details of the derivative financial instruments are set out in note 20.

The new facility is secured by legal and commercial mortgages and assignments over substantially all of the Company's project assets and related rights (note 10). The financing documents contain restrictive covenants relating, among other matters, to debt service coverage, distributions, shareholding, asset disposals, amendments to material project agreements and the creation of additional security. The Company was in compliance with the applicable covenants at 30 June 2026.

In accordance with IFRS 9, the new loan was initially recognised at fair value less directly attributable transaction costs of USD 3.60 million (RO 1.384 million) and is subsequently measured at amortised cost using the effective interest rate method. These transaction costs are amortised over the contractual term of the facility.

20 DERIVATIVE FINANCIAL INSTRUMENTS

(a) Interest rate swap agreements:

Under the requirements of the former Commercial Facilities, NEXI Facilities and the Term Loan Facility Agreement with Japan Bank for International Cooperation ("JBIC") (collectively, the "Secured Term Loan Agreements"), the Company entered into seven pay-fixed, receive-floating interest rate swap agreements to manage its exposure to fluctuations in interest rates. The maximum loan amount covered by these arrangements during their tenure was USD 1,152 million. The Company paid fixed interest rates ranging from 3.102% to 3.75% per annum and received floating interest based on USD SOFR. The swaps became effective from 28 February 2013 / 28 March 2013 and had contractual maturities extending to 28 December 2028.

At 31 December 2025, the former interest rate swaps had a positive fair value of USD 1.516 million (RO 0.583 million), which was recognised in equity as part of the cash flow hedge reserve. Following the refinancing of the Company's borrowings on 29 June 2026, the former Secured Term Loan Agreements were repaid and the related interest rate swaps were settled in full; consequently, no fair value remained outstanding under those arrangements at 30 June 2026.

In connection with the new secured commercial term loan facility, the Company entered into new pay-fixed, receive-USD SOFR interest rate swap agreements, effective from 29 June 2026, to hedge 95% of the projected floating-rate exposure through the final maturity of the facility. The swaps are designated as cash flow hedges; the effective portion of changes in fair value is recognised in other comprehensive income and accumulated in the cash flow hedge reserve, while any ineffective portion is recognised in profit or loss.

	30 June 2026		*31 December 2025*	
	'000	***USD'000***	*'000*	*USD'000*
Interest rate swap agreements (net fair value)	**(2,114)**	**(5,499)**	583	1,516
Fair value of interest rate swap agreements	**(2,114)**	**(5,499)**	583	1,516
Less: deferred tax effect (note 8)	**317**	**825**	(87)	(227)
Cash flow hedge reserve, net of tax	**(1,797)**	**(4,674)**	496	1,289

The current and non-current portions of the positive fair value of the former interest rate swap agreements as follows:

	30 June 2026		*31 December 2025*	
	'000	***USD'000***	*'000*	*USD'000*
Non-current portion	**(2,114)**	**(5,499)**	97	253
Current portion	**-**	**-**	486	1,263
	(2,114)	**(5,499)**	583	1,516

30 June 2026		**Notional amounts by term to maturity**			
	fair value (liability)	***Notional amount***	***1 - 12 Months***	***More than 1 up to 5 years***	***Over 5 years***
Interest rate swaps ( )	(2,114)	**(221,434)**	**(12,411)**	**5,327**	**(214,350)**
Interest rate swaps (USD'000)	(5,499)	**(575,902)**	**(32,278)**	**13,854**	**(557,478)**

31 December 2025		Notional amounts by term to maturity			
	Fair value (asset)	*Notional amount*	*1 - 12 Months*	*More than 1 up to 5 years*	*Over 5 years*
Interest rate swaps ('000)	583	107,435	35,128	72,307	-
Interest rate swaps (USD'000)	1,516	279,415	91,361	188,054	-

20 DERIVATIVE FINANCIAL INSTRUMENTS (continued)

(b) Forward foreign exchange contracts:

In order to reduce its exposure to foreign exchange rates fluctuations relating to payments to be made to contractor for services rendered under long term supply and services contract for gas turbines, the Company has entered into a foreign exchange swap agreement with a bank for the foreign exchange amounts which are required to be paid in future. As at 30 June 2026, an unrealised loss of USD 3.69 million (£ 1.42 million) [2025: USD 8.46 million (£ 3.25 million)] relating to measuring the financial instrument at fair value is included in equity in respect of these contracts. The related details are set out below:

