

Nama Electricity Distribution Company SAOC

Interim Condensed Financial Statements

30 June 2026

UNAUDITED

Nama Electricity Distribution Company SAOC

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INTERIM CONDENSED FINANCIAL STATEMENTS

For the six months period ended 30 June 2026

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Nama Electricity Distribution Company SAOC**INTERIM CONDENSED STATEMENT OF FINANCIAL POSITION**

At 30 June 2026

	Notes	30-Jun-26 S'000	31-Dec-25 S'000	30-Jun-25 S'000
ASSETS				
Non-current assets				
Property, plant and equipment	3	2,165,463	2,163,939	2,139,653
Right-of-use assets	4	15,711	16,928	14,556
Intangible assets	5	1,507	1,689	1,284
Investment in a subsidiary	6	500	500	500
Derivative financial instruments	14	1,835	675	1,586
Total non-current assets		2,185,016	2,183,731	2,157,579
Current assets				
Stores and spares	7	4,452	4,065	4,190
Trade and other receivables and prepayment	8	68,472	61,582	87,569
Cash and bank balances	9	33,483	13,756	29,085
Total current assets		106,407	79,403	120,844
TOTAL ASSETS		2,291,423	2,263,134	2,278,423
EQUITY AND LIABILITIES				
Equity				
Share capital	10	210,000	210,000	200,000
Legal reserve	11	68,287	68,287	66,667
Retained earnings		42,804	36,933	33,208
Shareholders' fund	13	424,587	424,587	419,155
Cash flow hedge reserve	14	1,561	575	1,349
Total equity		747,239	740,382	720,379
LIABILITIES				
Non-current liabilities				
Term loans	15	285,815	250,597	141,545
Long term borrowings - Sukuks	16	670,733	670,263	669,792
Deferred revenue	17	212,995	215,579	216,059
Lease liabilities	18	16,078	17,099	15,420
Employees' end of service benefits	19	1,872	1,834	1,919
Deferred tax liability	30	119,022	113,026	106,443
Total non-current liabilities		1,306,515	1,268,398	1,151,178
Current liabilities				
Trade and other payables	20	107,550	112,714	136,643
Bank overdrafts	9	5,615	-	-
Term loans	15	40,035	57,309	55,662
Short term borrowings	21	71,500	71,485	204,486
Deferred revenue	17	11,417	11,294	8,999
Lease liabilities	18	1,552	1,552	1,076
Total current liabilities		237,669	254,354	406,866
Total liabilities		1,544,184	1,522,752	1,558,044
TOTAL EQUITY AND LIABILITIES		2,291,423	2,263,134	2,278,423

This interim condensed financial statements were authorised for issue and approved by the Board of Directors on _____ and were signed on their behalf by _____

Fahm Abdullah Al Salushi Chairman	Ghada Al Yousef Director	Ali Hameed Alkousa Chief Executive Officer
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The attached notes 1 to 36 form part of these interim condensed financial statements.

Nama Electricity Distribution Company SAOC**INTERIM CONDENSED STATEMENT OF COMPREHENSIVE INCOME**

For the six months period ended 30 June 2026

		1-Apr-26 to 30-Jun-26	1-Apr-25 to 30-Jun-25	30-Jun-26	30-Jun-25
	Notes	₹'000	₹'000	₹'000	₹'000
Revenue	25	77,179	77,183	154,693	152,809
Operating costs	26	(43,237)	(39,878)	(84,376)	(79,207)
Gross profit		33,942	37,305	70,317	73,602
General and administrative expenses	27	(15,102)	(14,144)	(30,320)	(28,059)
Reversal / (allowance) for expected credit losses	8	81	-	64	(4)
Other income	28	757	734	1,221	1,212
Operating profit		19,678	23,895	41,282	46,751
Finance income		70	202	201	352
Finance costs	29	(14,519)	(14,635)	(29,790)	(29,294)
Profit before tax		5,229	9,462	11,693	17,809
Tax expense	30	(3,180)	(3,646)	(5,822)	(6,946)
PROFIT FOR THE PERIOD		2,049	5,816	5,871	10,863
Other comprehensive income					
<i>Items to be classified to profit or loss in subsequent period:</i>					
Net movement in fair value of cash flow hedge	14	894	(620)	1,160	(1,153)
Tax effect	30.1	(134)	93	(174)	173
Other comprehensive income / (expense) for the period		760	(527)	986	(980)
TOTAL PROFIT AND COMPREHENSIVE INCOME FOR THE PERIOD		2,809	5,289	6,857	9,883
Earnings per share					
Basic and diluted earnings per share (Baizas)	33	0.010	0.029	0.028	0.054

The attached notes 1 to 36 form part of these interim condensed financial statements.

Nama Electricity Distribution Company SAOC

INTERIM CONDENSED STATEMENT OF CHANGES IN EQUITY

For the six months period ended 30 June 2026

UNAUDITED

	Share capital	Legal reserve	Cash flow hedge reserve	Shareholders' fund	Retained earnings	Total
	⧸'000	⧸'000	⧸'000	⧸'000	⧸'000	⧸'000
At 1 January 2025 (audited)	200,000	66,667	2,329	419,155	32,345	720,496
Profit for the period	-	-	-	-	10,863	10,863
Other comprehensive expense, net of income tax	-	-	(980)	-	-	(980)
Total profit and comprehensive income for the period	-	-	(980)	-	10,863	9,883
Dividend (note 23)	-	-	-	-	(10,000)	(10,000)
At 30 June 2025 (unaudited)	200,000	66,667	1,349	419,155	33,208	720,379
At 1 January 2026 (audited)	210,000	68,287	575	424,587	36,933	740,382
Profit for the period	-	-	-	-	5,871	5,871
Other comprehensive expense, net of income tax	-	-	986	-	-	986
Total profit and comprehensive income for the period	-	-	986	-	5,871	6,857
At 30 June 2026 (unaudited)	210,000	68,287	1,561	424,587	42,804	747,239

The attached notes 1 to 36 form part of these interim condensed financial statements.

INTERIM CONDENSED STATEMENT OF CASH FLOWS

For the six months period ended 30 June 2026

	Notes	30-Jun-26 <u>₹'000</u>	30-Jun-25 <u>₹'000</u>
Operating activities			
Profit before tax		11,693	17,809
<i>Adjustments for:</i>			
Depreciation of property, plant and equipment	3	50,050	47,451
Depreciation of right-of-use assets	4	868	698
Amortisation of intangible assets	5	372	318
Provision for inventories obsolescence	7	(158)	(248)
Accruals for employees' end of service benefits	19	38	47
Charge / (reversal) for allowance for expected credit losses	8	(64)	4
Loss on termination of lease liability	28	67	1
Finance costs	29	28,778	28,642
Unwinding of financial liability	29	1,012	652
Finance income		(201)	(352)
		<u>92,455</u>	<u>95,022</u>
Working capital changes:			
Stores and spares		(229)	(39)
Trade and other receivables and prepayments		(6,826)	(44,034)
Trade and other payables		(5,165)	18,642
Deferred revenue		(2,461)	(4,865)
Cash generated from operating activities		<u>77,774</u>	<u>64,726</u>
Employees' end of service benefits paid	19	-	(63)
Net cash flows generated from operating activities		<u>77,774</u>	<u>64,663</u>
Investing activities			
Addition to property, plant and equipment	3	(51,764)	(63,073)
Finance income		201	352
Net cash flows used in investing activities		<u>(51,563)</u>	<u>(62,721)</u>
Financing activities			
Repayment of term loans	15	(80,813)	(28,732)
Proceeds from term loans	15	97,213	-
Proceeds from short term borrowings	21	71,500	121,500
Repayment of short term borrowings	21	(71,500)	(81,500)
Transaction cost paid		(66)	-
Finance cost paid		(27,129)	(27,157)
Lease liabilities paid (principal and interest)	18	(1,304)	(1,102)
Net cash flows used in financing activities		<u>(12,099)</u>	<u>(16,991)</u>
Net changes in cash and cash equivalents		<u>14,112</u>	<u>(15,049)</u>
Cash and cash equivalents at 1 January		<u>13,756</u>	<u>44,134</u>
Cash and cash equivalents at 30 June	9	<u>27,868</u>	<u>29,085</u>
Non cash transactions			
Following non cash transactions have been excluded from above cash flows, as these do not involved any cash movement:			
Additions to right of use assets	4	<u>100</u>	<u>61</u>

The attached notes 1 to 36 form part of these interim condensed financial statements.

NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS

For the six months period ended 30 June 2026

1 REPORTING ENTITY

Nama Electricity Distribution Company SAOC (the 'Company') (formerly known as Mazoon Electricity Company SAOC) is a company domiciled in the Sultanate of Oman.

The business activities of Company is primarily undertaking the regulated distribution of electricity in all governorates of Oman excluding Dhofar governorate under a license issued by the Authority for Public Services Regulation (APSR), Oman. The Company commenced its operations on 1 May 2005 (the Transfer Date) following the implementation of a decision of the Ministry of National Economy (the Transfer Scheme) issued pursuant to Royal Decree 78/2004. The registered address of the Company is P.O. Box 1721, Postal Code 311 Murtafaat Al Mata, Al Seeb, Muscat Governorate, Sultanate of Oman.

As part of the reorganization of Electricity Holding Company SAOC ("EHC", or the "Holding Company"), EHC, in 2023, holding 99.99% shares in the Company, effective as of 1 June 2023 (the "Reorganization"), the Company (i) received as contribution the distribution business of its sister companies Nama Electricity Supply Company SAOC ("NESC") (formerly Muscat Electricity Distribution Company SAOC ("MEDC")), Majan Electricity Company SAOC ("MJEC") and Rural Areas Electricity Company SAOC ("RAECO"), all of which are owned by the Company's shareholder Electricity Holding Company SAOC (EHC), and transferred / distributed its supply business to MEDC, which was renamed to Nama Electricity Supply Company SOAC ("NESC").

Nama Electricity Distribution Company SAOC is a 99.99% subsidiary of the EHC; a company registered in the Sultanate of Oman, whereas, remaining 0.01% is equally held by Numo Institute for Competency Development LLC and Nama Shared Services LLC which are wholly owned by EHC. The Ultimate Parent is the Government of Sultanate of Oman, as it holds 100% shareholding in the EHC through the Oman Investment Authority (OIA) pursuant to the Royal Decree 61/2020 under which all the shareholdings owned by Ministry of Finance (MoF) in the Holding Company have been transferred to OIA.

In 2017, the Company has established a SPV, (Special Purpose Vehicle) Mazoon Assets Company SAOC (subsidiary), which is 99.99% owned by the Company.

In 2024, the Company has established a SPV, (Special Purpose Vehicle) Nama Assets Company SPC (subsidiary), which is 100% owned by the Company.

2 BASIS OF PREPARATION

The accounting policies applied in the preparation of these interim condensed financial statements are consistent in the preparation of financial statements as at and for the year ended 31 December 2025, except for the adoption of the new and amended standards as disclosed in note 2(iii).

The interim condensed financial statements for the six months period ended 30 June 2026 have been prepared in accordance with International Financial Reporting Standard ("IFRS") as issued by the International Accounting Standards Board ("IASB"), and the requirements of the Commercial Companies Law of 2019, as amended.

The interim condensed financial statements do not contain all information and disclosure required for the financial statements prepared in accordance with IFRS and should be read in conjunction with the financial statements of the Company for the year ended 31 December 2025. However selected explanatory notes are included to explain events and transactions that are significant to in understanding of the changes in the Company financial position and performance since the last annual financial statement.

The Company's interim condensed financial statements are presented in Rial Omani ("RO"), rounded to the nearest thousand (RO '000 and USD '000) except where otherwise indicated.

The interim condensed financial statements are prepared on historical cost basis except for derivative financial instruments which are measured at fair value.

NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS

For the six months period ended 30 June 2026

2 BASIS OF PREPARATION (CONTINUED)**2 (i) GOING CONCERN**

As at 30 June 2026, the current liabilities of the Company exceeded its current assets by RO 131 million (31 December 2025: RO 175 million), which indicates the existence of a material uncertainty relating to going concern as the Company will require additional funding and financial support to meet its financial obligations as they fall due and continue its operations for the foreseeable future.

Management believes that it is appropriate to prepare the financial statements on a going-concern basis, supported by the continued financial backing of the Holding Company, including the undertaking of the Government under the applicable Sector Law to ensure the availability of necessary financing for the Company to carry out its activities and achieve its objectives for so long as its capital remains wholly owned by the Government. In making this assessment, management has considered its plans (a) to raise long-term financing of approximately OMR 167 million (US\$ 433.77 million) over the next twelve months from Local/International funding sources, subject to market conditions and relevant approvals; (b) to establish Revolving Credit Facilities (RCF) of approximately OMR 72.19 million (US\$ 187.5 million) as backstop liquidity lines to be drawn only in the event of an emergency or unforeseen liquidity requirement.

Management has also considered the impact of heightened geopolitical tensions in the Middle East, which could affect investor risk appetite, funding costs, and timing of capital market transactions. These plans are subject to market conditions, geopolitical developments, and regulatory approvals, and therefore involve significant judgment.

The above factors will enable the Company to continue to operate as a going concern for the foreseeable future and to discharge its liabilities to other parties, as they fall due and management believes that such support will continue. Accordingly, these interim condensed financial statements are prepared on a going concern basis.

2(ii) USE OF JUDGEMENT AND ESTIMATE

The preparation of the interim condensed financial statements in conformity with IFRSs requires the management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the year in which the estimates are revised and in any future periods affected.

The significant judgements made by management in applying the company accounting policy and the key sources of the estimation uncertainty were the same as those described in the last annual audited financial statement as at and for the year ended 31 December 2025.

2(iii) NEW AND AMENDED STANDARDS ADOPTED

a) Amendments to the classification and measurement of financial instruments - Amendments to IFRS 9 and IFRS 7

b) Annual Improvements to IFRS Accounting Standards - Volume 11

c) Contracts Referencing Nature-dependent Electricity – Amendments to IFRS 9 and IFRS 7

The new standards has no implication on the interim condensed financial statement.

NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS

For the six months period ended 30 June 2026

2 BASIS OF PREPARATION (CONTINUED)**2(iv) IMPACT OF NEW STANDARDS (ISSUES 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 standards are effective for annual periods beginning on or after 1 Jan 2027 and earlier adoption is permitted. The Company has not early adopted any of the following new and amended standards in preparation of interim condensed financial statement. Company intends to adopt these new and amended standards and interpretations, if applicable, when they become effective.

IFRS 18 Presentation and Disclosure in Financial Statements

In April 2024, the IASB issued IFRS 18, which replaces IAS 1 Presentation of Financial Statements. IFRS 18 introduces new requirements for presentation within the statement of profit or loss, including specified totals and subtotals. Furthermore, entities are required to classify all income and expenses within the statement of profit or loss into one of five categories: operating, investing, financing, income taxes and discontinued operations, whereof the first three are new.

The standard requires disclosure of newly defined management-defined performance measures, subtotals of income and expenses, and it also includes new requirements for aggregation and disaggregation of financial information based on the identified 'roles' of the primary financial statements (PFS) and the notes.

In addition, narrow-scope amendments have been made to IAS 7 Statement of Cash Flows, which include changing the starting point for determining cash flows from operations under the indirect method, from 'profit or loss' to 'operating profit or loss' and removing the optionality around classification of cash flows from dividends and interest. In addition, there are consequential amendments to several other standards.

