Sweihan PV Power Company PJSC

DIRECTORS' REPORT AND
FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2025

Sweihan PV Power Company PJSC

DIRECTORS' REPORT AND FINANCIAL STATEMENTS

Year ended 31 December 2025

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Sweihan PV Power Company PJSC

DIRECTORS' REPORT

YEAR ENDED 31 DECEMBER 2025

DIRECTORS' REPORT
Year ended 31 December 2025

The Directors submit their report together with the audited financial statements of Sweihan PV Power Company PJSC (the "Company") for the year ended 31 December 2025.

Principal activity
The principal activities of the Company are to develop, finance and operate a solar photovoltaic power generation plant (the "Plant"). In 2017, the Company entered into an agreement with Sterling and Wilson Private Limited and Shapoorji Pallonji and Company Private Limited for the engineering, procurement and construction of the Plant to be located in Abu Dhabi for an amount of AED 2.92 billion. The Company entered into a power purchase agreement ("PPA") with Emirates Water and Electricity Company ("EWEC") (formerly Abu Dhabi Water and Electricity Company), a related party, (a wholly-owned subsidiary of Abu Dhabi Power Corporation ("AD Power", formerly "Abu Dhabi Water and Electricity Authority"). Under the PPA, the Company undertakes to make available, and EWEC undertakes to purchase, the Net Electrical Energy of the Plant until 2049 in accordance with agreed terms and conditions. The output payments cover variable operation and maintenance costs or penalty for actual output. The Project started Commercial Operations on 30 April 2019.

Results and appropriations
The results of the Company for the year ended 31 December 2025 are set out on page 6 of the financial statements.

Directors
The Directors as at the year-end were:

- Mr. Andreas Collor
- Mr. Mohammed Karam
- Mrs. Alina Schaaff
- Mr. Daniel Thomas Ahern
- Mr. Jia Hu
- Mr. Imad Karim Musa Saket
- Mr. Toshiyuki Mizunuma

Auditors
The financial statements have been audited by Ernst & Young (Abu Dhabi Branch) who retire and, being eligible, offer themselves for re-appointment.

On behalf of the Board

Mr. Andreas Collor
Chairman

Sweihan PV Power Company PJSC

FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2025

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INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF

SWEIHAN PV POWER COMPANY PJSC

Report on the Audit of the Financial Statements

Opinion
We have audited the financial statements of Sweihan PV Power Company PJSC (the "Company"), which comprise the statement of financial position as at 31 December 2025, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year 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 31 December 2025 and its financial performance and its cash flows for the year then ended in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board (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 Conpany in accordance with the International Ethics Standards Board for Accountants' *International Code of Ethics for Professional Accountants (including International Independence Standards)* (IESBA), as applicable to audits of financial statements of public interest entities, together with the ethical requirements that are relevant to our audit of the financial statements in the United Arab Emirates, and we have 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.

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. We have determined that there are no key audit matters to communicate in our report.

Responsibilities of management and those charged with governance for the financial statements
The management are responsible for the preparation and fair presentation of these financial statements in accordance with IFRS Accounting Standards and in compliance with the applicable provisions of the UAE Federal Law No. (32) of 2021, as amended, and the Company's Articles of Association, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

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

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.

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INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF

SWEIHAN PV POWER COMPANY PJSC continued

Report on the Audit of the Financial Statements continued

Auditor's responsibilities for the audit of the financial statements continued
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 the purpose of expressing an opinion on the effectiveness of the Company's internal control.

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

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our 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 those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our 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.