	30 June 2026		31 December 2025	
	£'000	***USD'000***	*£'000*	*USD'000*
Fair value and cash flow hedge reserve:				
Forward foreign exchange contracts	**(1,419)**	**(3,690)**	(3,253)	(8,460)
Fair value of forward foreign exchange contracts	**(1,419)**	**(3,690)**	(3,253)	(8,460)
Less: deferred tax effect (note 8)	**213**	**554**	488	1,269
Cash flow hedge reserve, net of tax	**(1,206)**	**(3,136)**	(2,765)	(7,191)

The current and non-current portions of the fair value of forward foreign exchange contracts are as follows:

	30 June 2026		31 December 2025	
	£'000	***USD'000***	*£'000*	*USD'000*
Non-current portion	**(836)**	**(2,174)**	(2,127)	(5,532)
Current portion	**(583)**	**(1,516)**	(1,126)	(2,928)
	(1,419)	**(3,690)**	(3,253)	(8,460)

Forward foreign exchange contracts

The following table presents the fair value and notional amounts of the forward foreign exchange contracts by remaining contractual maturity. Notional amounts are the contractual reference amounts used to measure changes in the value of the derivatives.

30 June 2026		**Notional amounts by term to maturity**			
	Fair value (liability)	***Notional amount***	***1 - 12 Months***	***More than 1 up to 5 years***	***Over 5 years***
Forward foreign exchange contracts (£)	**(1,419)**	**(7,226)**	**(2,890)**	**(4,336)**	**-**
Forward foreign exchange contracts (USD'000)	**(3,690)**	**(18,793)**	**(7,517)**	**(11,276)**	**-**

31 December 2025		Notional amounts by term to maturity			
	Fair value (liability)	*Notional amount*	*1 - 12 Months*	*More than 1 up to 5 years*	*Over 5 years*
Forward foreign exchange contracts (£)	(3,253)	(16,249)	(5,859)	(10,390)	-
Forward foreign exchange contracts (USD'000)	(8,460)	(42,258)	(15,237)	(27,021)	-

21 PROVISION FOR ASSET RETIREMENT OBLIGATION

Under the Usufruct Agreement, the Company has a legal obligation to remove the plant at the end of its useful life and restore the land to its original condition. The Company shall at its sole cost and expense dismantle, demobilise, safeguard and transport the assets, eliminate soil and ground water contamination, fill all excavation and return the surface to grade of the designated areas. The fair value of asset retirement obligation (ARO) provision has been calculated using an expected present value technique. This technique reflects assumptions such as costs, plant useful life, inflation and profit margin that third parties would consider to assume the settlement of the obligation.

During the period, the Company engaged an independent valuer to reassess the expected decommissioning and site restoration costs. Based on the updated valuation, the estimated undiscounted cost was reduced from USD 21 million to USD 15 million and the long-term inflation rate was revised from 3% to 2%. These revisions arose from new information and changes in the measurement inputs and have therefore been accounted for prospectively as a change in accounting estimate in accordance with IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors.

The remeasurement resulted in a decrease of USD 9.025 million (RO 3.470 million) in the asset retirement obligation provision during the period. In accordance with IFRIC 1 Changes in Existing Decommissioning, Restoration and Similar Liabilities, USD 5.644 million (RO 2.173 million), representing the carrying amount of the related asset, was deducted from property, plant and equipment. The excess decrease of USD 3.381 million (RO 1.297 million) was recognised in profit or loss as a reversal of the asset retirement obligation provision.

The movement in ARO provision is as follows:

	30 June 2026		31 December 2025	
	'000	***USD'000***	*'000*	*USD'000*
At 1 January	**5,927**	**15,416**	5,645	14,682
Change in accounting estimate	**(3,470)**	**(9,025)**	-	-
Unwinding of discount (note 7)	**60**	**155**	282	734
At 30 June / 31 December	**2,517**	**6,546**	5,927	15,416

22(a) ACCOUNTS PAYABLE AND ACCRUALS

	30 June 2026		31 December 2025	
	'000	***USD'000***	*'000*	*USD'000*
Trade accounts payable	**8,050**	**20,937**	6,475	16,840
Amounts due to a related party (note 26)	**2,058**	**5,352**	3,864	10,049
Accrued expenses	**17,217**	**44,783**	10,444	27,154
	27,325	**71,072**	20,783	54,043

22(b) EMPLOYEES' END OF SERVICE BENEFITS

	30 June 2026		31 December 2025	
	'000	***USD'000***	*'000*	*USD'000*
At 1 January	**5**	**12**	1	2
Charge for the period / year	**2**	**6**	4	10
At 30 June / 31 December	**7**	**18**	5	12

23 LEASE LIABILITIES

The Company recognised lease liabilities in relation to lease of land, connection fee and office. These liabilities were measured at the present value of the remaining lease payments, discounted using the lessee's incremental borrowing rate.