IFRS 18, and the amendments to the other standards, are effective for reporting periods beginning on or after 1 January 2027, but earlier application is permitted and must be disclosed. IFRS 18 will apply retrospectively.

The Company is currently working to identify all impacts the amendments will have on the primary financial statements and notes to the financial statements. The initial expected material impacts on interim condensed financial statements are as follows:

-Foreign exchange difference will be classified in the category where the related income and expense form the item giving rising to the foreign exchange difference.

-New disclosure will be added: (a) management-defined performance measures; (b) specified expense by nature if expenses are presented by function in the operating category of the statement of profit or loss; and (c) a reconciliation for each line item in the statement of profit or loss between the restated amounts presented applying IFRS 18 and the amounts previously presented applying IAS 1.

-Interest received and interest paid will be classified in the investing activities and financing activities, respectively, on the statement of cash flows.

IFRS 19 Subsidiaries without Public Accountability: Disclosures

In May 2024, the IASB issued IFRS 19, which allows eligible entities to elect to apply its reduced disclosure requirements while still applying the recognition, measurement and presentation requirements in other IFRS accounting standards. To be eligible, at the end of the reporting period, an entity must be a subsidiary as defined in IFRS 10, cannot have public accountability and must have a parent (ultimate or intermediate) that prepares consolidated financial statements, available for public use, which comply with IFRS accounting standards.

IFRS 19 will become effective for reporting periods beginning on or after 1 January 2027, with early application permitted. The Company is currently working to identify all impacts the amendment will have on the financial statements.

Nama Electricity Distribution Company SAOC

UNAUDITED

NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS

For the six months period ended 30 June 2026

3 PROPERTY, PLANT AND EQUIPMENT

	Buildings on leasehold land £'000	Electricity distribution networks £'000	Lines and cables £'000	Substation assets £'000	Other plant and machinery £'000	Furniture, fixtures and vehicles £'000	Plants spares £'000	Assets under finance lease £'000	Capital work-in- progress £'000	Total £'000
Cost										
1 January 2025 (audited)	142,658	1,395,557	760,533	483,554	156,820	26,610	9,932	740	116,535	3,092,939
Additions	-	375	322	378	-	3	651	-	61,344	63,073
Transfer to intangible assets (note 5)	-	-	-	-	-	-	-	-	(512)	(512)
Transfers	4,370	33,823	8,223	3,092	3,802	115	-	-	(53,425)	-
30 June 2025 (unaudited)	147,028	1,429,755	769,078	487,024	160,622	26,728	10,583	740	123,942	3,155,500
1 January 2026 (audited)	154,152	1,456,167	801,230	502,544	181,684	28,755	12,319	740	103,346	3,240,937
Additions	-	30	46	634	11	-	326	-	50,717	51,764
Transfer to intangible assets (note 5)	-	-	-	-	-	-	-	-	(190)	(190)
Transfers	2,033	28,052	20,215	3,329	55	18	-	-	(53,702)	-
30 June 2026 (unaudited)	156,185	1,484,249	821,491	506,507	181,750	28,773	12,645	740	100,171	3,292,511
Accumulated depreciation										
1 January 2025 (audited)	44,743	518,875	167,876	148,782	59,724	24,780	2,877	739	-	968,396
Charge for the period (note 3.6)	2,482	25,590	8,603	6,582	3,490	442	262	-	-	47,451
30 June 2025 (unaudited)	47,225	544,465	176,479	155,364	63,214	25,222	3,139	739	-	1,015,847
1 January 2026 (audited)	49,936	571,356	186,023	162,391	70,079	25,954	3,445	739	7,075	1,076,998
Charge for the period (note 3.6)	2,577	26,746	9,355	6,753	3,795	511	313	-	-	50,050
30 June 2026 (unaudited)	52,513	598,102	195,378	169,144	73,874	26,465	3,758	739	7,075	1,127,048
Carrying amounts										
30 June 2026 (unaudited)	103,672	886,147	626,113	337,363	107,876	2,308	8,887	1	93,096	2,165,463
31 December 2025 (audited)	104,216	884,811	615,207	340,153	111,605	2,801	8,874	1	96,271	2,163,939

3.1 The Company's building and substations are constructed on lands leased from the Ministry of Housing, Government of Sultanate of Oman.

NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS

For the six months period ended 30 June 2026

3 PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

- 3.2 Capital work in progress includes works which are in different stages of completion and relates to (a) construction and upgrading of substations and feeders, (b) electrical distribution works networks, (c) extension of power supply to customers, (d) furniture and fixtures, and (e) other common assets.
- 3.3 Assets with Net book Value of RO 751 Million (31 December 2025: RO 751 Million) identified and described in the transaction documents and agreements between the Company and its 99.99 percent owned subsidiary Mazoon Assets Company SAOC, for the 10 Year US\$ 500 Million Sukuk Certificate issued in 2017, the 5 Year US\$ 500 million Sukuk Certificate issued in February 2024 and the 7 Year US\$ 750 million Sukuk certificate issued in October 2024 as on the date of the transaction, are continued to be shown under the respective assets categories, while recognizing the receipt of the proceeds from Mazoon Assets Company SAOC as a long term borrowing. By virtue of the license issued by the Authority for Public Services Regulation (APSR), Oman, only the Company is authorized to operate and maintain the assets which forms part of the distribution network of the Company within the authorised area. The risk and rewards associated with the assets continue to be with the Company as per the transaction documents executed.
- 3.4 During the year ended 31 December 2025, the Company carried out a comprehensive review of the Capital Work-in-Progress (CWIP) to identify long-outstanding projects that were either discontinued, replaced, or no longer expected to yield future economic benefits. As a result of this assessment, CWIP amounting to RO 2.95 million, pertaining to old and inactive projects, was determined to be non-recoverable. Since these assets were no longer expected to generate future economic benefits and did not meet the recognition criteria under IAS 16, the Company has written off the carrying amount in full.
- 3.5 Certain projects experienced changes in scope, delays, or revised plans that reduced the expected economic benefits associated with the related costs. Based on this assessment, CWIP amounting to RO 7 million was identified as no longer fully recoverable, and an impairment charge of RO 7 million has been recognised. Management will continue to monitor and assess the projects on an ongoing basis, including reassessing the recoverability of related assets as new information becomes available and determining whether any reversal of impairment or further adjustments are required in future periods.
- 3.6 Depreciation charge for the period is allocated as follows:

	30-Jun-26	30-Jun-25
	ﷲ'000	ﷲ'000
Operating costs (note 26)	49,539	47,009
General and administration expenses (note 27)	511	442
	50,050	47,451

4 RIGHT-OF-USE ASSETS

	Buildings	Usufruct	Vehicle	Total
	ﷲ'000	ﷲ'000	ﷲ'000	ﷲ'000
Cost				
At 1 January 2025 (audited)	2,254	14,039	6,478	22,771
Additions	-	61	-	61
At 30 June 2025 (unaudited)	2,254	14,100	6,478	22,832
At 1 January 2026 (audited)	2,265	14,328	8,842	25,435
Additions	-	100	-	100
Terminations of right-of-use	-	-	(473)	(473)
At 30 June 2026 (unaudited)	2,265	14,428	8,369	25,062
Accumulated Depreciation				
At 1 January 2025 (audited)	2,002	2,185	3,391	7,578
Charge for the period (note 4.1)	91	170	437	698
At 30 June 2025 (unaudited)	2,093	2,355	3,828	8,276
At 1 January 2026 (audited)	2,189	2,533	3,785	8,507
Charge for the period (note 4.1)	76	175	617	868
Related to termination	-	-	(24)	(24)
At 30 June 2026 (unaudited)	2,265	2,708	4,378	9,351
Carrying value				
At 30 June 2026 (unaudited)	-	11,720	3,991	15,711
At 31 December 2025 (audited)	76	11,795	5,057	16,928