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INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF

SWEIHAN PV POWER COMPANY PJSC continued

Report on Other Legal and Regulatory Matters

Further, as required by the UAE Federal Law No. (32) of 2021, as amended, we report that for the year ended 31 December 2025:

i) the Company has maintained proper books of account;

ii) we have obtained all the information we considered necessary for the purposes of our audit;

iii) the financial statements have been prepared and comply, in all material respects, with the applicable provisions of the Company's Articles of Association and the UAE Federal Law No. 32 of 2021, as amended;

iv) the financial information included in the Director's report is consistent with the books of account of the Company;

v) there are no purchase and sale of investment in shares during the financial year ended 31 December 2025;

vi) note 7 reflects material related party transactions and the terms under which they were conducted;

vii) based on the information that has been made available to us, nothing has come to our attention which causes us to believe that the Company has contravened during the financial year ended 31 December 2025 any of the applicable provisions of the UAE Federal Law No. 32 of 2021, as amended, or of its Articles of Association which would have a material impact on its activities or its financial position as at 31 December 2025; and

viii) there are no social contributions made by the Company during the year.

Further, as required by the Decree of the Chairman of the Abu Dhabi Accountability Authority No. 88 of 2021, as amended, pertaining to Auditing the Financial Statements of Subject Entities, we report that based on the information provided to us, nothing has come to our attention that causes us to believe that the Company has not complied, in all material respects, with any of the provisions of the following laws, regulations and circulars, as applicable, which would materially affect its activities or the financial statements as at 31 December 2025:

i) Law of establishment; and
ii) relevant provisions of the applicable laws, resolutions and circulars organising the Company's operations.

For Ernst & Young

Walid J Nakfour
Registration No 5479

7 May 2026
Abu Dhabi, United Arab Emirates

Sweihan PV Power Company PJSC

STATEMENT OF FINANCIAL POSITION

At 31 December 2025

	Notes	2025 AED'000	2024 AED'000
ASSETS			
Non-current asset			
Property, plant and equipment	5	**2,456,321**	2,561,615
Current assets			
Inventories		**8,083**	8,342
Advances, prepayments and other receivables	6	**2,246**	2,373
Amount due from a related party	7	**24,638**	24,607
Cash at bank	8	**153,148**	139,674
		188,115	174,996
TOTAL ASSETS		**2,644,436**	2,736,611
EQUITY AND LIABILITIES			
Equity			
Share capital	9	**378,084**	378,084
Legal reserve	10	**11,587**	11,587
Cumulative changes in fair value of derivatives		**(108,138)**	(116,906)
Accumulated losses		**(19,810)**	(19,515)
		261,723	253,250
Loan from shareholders	13	**12,416**	22,698
Total equity		**274,139**	275,948
LIABILITIES			
Non-current liabilities			
Borrowings	11	**2,254,235**	2,326,201
Provision for employees' end of service benefits		**550**	445
		2,254,785	2,326,646
Current liabilities			
Borrowings	11	**73,273**	71,574
Accrued expenses and other payables	12	**41,435**	42,322
Amount due to a related party	7	**-**	19,961
Current tax payable	18	**804**	160
		115,512	134,017
Total liabilities		**2,370,297**	2,460,663
TOTAL EQUITY AND LIABILITIES		**2,644,436**	2,736,611

These financial statements were approved on 6 April 2026 by the Board of Directors and signed on its behalf by:

Abdulla Alkayoumi
CEO

Mr. Andreas Collor
Chairman

The attached notes 1 to 20 form part of these financial statements.

Sweihan PV Power Company PJSC

STATEMENT OF COMPREHENSIVE INCOME

Year ended 31 December 2025

	Notes	2025 AED'000	2024 AED'000
Operating lease revenues	14	**225,815**	224,134
Operating costs	15	**(119,550)**	(119,812)
GROSS PROFIT		**106,265**	104,322
General and administrative expenses	16	**(11,779)**	(15,028)
Other income		**819**	1,996
OPERATING PROFIT		**95,305**	91,290
Finance costs, net	17	**(94,796)**	(97,912)
PROFIT (LOSS) BEFORE TAX		**509**	(6,622)
Income tax expense	18	**(804)**	(160)
LOSS FOR THE YEAR		**(295)**	(6,782)
Other comprehensive income			
Items that may be reclassified to profit or loss			
Amortisation of unwinding costs on cashflow hedges		**8,768**	8,768
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		**8,473**	1,986

The attached notes 1 to 20 form part of these financial statements.