	30 June 2026		31 December 2025	
	'000	***USD'000***	*'000*	*USD'000*
Land	**1,614**	**4,197**	1,680	4,370
Connection fee	**6,145**	**15,981**	6,399	16,642
Office	**45**	**117**	45	117
At 30 June / 31 December	**7,804**	**20,295**	8,124	21,129

Movement of lease liabilities recognised in the statement of financial position is as follows:

	30 June 2026		31 December 2025	
	'000	***USD'000***	*'000*	*USD'000*
At 1 January	**8,124**	**21,129**	8,269	21,507
Interest expense (note 7)	**186**	**485**	385	1,001
Payments during the period / year	**(507)**	**(1,319)**	(530)	(1,379)
At 30 June / 31 December	**7,803**	**20,295**	8,124	21,129

	30 June 2026		31 December 2025	
	'000	***USD'000***	*'000*	*USD'000*
Non-current	**7,274**	**18,920**	7,594	19,754
Current	**529**	**1,375**	530	1,375
	7,803	**20,295**	8,124	21,129

The following are the amounts recognised in the statement of profit or loss and other comprehensive income:

	30 June 2026		31 December 2025	
	'000	***USD'000***	*'000*	*USD'000*
Depreciation of right-of-use assets (note 11)	**136**	**354**	272	709
Interest on finance lease (note 7)	**186**	**485**	385	1,001
	322	**839**	657	1,710

24 NET ASSETS PER SHARE

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

	30 June 2026		31 December 2025	
Net assets ('000s/ USD'000s)	**297,193**	**772,923**	284,606	740,191
Number of shares outstanding at reporting date (in 000's)	**1,462,601**	**1,462,601**	1,462,601	1,462,601
Net assets per share (/ USD)	**0.203**	**0.528**	0.195	0.506

25 CONTINGENCIES

At 30 June 2026, the Company had no contingent liabilities in respect of bank and other guarantees and other matters arising in the ordinary course of business from which it is anticipated that no material liabilities will arise [2025: USD nil (nil)].

26 RELATED PARTY TRANSACTIONS AND BALANCES

Related parties comprise the shareholders, directors, key management personnel and business entities in which they have the ability to control or exercise significant influence in financial and operating decisions.

The Company maintains balances with these related parties which arise in the normal course of business from the commercial transactions, and are entered into at terms and conditions agreed between the parties. Transactions with related parties are as follows:

	30 June 2026		31 December 2025	
Due to a related party	***'000***	***USD'000***	*'000*	*USD'000*
Company under common control - Phoenix Operation and Maintenance Company LLC [note 22(a)]	**2,058**	**5,352**	3,864	10,049

Statement of comprehensive income transactions	**30 June 2026**		31 December 2025	
	'000	***USD'000***	*'000*	*USD'000*
Consulting service fee charged:				
- Axia Power Holdings - shareholder	**41**	**54**	41	107
- JERA Co. Inc. - shareholder	**25**	**32**	25	64
	66	**86**	66	171
Operation and maintenance costs:				
Phoenix Operation and Maintenance Company LLC ("POMCO") (note 5)	**5,430**	**14,123**	9,363	24,351

	30 June 2026		31 December 2025	
	'000	***USD'000***	*'000*	*USD'000*
Key management compensation:				
Short term benefits	**162**	**421**	303	787
	162	**421**	303	787

As of 30 June 2026, the Company has two key management personnel (31 December 2025: two key management personnel).

27 COMMITMENTS

Operation and maintenance (O&M) commitments

As per the O&M Agreement, POMCO is scheduled to operate and maintain the plant until 31 March 2029. Under the O&M Agreement the Company has to pay the fixed fee which is subject to indexation based on Omani Price indices.