- 4.1 Depreciation charge on right of use assets is allocated as follows:

	30-Jun-26	30-Jun-25
	ﷲ'000	ﷲ'000
Operating costs (note 26)	175	170
General and administration expenses (note 27)	693	528
	868	698

NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS

For the six months period ended 30 June 2026

5 INTANGIBLE ASSETS

	Capital-work- in-progress Software O'000	Software O'000	Total O'000
Cost			
At 1 January 2025 (audited)	4,606	15,421	20,027
Transferred from capital work in progress in PPE (note 3)	-	512	512
At 30 June 2025 (unaudited)	4,606	15,933	20,539
At 1 January 2026 (audited)	4,488	16,689	21,177
Transferred from capital work in progress in PPE (note 3)	-	190	190
At 30 June 2026 (unaudited)	4,488	16,879	21,367
Accumulated amortisation			
At 1 January 2025 (audited)	4,606	14,331	18,937
Charge for the period (note 27)	-	318	318
At 30 June 2025 (unaudited)	4,606	14,649	19,255
At 1 January 2026 (audited)	4,488	15,000	19,488
Charge for the period (note 27)	-	372	372
At 30 June 2026 (unaudited)	4,488	15,372	19,860
Carrying amounts			
At 30 June 2026 (unaudited)	-	1,507	1,507
At 31 December 2025 (audited)	-	1,689	1,689

The intangible assets are amortised over the period from 5 to 7 years on straight line basis.

6 INVESTMENT IN A SUBSIDIARY

Pursuant to the decision of the shareholders in the extra ordinary general meeting held on 20 August 2017, the Company established a special purpose vehicle for raising finance by issuance of Sukuk in the international market. Accordingly, Mazoon Assets Company SAOC, a Company registered under the Commercial Companies Law of the Sultanate of Oman was established with the shareholding as follows:

	Number of shares	30-Jun-26 O'000	31-Dec-25 O'000
Nama Electricity Distribution Company SAOC	499,950	499,950	499,950
Nama Shared Services LLC	25	25	25
Numo Institute for Competency Development LLC	25	25	25
	500,000	500,000	500,000

Investment represents the Company's investment in Mazoon Assets Company SAOC. The main objective of the Mazoon Assets Company as per the Memorandum and Articles of Association is to raise the finance. In addition to the 99.99 percent shareholding, the Company also exercises control over the affairs of the SPV Mazoon Assets Company SAOC with three of its senior executives as members in the five member board of directors. The other shareholders namely, Nama Shared Services LLC and Numo Institute for Competency Development LLC, who hold 0.005 percent shares each in Mazoon Assets Company SAOC are the companies within the Nama Holding Company and are wholly owned by the Electricity Holding Company.

7 STORES AND SPARES

	30-Jun-26 O'000	31-Dec-25 O'000
Spares and consumables	5,927	5,698
Provision for inventories obsolescence (note 7.1)	(1,475)	(1,633)
	4,452	4,065

7.1 The movement in provision for inventories obsolescence is as follows:

	30-Jun-26 O'000	30-Jun-25 O'000
Opening balance	1,633	1,767
Provision for inventories obsolescence (note 27)	(158)	(248)
	1,475	1,519

The stores and spares include items which are used in maintenance of the Company's distribution network.

NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS

For the six months period ended 30 June 2026

8 TRADE AND OTHER RECEIVABLES AND PREPAYMENT

	30-Jun-26 RO'000	31-Dec-25 RO'000
Amounts due from related parties (note 22.3)	38,356	34,456
Regulatory Asset Base adjustment (note 17)	11,617	13,146
VAT input tax receivable	3,234	415
Prepayments	1,759	1,099
Advances to contractors/suppliers	3,543	2,030
Advance to MOH related to MSH city	11,160	11,160
Other receivables	565	1,102
	70,234	63,408
Allowance for expected credit losses (note 8.1)	(1,762)	(1,826)
	68,472	61,582

8.1 The movement in expected credit losses is as follows:

	30-Jun-26 RO'000	30-Jun-25 RO'000
Opening balance	1,826	2,893
Allowance for expected credit losses	(64)	4
	1,762	2,897

9 CASH AND BANK BALANCES

	30-Jun-26 RO'000	31-Dec-25 RO'000
Cash at banks	33,435	13,753
Cash in hand	48	3
Cash and bank balances for the purpose of interim condensed statement of financial position	33,483	13,756
Bank overdraft (note 9.2)	(5,615)	-
Cash and cash equivalents for the purpose of interim condensed statement of cash flows	27,868	13,756

9.1 The Company assessed that the expected credit losses related to bank balances are immaterial to the interim condensed financial statements as a whole.

9.2 The Company has availed a working capital facility (overdraft and revolving short term loan) from Ahli Bank SAOG for an amount of RO 15 million. The overdraft limit of RO 10 million is interchangeable between overdraft and revolving short term loan upon a condition that the combined utilisation of both the facilities not to exceed RO 15 million at any point of time. The facilities are unsecured, payable on demand and carry interest rate at the rate of 5.25% (31 December 2025: 4%) per annum.

10 SHARE CAPITAL

The Company's authorised, issued and paid up share capital consist of 210,000,000 shares (31 December 2025: 210,000,000 shares) of RO 1 each. The details of shareholders are as follows:

	30-Jun-26 Number of shares	31-Dec-25 Number of shares	30-Jun-26 RO'000	31-Dec-25 RO'000
Electricity Holding Company SAOC	209,979,000	209,979,000	209,979,000	209,979,000
Nama Shared Services LLC	10,500	10,500	10,500	10,500
Numo Institute for Competency Development LLC	10,500	10,500	10,500	10,500
	210,000,000	210,000,000	210,000,000	210,000,000

During the year ended 31 December 2025, the authorised share capital was increased by RO 10 million by issue of 10 million shares of RO 1 each.

NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS

For the six months period ended 30 June 2026

11 LEGAL RESERVE

Article 132 of the Commercial Companies Law of 2019 requires that 10% of a Company's annual net profit after deduction of taxes to be transferred to a non-distributable legal reserve until the amount of the legal reserve becomes equal to one-third of the Company's fully paid share capital. This reserve is not available for distribution.

12 GENERAL RESERVE

In accordance with Article 133 of the Commercial Companies Law of 2019 and the Company's policy, an amount not exceeding 20% of the net profit of each financial year after deduction of taxes and transfer to legal reserve should be transferred annually to a general reserve until the balance of general reserve reach one half of the share capital. The reserve is available for distribution to the shareholders.

The shareholders in the Annual General Meeting held on 30 March 2024 have resolved to transfer the accumulated balance in the general reserve RO 21.5 million to retained earnings effective 1 January 2024 and not to transfer any amount to the general reserve in the future.

13 SHAREHOLDERS' FUNDS

The shareholder's fund represents the net carrying value of assets transferred on transfer of distribution business from related parties and transfer of supply business to a related party and conversion of shareholder loan.

During the year ended 31 December 2025, assets relating to the distribution business were transferred to the Company from Rural Areas Electricity Company SAOC (RAECO), a fellow subsidiary under common control. The transfer was effected through an addendum to the original Business Transfer Agreement ("BTA") dated 10 October 2023. The assets transferred had a carrying amount of RO 5.43 million (cost of RO 8.13 million and accumulated depreciation of RO 2.70 million) as recorded in the books of the transferor as at the effective date of transfer, 1 January 2025. No consideration was paid for the transfer. As this transaction represents a common-control transfer, it has been accounted for using the carrying value method, with the assets recognised at their carrying amounts and no gain or loss recognised in profit or loss. The carrying amount of RO 5.43 million has been recognised directly in equity as an adjustment to Shareholders' Funds.