Sweihan PV Power Company PJSC

STATEMENT OF CHANGES IN EQUITY

Year ended 31 December 2025

	Share capital AED'000	*Legal reserve AED'000*	*Cumulative changes in fair value of derivatives AED'000*	*Accumulated losses AED'000*	*Total AED'000*	*Loan from shareholders AED'000*	*Total equity AED'000*
At 1 January 2024	378,084	11,587	(125,674)	(12,733)	251,264	55,751	307,015
Total comprehensive income / (loss) for the year	-	-	8,768	(6,782)	1,986	-	1,986
Repayment of loan from the shareholders (note 13)	-	-	-	-	-	(33,053)	(33,053)
At 31 December 2024	378,084	11,587	(116,906)	(19,515)	253,250	22,698	275,948
At 1 January 2025	378,084	11,587	(116,906)	(19,515)	253,250	22,698	275,948
Total comprehensive income / (loss) for the year	-	-	8,768	(295)	8,473	-	8,473
Repayment of loan from the shareholders (note 13)	-	-	-	-	-	(10,282)	(10,282)
At 31 December 2025	**378,084**	**11,587**	**(108,138)**	**(19,810)**	**261,723**	**12,416**	**274,139**

The attached notes 1 to 20 form part of these financial statements.

STATEMENT OF CASH FLOWS

Year ended 31 December 2025

	Notes	2025 AED'000	2024 AED'000
OPERATING ACTIVITIES			
Profit (loss) before tax		**509**	(6,622)
Adjustments for:			
Depreciation of property, plant and equipment	5	**105,484**	105,484
Finance costs	17	**97,177**	100,203
Provision for employees' end of service benefits		**105**	216
Interest income	17	**(2,381)**	(2,291)
Operating cash flows before changes in working capital		**200,894**	196,990
Working capital changes:			
Advances, prepayments and other receivables		**127**	802
Amount due from a related party		**(31)**	(440)
Inventories		**259**	477
Amount due to a related party		**(19,961)**	-
Accrued expenses and other payables		**420**	(2,990)
Cash generated from operations		**181,708**	194,839
Income tax paid	18	**(160)**	-
Net cash flows generated from operating activities		**181,548**	194,839
INVESTING ACTIVITIES			
Additions to property, plant and equipment	5	**(190)**	-
Interest income received	17	**2,381**	2,291
Net cash flows generated from investing activities		**2,191**	2,291
FINANCING ACTIVITIES			
Finance costs paid		**(88,409)**	(91,435)
Repayment of loan from shareholders	13	**(10,282)**	(33,053)
Net movement in restricted cash	8	**(2,573)**	(2,520)
Repayments of principal portion of borrowings	11	**(71,574)**	(65,886)
Net cash flows used in financing activities		**(172,838)**	(192,894)
NET INCREASE IN CASH AND CASH EQUIVALENTS		**10,901**	4,236
Cash and cash equivalents at the beginning of the year		**133,616**	129,380
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	8	**144,517**	133,616

The attached notes 1 to 20 form part of these financial statements.

1 GENERAL INFORMATION

Sweihan PV Power Company PJSC (the "Company") is a private joint stock Company registered and incorporated in the United Arab Emirates ("UAE") by Ministerial Resolution No. 470 of 2005 on 27 December 2005 and in accordance with UAE Federal Law No. (2) of 2015 (as amended). The Company is 60% owned by Sweihan Energy Holding Company PJSC and 40% owned by Sweihan Solar Holding Company Limited. The ultimate parent of the Company is the Government of Abu Dhabi.

The Company is registered under commercial license No. CN-2308406. The Company's registered head office is P O Box 147455, Abu Dhabi, United Arab Emirates.