At 31 December the expected future payments under the O&M Agreement (excluding indexation) are as follows:

	30 June 2026		*31 December 2025*	
	'000	***USD'000***	*'000*	*USD'000*
Within one year	**1,730**	**4,500**	1,730	4,500
Between two and five years	**3,023**	**7,860**	3,888	10,110
After five years	**-**	**-**	-	-
	4,753	**12,360**	5,618	14,610

27 COMMITMENTS (continued)

Other commitments

The Company has entered into agreements for purchase of natural gas with the Integrated Gas Company (IGC) formely known as Ministry of Oil and Gas of the Government of the Sultanate of Oman (MOG), long term supply of spare parts of gas turbines with Siemens Aktiengesellschaft, maintenance service of gas turbines with Siemens LLC Oman, operation and maintenance of the Sur IPP Project with Phoenix Operation and Maintenance Company LLC.

Operating lease agreement for which the Company acts as a lessor

The Company has entered into a PPA with PWP in July 2011 for a substantial element of the production of power with 100% "take-or-pay" clauses in favour of the Company.

The Management has determined that the take-or-pay arrangement with PWP under the PPA is subject to IFRS-16 - Determining whether an arrangement conveys the right to use the asset. The Management further determined that such an arrangement in substance represents an operating lease. The lease commenced on 11 December 2014. During the year, the Company extended the PPA for a further period of fifteen years, ending on 31 March 2044. The following is the total of minimum lease receipts expected to be received under the both PPAs, excluding indexation:

	30 June 2026		*31 December 2025*	
	﷼'000	***USD'000***	*﷼'000*	*USD'000*
Within one year	**65,428**	**170,165**	65,428	170,165
Between two and five years	**264,711**	**688,455**	138,364	359,854
After five years	**851,200**	**2,213,784**	-	-
	1,181,339	**3,072,404**	203,792	530,019

28 FINANCIAL RISK MANAGEMENT

The Company has exposure to the following risks from its use of financial instruments:

- Market risk
- Credit risk
- Liquidity risk

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 Company's overall risk management program focuses on the unpredictability of financial markets and seeks to minimize potential adverse effects on the Company's financial performance. The Board of Directors has overall responsibility for establishing and overseeing 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.

(a) Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and equity prices will affect the 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.

28 FINANCIAL RISK MANAGEMENT (continued)

(a) Market risk (continued)

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 market interest rates. The Company's exposure to the risk of changes in market interest rates relates primarily to the Company's long-term debt obligations with floating interest rates. To manage this, the Company enters into interest rate swaps, in which the Company agrees to exchange, at specified intervals, the difference between fixed and variable rate interest amounts calculated by reference to an agreed-upon notional principal amount. These swaps are designated to hedge underlying debt obligations. The details of Company's interest rate swap agreements are set out in note 20.

As approximately 95% of the Company's borrowings are hedged through interest rate swaps, changes in US SOFR rates are not expected to have a material impact on the Company's equity or profit or loss.

Foreign currency risk:

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The Company's majority of foreign currency transactions are denominated in US Dollar and Euro. As the Rial Omani is pegged to the US Dollar the transactions are not expected to have any significant currency risk. The Company has entered into forward foreign exchange contracts to hedge its Euro exchange risk arising on certain payments to be made in Euro as per its agreement with Siemens. The details of which are set out in note 20. The Company's certain bank balances are denominated in Euro. The Company's bank balance denominated in Euro as of 30 June 2026 amounted to USD 739 thousands (﷼ 248 thousands [(31 December 2025: USD 8 thousands (﷼ 3 thousands)]. Should the exchange rate between Euro and ﷼ fluctuate by ± 5%, the impact on the Company's results will be USD 37 thousands (﷼ 12 thousands) [2025: USD nil thousands (﷼ nil thousands)].

(b) Credit risk

Credit risk is the risk of financial loss if a customer or counterparty to a financial instrument fails to meet its contractual obligations and arises principally from cash and cash equivalents, as well as credit exposures to customers. The Company has a credit policy in place and exposure to credit risk is monitored on an on-going basis. Credit evaluations are performed on all customers requiring credit over a certain amount. The Company requires bank guarantees on higher credit risk customers. The Company does not require collateral in respect of all other financial assets.

Investments are made in liquid securities and only with commercial banks in Oman. Management does not expect any of its investment counter parties to fail to meet its obligations.

Concentration of credit risk arises when a number of counter-parties are engaged in similar business activities, or activities in the same geographic region, or have similar economic features that would cause their ability to meet contractual obligations to be similarly affected by changes in economic, political or other conditions. Concentrations of credit risk indicate the relative sensitivity of the Company's performance to developments affecting a particular industry or geographical location.

The Company has significant concentrations of credit risk with the Government sector. At 30 June 2026, Government organisations in Oman accounted for 100% (2025 - 100%) of the outstanding trade receivables. At 30 June 2026, there were no other significant concentrations of credit risk.