14 CASH FLOW HEDGING RESERVE

The cash flow hedging reserve represents the cumulative effective portion of gains or losses arising on changes in fair value of hedging instruments. The cumulative gain or loss arising on changes in fair value of the hedging instruments that are recognised and accumulated under the heading of cash flow hedging reserve will be reclassified to statement of comprehensive income only when the hedged transaction affects the statement of comprehensive income or included as a basis adjustment to the non-financial hedged item.

	30-Jun-26	31-Dec-25
	£'000	£'000
Opening balance	675	2,739
Change in fair value during the period / year	1,160	(2,064)
	1,835	675
Less: Related deferred tax assets	(274)	(100)
	1,561	575

At the reporting date, the Company has Interest Rates Swap (IRS) agreements covering 37.2% (31 December 2025: 56.6%) of the term loans with an interest rate ranging from 2.16% to 3.43% per annum. The fair value of the interest rate swaps is based on valuation provided by the counter party bank on the reporting date. The interest rate swaps are designated as cash flow hedges and the fair value thereof has been dealt within other comprehensive income.

	<i>Fair value</i>	<i>Notional amount Total</i>	<i>Notional by term to maturity more than</i>		
	<i>£'000</i>	<i>£'000</i>	<i>1 - 12 months</i>	<i>1 upto 5 years</i>	<i>Over 5 years</i>
	<i>£'000</i>	<i>£'000</i>	<i>£'000</i>	<i>£'000</i>	<i>£'000</i>
30 June 2026					
Interest rate swaps	1,835	121,837	20,582	101,255	-
31 December 2025					
Interest rate swaps	675	175,256	74,001	101,255	-

NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS

For the six months period ended 30 June 2026

15 TERM LOANS

15.1 The movement in term loans during the period is as follows:

	30-Jun-26 RO'000	30-Jun-25 RO'000
At 1 January	309,732	226,838
Add: Obtained during the period	97,213	-
Less: Repayments made during the period	(80,813)	(28,732)
Add: Unwinding of financial liability (note 29)	1,012	652
	327,144	198,758
Less: Unamortised transaction costs (note 15.2)	(1,294)	(1,551)
	325,850	197,207

15.2 The movement of unamortised transaction costs during the period is as follows:

	30-Jun-26 RO'000	30-Jun-25 RO'000
At 1 January	1,826	2,003
Addition during the period	66	-
Less: Amortised during the period (note 29)	(598)	(452)
	1,294	1,551

15.3 Classification of term loans into current and non-current portion:

	30-Jun-26 RO'000	31-Dec-25 RO'000
Term loans - current portion	40,565	58,069
Unamortised costs - current portion	(530)	(760)
	40,035	57,309
Term loans - non-current portion	286,579	251,663
Unamortised costs - non-current portion	(764)	(1,066)
	285,815	250,597
	325,850	307,906

A During the year ended 31 December 2024, the Company entered into a dual currency financing agreement consolidating multiple syndication term facilities. The restructured dual currency facility comprises of :

- (i) RO 92.7 million, at a fixed interest rate, interest to be reviewed annually. On 31 March 2026, the company fully repaid the OMR tranche term facility outstanding balance RO 61.3 million (31 December 2025: RO 61.3 million). The repayment was funded through a new term facility of RO 61.3 million from Bank Muscat SAOG on same date.
- (ii) USD 430.4 million (equivalent to RO 165.7 million), at a floating interest rate and the maturity on 30 June 2029. At the reporting date, the balance outstanding amounted to RO 92.7 million (31 December 2025: RO 110.9 million).

Under IFRS 9 financial instruments and treated as modification of financial liabilities at individual lender level, as the change in present value of the cashflows was below 10% threshold and interest rate deduction in certain facilities was based on Company's and Country improved credit ratings. Accordingly, modification gain of RO 3.6 million has been recorded in the statement of comprehensive income. Old term loans repaid to individual lenders under the netting arrangement amounting to USD 260.8 million (equivalent to RO 100.4 million) have been derecognised and related transaction costs of RO 0.59 million have been charged to statement of comprehensive income. Accordingly, the new term loans amounting to USD 260.8 million (equivalent to RO 100.4 million) disbursed from existing and new lenders under the netting arrangement have been recognised at their fair value which is not different from the transaction value.

NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS

For the six months period ended 30 June 2026

15 TERM LOANS (CONTINUED)

B The Company has Bilateral Term Loan Facility Agreement with the following banks :

- (i) Arab Banking Corporation USD 100 million (equivalent to RO 38.5 million) bearing interest at a floating rate, repayable in full on 30 August 2030. At the reporting date, the balance outstanding amounted to RO 38.5 million (31 December 2025: RO 38.5 million).
- (ii) Oman Arab Bank SAOG for USD 78 million (equivalent to RO 30 million) bearing interest at a floating rate, repayable in full on 30 August 2030. At the reporting date, the balance outstanding amounted to RO 30 million (31 December 2025: RO 30 million).
- (iii) Arab Bank plc for USD 85 million (equivalent to RO 32.7 million) bearing interest at a floating rate, repayable in full on 30 August 2030. At the reporting date, the balance outstanding amounted to RO 32.7 million (31 December 2025: RO 32.7 million).
- (iv) Qatar National Bank QPSC RO 10 million, bearing interest at a fixed rate, with annual interest review, and repayable in full on 29 September 2030. At the reporting date, the balance outstanding amounted to RO 10 million (31 December 2025: RO 7 million).
- (v) Ahli Islamic Bank SAOG RO 13.75 million, bearing interest at a fixed rate, with annual interest review, and repayable in full on 05 October 2030. At the reporting date, the balance outstanding amounted to RO 13.75 million (31 December 2025: RO 9.87 million).
- (vi) Bank Muscat SAOG RO 50 million, bearing interest at a fixed rate and maturing on 31 December 2030. At the reporting date, the balance outstanding amounted to RO 49.2 million (31 December 2025: RO 21 million).
- (vii) Bank Muscat SAOG RO 61.339 million, bearing interest at a fixed rate for initial three years and thereafter floating rate and maturing on 31 December 2040. At the reporting date, the balance outstanding amounted to RO 60.879 million (31 December 2025: RO Nil).

15.4 Compliance with covenants

The term loan facilities as disclosed in A & B contain certain covenants pertaining to, amongst other things, liquidation and merger, entering into material new agreements, negative pledge, disposal of asset, granting of loan and guarantee, acquisition of capital assets, debt service coverage ratio, net debt to equity, change of business, loan and guarantee, hedging agreement, etc., which the Company is required to comply. The details of financial covenants are as below:

- (i) Net debt to equity ratio of the Company as of reporting date was 1.43 times (31 December 2025: 1.44 times) against the maximum limit of 2.33 times.
- (ii) Debt service coverage ratio of the Company for the year was 1.70 times (31 December 2025: 1.58 times) against the minimum requirement of 1.10.

At 30 June 2026 and 31 December 2025, the Company was in compliance with these covenants.

NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS

For the six months period ended 30 June 2026

16 LONG TERM BORROWINGS - SUKUKS

- a) In 2017, the Company raised long-term finance to meet the capital expenditure needs through assets backed Sukuk route. In order to facilitate the funding the Company formed Mazoon Assets Company SAOC, a Special Purpose Vehicle (SPV), for the purpose of raising the Sukuk finance. On 1 November, 2017, Mazoon Assets Company SAOC successfully priced its debut Reg S/144A US\$ 500 million (RO 192.5 million) 10-year Sukuk offering following the Sharia-compliant Ijara Structure at the profit rate of 5.2%. The profit rate payments are due on 8th day of May and November every year during the tenure of the Sukuk certificate and the certificates are due for repayment in full on 8 November 2027. The Certificates are listed on the Irish Stock Exchange.
- b) During the year 2024, the Company raised long-term finance to meet the capital expenditure and to refinance its short-term bridge facilities availed for capital expenditure through assets backed Sukuk route. The issuance was done through Mazoon Assets Company SAOC, a Special Purpose Vehicle (SPV) purely to raise the Sukuk finance. The following issuances were made in 2024 under the program:
- (i) On 12 February 2024, Mazoon Assets Company SAOC successfully priced its Reg S/144A US\$ 500 million (RO 192.5 million) 5-year Sukuk offering, structured under the Sharia-compliant Ijara structure, with a profit rate set at 5.50%. Profit payments are due on 14th day of February and August every year during the tenure of the Sukuk's certificates, and the certificates are due for full repayment on 14 February 2029. The certificates were issued on 14 February 2024 and are listed on the London Stock Exchange.
- (ii) On 7 October 2024, Mazoon Assets Company SAOC successfully priced its Reg S/144A US\$ 750 million (RO 288.75 million) 7-year Sukuk offering, structured under the Sharia-compliant Ijara structure, with a profit rate set at 5.25%. Profit payments are due on 9th day of April and October every year during the tenure of the Sukuk's certificates, and the certificates are due for full repayment on 9 October 2031. The certificates were issued on 9 October 2024 and are listed on the London Stock Exchange.

The legal form of contracts entered into for the purpose of raising, servicing and repayment of the Sukuk finance includes:

- Sale by Nama Electricity Distribution Company SAOC and purchase by Mazoon Assets Company SAOC of PPE assets.
- Lease back of these assets by Nama Electricity Distribution Company SAOC from Mazoon Assets Company SAOC under a Lease Agreement and Servicing Agency Agreement.
- Subscription agreement.
- Declaration of trust agreement.

Purchase undertaking agreement and sale and substitution agreement.

Mazoon Assets Company SAOC, which is a 99.99 percent owned subsidiary, has no economic purpose to serve other than to act as a Special Purpose Vehicle. As per agreement, Nama Electricity Distribution Company SAOC is obliged to bear all the initial issue costs as well as all recurring costs of operation.

Mazoon Assets Company SAOC recognises the financial liability in respect of the Sukuk obligation while retaining the property, plant and equipment on its interim condensed statement of financial position.

	30-Jun-26	31-Dec-25
	<u>₹'000</u>	<u>₹'000</u>
Long term borrowings - Sukuks	673,750	673,750
Less: unamortised transaction cost (note 16.1)	(3,017)	(3,487)
	<u>670,733</u>	<u>670,263</u>

16.1 The movement of unamortised transaction costs is as follows:

	30-Jun-26	30-Jun-25
	<u>₹'000</u>	<u>₹'000</u>
At 1 January	3,487	4,428
Amortised during the period (note 29)	(470)	(470)
	<u>3,017</u>	<u>3,958</u>

NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS

For the six months period ended 30 June 2026

17 DEFERRED REVENUE

17.1 The movement in deferred revenue during the period is as follows :

	<i>Installation and connection charges ₹'000 (Note 17.2)</i>	<i>Government sponsored projects/ Customer contributed assets ₹'000 (Note 17.3)</i>	<i>Regulatory base asset adjustment liability / (asset) ₹'000 (Note 17.4)</i>	<i>Total ₹'000</i>
30 June 2026				
At the beginning of the year	90,535	136,338	-	226,873
Addition during the period	3,077	171	-	3,248
Amortised during the period (note 25)	(2,945)	(2,764)	-	(5,709)
At the end of the period	90,667	133,745	-	224,412
30 June 2025				
At the beginning of the year	89,706	137,016	3,201	229,923
Addition during the period	3,200	3,255	-	6,455
Amortised during the period (note 25)	(2,784)	(2,865)	(5,671)	(11,320)
At the end of the period	90,122	137,406	(2,470)	225,058

17.2 Installation and connection charges:

Installation and connection revenue represent the fee collected for the activities to provide services to the customer contracted for supply of electricity. Accordingly, the company recognizes the installation and connection fee over 25 years.

17.3 Government sponsored projects/customers contributed assets:

The Government provide funding towards the cost of property, plant and equipment and customer contributed assets. These funding/contributions are deferred over the life of the relevant property, plant and equipment.

17.4 Regulatory asset base adjustment:

Regulatory asset base adjustment relates to excess of maximum allowed revenue arising from the difference in price control allowed capex and actual capex outturn that will be adjusted while setting the future price control.

17.5 Classification of deferred revenue into current and non-current portion:

The following table includes revenue to be expected to be recognised in the future related to performance obligations that are unsatisfied (or partially unsatisfied) at 30 June 2026:

	30-Jun-26 ₹'000	31-Dec-25 ₹'000
Current portion		
Installation and connection charges	5,890	5,767
Government sponsored projects / customer contributed assets	5,527	5,527
	11,417	11,294
Non-current portion		
Installation and connection charges	84,777	84,768
Government sponsored projects / customer contributed assets	128,218	130,811
	212,995	215,579
	224,412	226,873

NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS

For the six months period ended 30 June 2026

18 LEASE LIABILITIES

Lease liabilities includes leasehold land acquired under the usufruct agreements with the Government of the Sultanate of Oman, leasehold vehicles and buildings under relevant contracts (right of use assets). The lease arrangements carry an interest rate ranging from 5.25% to 6.1% (31 December 2025: ranging from 5.25% to 6.1%) per annum implicit in the lease on reducing balance method and is repayable over a period of 4 to 60 years as per contract terms. Amounts due within a year from the end of reporting year are disclosed as a current liability.

18.1 The movement in lease liabilities during the period is as follows:

	30-Jun-26 ₹'000	30-Jun-25 ₹'000
At the beginning of the year	18,651	16,997
Interest on lease liabilities (note 29)	566	540
Additions (note 4)	100	61
Terminations of lease liability	(383)	-
Payment (interest and principal)	(1,304)	(1,102)
	17,630	16,496

18.2 Lease liabilities are classified into current and non-current portion as follows:

	30-Jun-26 ₹'000	31-Dec-25 ₹'000
Current portion	1,552	1,552
Non - current portion	16,078	17,099
	17,630	18,651

18.3 Amounts recognised in the interim condensed statement of comprehensive income:

	30-Jun-26 ₹'000	30-Jun-25 ₹'000
Depreciation on right-of-use assets (note 4.1)	868	698
Interest on lease liabilities (note 29)	566	540
	1,434	1,238

19 EMPLOYEES' END OF SERVICE BENEFITS

	30-Jun-26 ₹'000	30-Jun-25 ₹'000
At the beginning of the year	1,834	1,935
Charge for the period (note 27.1)	38	47
Payments during the period	-	(63)
At 30 June	1,872	1,919

20 TRADE AND OTHER PAYABLES

	30-Jun-26 ₹'000	31-Dec-25 ₹'000
Trade payables	20,247	6,272
Amount due to related parties (note 22.4)	18,256	20,842
Creditors for capital projects	28,306	28,760
Accruals and other payables	40,741	56,840
Current tax payable	-	-
	107,550	112,714

NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS

For the six months period ended 30 June 2026

21 SHORT TERM BORROWINGS

	30-Jun-26 RO'000	31-Dec-25 RO'000
21.1 The Break up of short term borrowings is as follows:		
Bridge loan facilities (note 21.4)	71,500	71,500
	71,500	71,500
Unamortised transaction costs (note 21.3)	-	(15)
	71,500	71,485

21.2 The movement in short term borrowings is as follows:

	30-Jun-26 RO'000	30-Jun-25 RO'000
At the beginning of the year	71,500	164,487
Addition during the period	71,500	121,500
Less: repayment during the period	(71,500)	(81,500)
	71,500	204,487