28 FINANCIAL RISK MANAGEMENT (continued)

(b) Credit risk (continued)

Credit risk on other financial assets, including bank balances arises from the risk of default of the counterparty, with a maximum exposure equal to the carrying amount of these balances. The bank balances are placed on deposit with reputed financial institutions in the Sultanate of Oman.

The maximum exposure to credit risk at the reporting date is the carrying value of each class of financial assets as follows:

	30 June 2026		*31 December 2025*	
	£'000	***USD'000***	*£'000*	*USD'000*
Trade receivables (note 12)	**21,005**	**54,630**	9,539	24,810
Bank balances (note 15)	**45,027**	**117,106**	17,191	44,709
Short term deposits (note 14)	**-**	**-**	1,538	4,000
Other receivables (note 12)	**2,132**	**5,541**	96	246
	68,164	**177,277**	28,364	73,765

Age analysis of trade receivables as at 31 December was:

	30 June 2026		*31 December 2025*	
	£'000	***£'000***	*£'000*	*£'000*
	Trade receivables	***Expected credit losses***	*Trade receivables*	*Expected credit losses*
Not past due	**21,005**	**-**	9,539	-
Past due 0 < 3 months	**-**	**-**	-	-
Past due > 3 months	**-**	**-**	-	-
	21,005	**-**	9,539	-
Nominal value in USD '000	**54,630**	**-**	24,810	-

The table below shows the balances with banks categorized by short-term credit ratings as published by Moody' Service at the reporting date:

		30 June 2026		*31 December 2025*	
Description	**Ratings**	***£'000***	***USD'000***	*£'000*	*USD'000*
Bank balances	BBB+ / BBB-	**45,027**	**117,106**	17,191	44,709

28 FINANCIAL RISK MANAGEMENT (continued)

(c) Liquidity risk

The Company maintains sufficient and approved bank credit limits to meet its obligations as they fall due for payment and is therefore not subjected to significant liquidity risk. The table below summarises the maturity profile of the Company's financial liabilities based on contractual undiscounted payments:

	Less than 3 months £'000	***3 to 12 months £'000***	***1 to 5 years £'000***	***More than 5 years £'000***	***Total £'000***
2026					
Accounts payable and accruals	**8,050**	**-**	**-**	**-**	**8,050**
Amounts due to related parties	**-**	**2,058**	**-**	**-**	**2,058**
Interest bearing loans and borrowings	**-**	**26,883**	**49,008**	**321,696**	**397,587**
Lease liabilities	**-**	**530**	**2,029**	**11,640**	**14,199**
	8,050	**29,471**	**51,037**	**333,336**	**421,894**

	Less than 3 months £'000	*3 to 12 months £'000*	*1 to 5 years £'000*	*More than 5 years £'000*	*Total £'000*
2025					
Accounts payable and accruals	6,475	-	-	-	6,475
Amounts due to related parties	-	3,864	-	-	3,864
Interest bearing loans and borrowings	-	42,208	80,864	-	123,072
Lease liabilities	530	-	2,029	12,701	15,260
Dividend payable	2,924	-	-	-	2,924
	9,929	46,072	82,893	12,701	151,595

	Less than 3 months USD'000	***3 to 12 months USD'000***	***1 to 5 years USD'000***	***More than 5 years USD'000***	***Total USD'000***
2026					
Accounts payable and accruals	**20,937**	**-**	**-**	**-**	**20,937**
Amounts due to related parties	**-**	**5,352**	**-**	**-**	**5,352**
Interest bearing loans and borrowings	**-**	**69,918**	**127,460**	**836,660**	**1,034,038**
Lease liabilities	**-**	**1,379**	**5,278**	**30,273**	**36,930**
	20,937	**76,649**	**132,738**	**866,933**	**1,097,257**

	Less than 3 months USD'000	*3 to 12 months USD'000*	*1 to 5 years USD'000*	*More than 5 years USD'000*	*Total USD'000*
2025					
Accounts payable and accruals	16,840	-	-	-	16,840
Amounts due to related parties	-	10,049	-	-	10,049
Interest bearing loans and borrowings	-	109,774	210,310	-	320,084
Lease liabilities	1,379	-	5,278	33,032	39,689
Dividend payable	7,608	-	-	-	7,608
	25,827	119,823	215,588	33,032	394,270

28 FINANCIAL RISK MANAGEMENT (continued)

(d) Capital risk management

The Company aims to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development and growth of its businesses, while at the same time maintaining an appropriate dividend policy to reward shareholders.

The Company manages its capital structure and makes adjustments to it, in light of changes in economic conditions. To maintain or adjust the capital structure, the Company may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. No changes were made in the objectives, policies or processes during the period ended 30 June 2026.

The Company monitors capital using a gearing ratio, which is debt (interest bearing loans and borrowings) divided by total equity.

	30 June 2026		*31 December 2025*	
	'000	***USD'000***	*'000*	*USD'000*
Debt (interest bearing loans and borrowings - note 19)	**132,200**	**343,823**	113,102	294,155
Equity before hedging reserve	**300,195**	**780,733**	286,875	746,093
Debt to equity ratio (times)	**0.44**	**0.44**	0.39	0.39

29 FAIR VALUE OF FINANCIAL INSTRUMENTS

Financial instruments comprise of financial assets, financial liabilities and derivatives.

Financial assets consist of cash and bank balances and other receivables. Financial liabilities consist of interest bearing loans and borrowings and payables. Derivatives consist of interest rate swap arrangements and forward foreign exchange currency contracts.

The fair values of financial instruments are not materially different from their carrying values. The derivatives are fair valued using level 2 technique with reference to broker/dealer price quotation.

There were no transfers between level 1 and level 2 during the year.

Measurement of fair values

Type	***Valuation technique***
Derivative instrument (level 2)	Discounted cash flows technique. Estimates of future floating rate cash flows are based on quoted swap rates, futures prices and interbank borrowing rates. Estimated cash flows are discounted using a yield curve constructed from similar sources and which reflects the relevant benchmark interbank rate used by market participants for this purpose when pricing interest rate swaps.

30 FINANCIAL ASSETS AND LIABILITIES

	30 June 2026		*31 December 2025*	
Financial assets	***'000***	***USD'000***	*'000*	*USD'000*
At amortised cost				
Trade and other receivables (excluding prepayments)	**23,137**	**60,171**	9,635	25,056
Short term deposits	**-**	**-**	1,538	4,000
Cash and bank balances	**45,027**	**117,106**	17,191	44,709
Financial assets at fair value				
Derivative instruments	**-**	**-**	583	1,516
	68,164	**177,277**	28,947	75,281

30 FINANCIAL ASSETS AND LIABILITIES (continued)

	30 June 2026		*31 December 2025*	
	£'000	***USD'000***	*£'000*	*USD'000*
Financial liabilities at amortised cost				
Interest-bearing liabilities				
Interest bearing loans and borrowings	**117,752**	**340,223**	112,542	292,698
Lease liabilities	**7,803**	**20,295**	8,124	21,129
Dividend payable	**-**	**-**	2,924	7,608
Accounts payable and accruals	**27,325**	**71,072**	20,783	54,043
Financial liabilities at fair value				
Derivative instruments	**3,533**	**9,189**	3,253	8,460
	156,413	**440,779**	147,626	383,938

31 CLIMATE RELATED RISKS

The Company and its customers may face significant climate-related risks in the future. These risks include the threat of financial loss and adverse non-financial impacts that encompass the political, economic and environmental responses to climate change. The key sources of climate risks have been identified as physical and transition risks. Physical risks arise as the result of acute weather events such as hurricanes, floods and wildfires, and longer-term shifts in climate patterns, such as sustained higher temperatures, heat waves, droughts and rising sea levels and risks. Transition risks may arise from the adjustments to a net-zero economy, e.g., changes to laws and regulations, litigation due to failure to mitigate or adapt, and shifts in supply and demand for certain commodities, products and services due to changes in consumer behaviour and investor demand. These risks are receiving increasing regulatory, political and societal scrutiny, both within the country and internationally.

While certain physical risks may be predictable, there are significant uncertainties as to the extent and timing of their manifestation. For transition risks, uncertainties remain as to the impacts of the impending regulatory and policy shifts, changes in consumer demands and supply chains. The Company is making progress on embedding climate risk in its risk framework.

32 GEOPOLITICAL UNCERTAINTY

During the reporting period, geopolitical tensions in parts of the Middle East have increased. Public communications from government and regulatory authorities have continued to emphasis the resilience of the economy and the continuation of business operations across key sectors, supported by established business continuity and risk management frameworks.

The Company has assessed the potential implications of these events on its operations, financial position and performance. Based on information currently available, including the continuation of core business activities, it does not have material financial effect of this situation on the condensed interim financial statements as at 30 June 2026.