21.3 The movement of unamortised transaction cost is as follows:

	30-Jun-26 RO'000	30-Jun-25 RO'000
At the beginning of the year	15	24
Less: amortised during the period (note 29)	(15)	(23)
	-	1

21.4 Bridge loan facilities

- a The Company, vide agreement dated 27th July 2022 entered into a Wakala Bridge facility agreement with Alizz Islamic Bank SAOC for an amount of RO 35 million. As at 30 June 2026, the outstanding balance under this facility is RO Nil (31 December 2025: RO Nil). The loan is unsecured and was repaid on 31 July 2025.
- b In June 2023, as part of the reorganization of the electricity sector, RO 49 million short term bridge facility with Oman Arab Bank SAOG pertaining to distribution businesses have been novated from Majan Electricity Company SAOC (MJEC). The loan is unsecured and is due for repayment on 12 January 2025 and final maturity on 28 March 2025. As at 30 June 2026, the outstanding balance under this facility is RO Nil (31 December 2025: RO Nil). The loan was repaid on 27 March 2025 out of the proceeds of the RO 71.5 million from Sohar International Bank SAOG.
- c The Company, vide agreement dated 18 March 2024 has availed a short-term loan facility amounting to RO 22.5 million to meet its capital expenditure requirement from Sohar International Bank SAOG. The facility was renewed on 25 March 2025 with limit enhancement by OMR 49 million and the additional facility drawdown was used to repay one of the existing bridge facility. The outstanding balance of this facility as of 30 June 2026 is RO 71.5 million (31 December 2025: 71.5 million). The loan is unsecured and is maturing on 24 July 2026.
- d In June 2023, as part of the reorganization of the electricity sector, RO 50 million part of the short-term facility with Bank Muscat SAOG pertaining to distribution business has been novated from Nama Electricity Supply Company SAOC (NESC) formerly known as Muscat Electricity Distribution Company SAOC (MEDC). As at 30 June 2026, the outstanding balance under this facility is RO Nil (31 December 2025: RO Nil). The loan is unsecured and was repaid on 15 December 2025 and reached its contractual maturity on 27 December 2025.
- e The Company has taken over RO 28.50 million part of the bridge facility with National Bank Of Oman SAOG from RAECO. As part of the reorganization of the electricity sector, the facility pertaining to distribution businesses have been novated from Rural Areas Electricity Company SAOC (RAECO). The facility reached its contractual maturity on 30-June-2025.

NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS

For the six months period ended 30 June 2026

22 RELATED PARTY TRANSACTIONS AND BALANCES

Related parties comprise the shareholders, directors, key management personnel, business entities that have the ability to control or exercise significant influence over financial and operating decisions of the Company and entities over which certain shareholders are able to exercise significant influence.

The Government is a related party of the entity as it is the ultimate controlling party. The entity in the ordinary course of business transacts with other government owned entities. However, in view of the exemption from disclosure requirements set out in IFRS in relation to related party transactions and outstanding balances with the Government, that has control or joint control of, or significant influence over the Company and an entity that is a related party of the same government, the Company has applied the exemptions in IAS 24, related to government entities and only disclosed certain information to meet the disclosure requirements of IAS 24. The Company maintains balances with the related parties which arise in the normal course of business. The related party transactions are carried out based on mutually agreed terms. Outstanding balances at period / year end are unsecured and settlement occurs in cash.

Prices and terms of these transactions, which are entered into in the normal course of business, are on mutually agreed terms and conditions.

22.1 The Company had the following transactions with related parties during the period:

	30-Jun-26 ₹'000	30-Jun-25 ₹'000
Entities under common control:		
Oman Electricity Transmission Company SAOC		
Transmission connection charges (note 26)	13,714	13,111
Capital Projects and advances	263	-
Dhofar Integrated Services Company SAOC		
Management recharge	-	8
AMR meter purchase	311	-
Nama Electricity Supply Company SAOC		
Distribution use of system charges - revenue (note 25)	121,983	135,415
Interest on loan	-	1,553
Electricity charges	847	735
Service expense	66	-
Management recharge	33	8
Oman Water and Wastewater Services Company SAOC		
Water service charges	38	62
Shareholders:		
Electricity Holding Company SAOC		
Shareholders service charges	23	22
Service expense	-	553
Numo Institute for Competency Development LLC		
Training expenses	-	41
Nama Shared Services LLC		
IT Support service charges	56	1,525
Subsidiary:		
Mazoon Asset Company SAOC		
Interest on long-term loans - sukuks (note 29)	17,748	17,748

22.2 Key management benefits

Key management personnel are those persons who have authority and responsibility for planning, directing and

	30-Jun-26 ₹'000	30-Jun-25 ₹'000
Salaries and other short term benefits	458	427
End of service benefits	41	21
Directors' remuneration and sitting fees (note 27)	61	46
	560	494
Number of persons in key management	7	9

NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS

For the six months period ended 30 June 2026

22 RELATED PARTY TRANSACTIONS AND BALANCES (CONTINUED)

22.3 Amounts due from related parties (note 8)

	30-Jun-26 ₹'000	31-Dec-25 ₹'000
Entities under common control:		
Nama Electricity Supply Company SAOC	37,237	32,822
Majan Electricity Company SAOC	290	290
Oman Electricity Transmission Company SAOC	-	1
Wadi Al Jizzi Power Co.	-	16
Oman Water and Wastewater Services Company SAOC	766	766
Dhofar Integrated Services Company SAOC	-	308
Ghubra Power & Desalination Company SAOC	63	63
Rural Areas Electricity Company SAOC	-	190
	38,356	34,456

22.4 Amounts due to related parties (note 20)

	30-Jun-26 ₹'000	31-Dec-25 ₹'000
Entities under common control:		
Oman Electricity Transmission Company SAOC	7,642	9,409
Nama Electricity Supply Company SAOC	80	338
Majan Electricity Company SAOC	250	250
Rural Areas Electricity Company SAOC	8	8
Dhofar Integrated Services Company SAOC	327	622
Shareholders:		
Electricity Holding Company SAOC	279	282
Numo Institute for Competency Development LLC	9	11
Nama Shared Services LLC	634	765
Subsidiary:		
Mazoon Asset Company SAOC	9,027	9,157
	18,256	20,842

23 DIVIDENDS

The Board of Directors have proposed a cash dividend amounting to RO Nil for the period ended 30 June 2026. (31 December 2025: RO Nil)

24 COMMITMENTS AND CONTINGENT LIABILITIES

	30-Jun-26 ₹'000	31-Dec-25 ₹'000
Capital commitments	134,442	84,687
Letter of guarantee	-	741
	134,442	85,428

The Group has some legal cases/disputes filed by the different parties, however, management is of the view that these cases will be dismissed or final outcome will be in favour of the Group, except for those doubtful cases where provision has already been provided.

NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS

For the six months period ended 30 June 2026

25 REVENUE

	30-Jun-26 ₹'000	30-Jun-25 ₹'000
Over period of time		
Distribution use of system revenue (note 22.1)	121,983	135,415
Revenue excess of Maximum Allowed Revenue as per price control formula (note 25.1)	30,622	7,557
Less: System and security penalties	(2,091)	(1,483)
	150,514	141,489
Over period of time		
Installation and connection charges (note 17.1)	2,945	2,784
Funds for Government sponsored projects / customer contributed assets (note 17.1)	2,764	2,865
Regulatory Asset Base adjustment (note 17.1)	(1,530)	5,671
	4,179	11,320
	154,693	152,809

25.1 The Company is entitled to revenue as computed under Maximum Allowed Revenue (MAR) under the license issued by APSR. Any excess / short of actual regulated revenue as compared to the revenue computed under MAR, is reduced / added to actual revenue.

26 OPERATING COSTS

	30-Jun-26 ₹'000	30-Jun-25 ₹'000
Depreciation on property, plant and equipment (note 3.6)	49,539	47,009
Maintenance and repairs expenses	13,016	12,365
Transmission connection charges (note 22.1)	13,714	13,111
Meter reading charges	5,701	5,001
Spares and consumable expenses	2,160	1,335
Depreciation on right-of-use assets (note 4.1)	175	170
Other direct costs	71	216
	84,376	79,207

27 GENERAL AND ADMINISTRATIVE EXPENSES

	30-Jun-26 ₹'000	30-Jun-25 ₹'000
Employees' costs (note 27.1)	21,455	20,212
Services expenses	4,981	6,169
Depreciation on property, plant and equipment (note 3.6)	511	442
Depreciation on right-of-use assets (note 4.1)	693	528
Amortisation on intangible assets (note 5)	372	319
Telephone expenses	202	235
Distribution code review panel expenses	1	1
Directors' remuneration and sitting fees (note 22.2)	61	46
Provision for inventories obsolescence (note 7.1)	(158)	(248)
Legal and penalty expenses	1,376	4
Other expenses	826	351
	30,320	28,059

	30-Jun-26 ₹'000	30-Jun-25 ₹'000
27.1 Employees' costs		
Wages and salaries	12,531	11,882
Other allowances and benefits	8,886	8,283
Accruals for end of service benefits (note 19)	38	47
	21,455	20,212

NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS

For the six months period ended 30 June 2026

28 OTHER INCOME

	30-Jun-26	30-Jun-25
	<u>₹'000</u>	<u>₹'000</u>
Penalties and fines	90	599
Gain / (Loss) on termination of lease liability	(67)	(1)
Sale of Government contracts forms & tenders	221	46
Scrap sale	149	9
Miscellaneous income (note 28.1)	828	559
	<u>1,221</u>	<u>1,212</u>

28.1 The miscellaneous income is related to the management recharge and other revenues not specifically referred above.

29 FINANCE COSTS

	30-Jun-26	30-Jun-25
	<u>₹'000</u>	<u>₹'000</u>
Interest on long-term loans - sukuks	17,748	17,748
Interest on short-term borrowings	1,684	3,993
Interest on term loans	7,635	5,332
Amortized transaction cost - term loans (note 15.2)	598	452
Interest on lease liabilities (note 18.1)	566	540
Amortized transaction cost - long term loans - sukuks (note 16.1)	470	470
Amortized transaction - short term borrowings (note 21.3)	15	23
Interest on bank overdrafts	60	83
Unwinding of financial liability (note 15)	1,012	652
Bank charges	2	1
	<u>29,790</u>	<u>29,294</u>

30 TAXATION

30.1 Tax expense recognised in the interim condensed statement of comprehensive income is as follows:

	30-Jun-26	30-Jun-25
	<u>₹'000</u>	<u>₹'000</u>
<i>i) interim condensed statement of profit and loss</i>		
Deferred tax	5,822	6,946
	<u>5,822</u>	<u>6,946</u>
<i>ii) interim condensed statement of other comprehensive income</i>		
Deferred tax reversal / charge	174	(173)

The Company is subject to income tax at the rate of 15% (31 December 2025:15%) of taxable income in accordance with the Income Tax Law of the Sultanate of Oman. The deferred tax on all temporary differences have been calculated and dealt with in the statement of comprehensive income.

30.2 Movement in current tax and deferred tax payable during the period was as follows;

	30-Jun-26	30-Jun-25
	<u>₹'000</u>	<u>₹'000</u>
At 1 January	113,026	99,670
Charge for the period	5,996	6,773
At 30 June	<u>119,022</u>	<u>106,443</u>

30.3 Tax implications for Business transfer on 1 June 2023

The business transfer has tax implications on NEDC under the prevailing tax law provisions. Presently, the book NBV as of 1st June 2023 of the NESG, MJEC and RAECO is considered as addition for tax computation purpose which has resulted in recognition of higher deferred tax liability. However, the circumstances surrounding this merger warrant special consideration from the Tax Authority, the management has filed representation seeking confirmation from the Tax Authority that the electricity sector restructuring does not give rise to any income tax implications as the restructuring was done following the government directive and the Tax Authority response is awaited.

NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS

For the six months period ended 30 June 2026

31 CAPITAL MANAGEMENT

For the purpose of the Company's capital management, the capital comprise of share capital, reserves and retained earnings. There was no change in Company's approach to the capital management during the period. The primary objective of the Company's capital management is to maximise the shareholders' value.

The Company manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of the financial covenants. To maintain or adjust the capital structure, the Company may adjust the dividends payment to the shareholders, return capital to the shareholders or issue new share capital. The Company monitors capital using a gearing ratio which is 'net debt' divided by total capital plus net debt. The Company's policy is to keep the gearing ratio not exceeding 75% for debt. The Company includes within net debt, interest bearing term loans and short term borrowings, lease liabilities, bank guarantee less cash and cash equivalents.

	30-Jun-26 ₹'000	31-Dec-25 ₹'000
Net debt		
Term loans	325,850	307,906
Long term borrowings - Sukuks	670,733	670,263
Lease liabilities	17,630	18,651
Short term borrowings	71,500	71,485
Bank overdrafts	5,615	-
Less: Cash and bank balances	(33,483)	(13,756)
	1,057,845	1,054,549
Equity (excluding cash flow hedge reserve)		
Share capital	210,000	210,000
Legal reserve	68,287	68,287
Retained earnings	42,804	36,933
Shareholders' fund	424,587	424,587
	745,678	739,807
Equity and net debt	1,803,523	1,794,356
Gearing ratio	58.7%	58.8%

In order to achieve this overall objective, the Company's capital management, among other things, aims to ensure that it meets its financial covenants attached to the interest bearing term loans and borrowings that defines capital structure requirements. Breaches in meeting the financial covenants would permit the lenders to immediately call term loans and short term borrowings. There have been no breaches of the financial covenants of any interest bearing term loans and short term borrowings at current period end.

32 FINANCIAL RISK MANAGEMENT

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

- Market risk
- Credit risk
- Liquidity risk

33 EARNINGS PER SHARE

Basic earnings per share is calculated by dividing the net profit or loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the period.

	30-Jun-26 ₹'000	30-Jun-25 ₹'000
Profit for the period:	5,871	10,863
Weighted average number of shares outstanding during the period (number of shares in thousands)	210,000	200,000
Basic and diluted earnings per share (Baizas)	0.028	0.054

NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS

For the six months period ended 30 June 2026

34 SEGMENT REPORTING

The CEO and executive management team are the Company's Chief Operating Decision-Makers (CODM). The principal activity of the Company is distribution of electricity in Oman, except for Dhofar Governorate where Dhofar Integrated Services Company SAOC is licensed to provide distribution and supply of electricity and water services. There are no other economic characteristics within the Company that will lead to determination of other operating segments. Accordingly, CODM has determined that the Company has only one operating segment, which is consistent with the internal reporting and performance measurement.

35 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.

36 REGIONAL GEOPOLITICAL DEVELOPMENTS

Recent conflict in the region has created heightened risk environment and uncertainties across part of the Gulf. The company continued to monitor the on going conflicts in the region and the potential impact on its operations, estimates and judgements reflected in the preparation of interim condensed financial statement for the six months period ended 30 June 2026.

Management has assessed the potential impact on company operations based on the assessment, no material impact has been identified and accordingly no adjustments to the carrying amounts to the company assets and liabilities have been recognised in this interim condensed financial statement.

Management is actively monitoring the situation as it unfolds and continues to assess any possible implications for the Company's operations, financial standing, and future outlook.