The principal activities of the Company are to develop, finance and operate a solar photovoltaic power generation plant (the "Plant"). The Company has entered into a power purchase agreement ("PPA") with Emirates Water and Electricity Company ("EWEC", formerly "Abu Dhabi Water and Electricity Company"), a related party. Under the PPA, the Company undertakes to make available, and EWEC undertakes to purchase, the Net Electrical Energy of the Plant until 2049 in accordance with agreed terms and conditions. The Company and/or EWEC can terminate the PPA Agreement in an event that any of the parties cannot perform any of their respective obligations set out in the PPA. The output payments cover variable operation and maintenance costs or penalty for actual output. The Project started Commercial Operations on 30 April 2019.

Operation and maintenance activities of the plant were performed by Sterling and Wilson Private Limited and Shapoorji Pallonji and Company Private Limited whereby they have undertaken, as part of EPC contract, to manage the day-to-day operations and maintain the Plant for two years from the provisional acceptance date. From June 2022, the Company started to manage the day-to-day operations and maintenance of the Plant. On 21 December 2023 the Company issued the Final Acceptance Certificate to the EPC contractor.

The Company has not purchased or invested in any shares during the financial year ended 31 December 2025.

The financial statements of the Company for the year ended 31 December 2025 were authorised for issue by the Board of the Directors on 6 April 2026.

2 BASIS OF PREPARATION AND MATERIAL ACCOUNTING POLICIES

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

2.1 Statement of compliance

These financial statements comply with IFRS Accounting Standards as issued by the International Accounting Standards Board (IASB) and in compliance with the applicable provisions of the UAE Federal Law No. (32) of 2021, as amended. These financial statements have been prepared under the historical cost basis.

The preparation of the financial statements in conformity with IFRS Accounting Standards requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Company's accounting policies as disclosed in note 4.

2.2 Changes in accounting policies

The accounting policies adopted are consistent with those of the previous financial year, except for the adoption of the following new standards, interpretations and amendments effective as of 1 January 2025. The Company has not early adopted any other standard, interpretation or amendment that has been issued but is not yet effective.

- Lack of exchangeability – Amendments to IAS 21

These amendments had no significant impact on the financial statements of the Company.

2 BASIS OF PREPARATION AND MATERIAL ACCOUNTING POLICIES continued

2.3 New and amended standards and interpretations

The following new standards / amendments to standards which were issued up to 31 December 2025 and are not yet effective for the year ended 31 December 2025 have not been applied while preparing these financial statements.

- IFRS 18 Presentation and Disclosure in Financial Statements
- IFRS 19 Subsidiaries without Public Accountability: Disclosures
- Amendments to the Classification and Measurement of Financial Instruments-Amendments to IFRS 9 and IFRS 7
- Annual Improvements to IFRS Accounting Standards - Volume 11
- Contracts Referencing Nature-dependent Electricity-Amendments to IFRS 9 and IFRS 7

The Company does not expect that the adoption of these new and amended standards and interpretations, other than IFRS 18 which will have a material impact on its financial statements. The Company is currently working to identify all the potential impacts of IFRS 18 on its financial statements in the future.

2.4 Property, plant and equipment

Property, plant and equipment are stated at historical cost less accumulated depreciation and impairment. Historical cost includes expenditure that is directly attributable to the acquisition of the asset. Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably.

All other repairs and maintenance expenses are charged to the statement of comprehensive income during the financial period in which they are incurred. Depreciation is calculated using the straight-line method to allocate the assets' cost to their residual values over their estimated useful lives as follows:

	Years
Solar plant	30

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each reporting date. An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount. Gains and losses on disposals are determined by comparing proceeds with the carrying amount and are included in the statement of comprehensive income.

2.5 Capital work in progress

Assets in the course of construction or under inspection pending certification for their intended use, are carried at cost as capital work in progress, and transferred to property, plant and equipment when available for use. All costs directly attributable to bringing the asset to the location and condition necessary for it to be used in the manner intended by management, are included in the cost of the asset. No depreciation is charged on such assets until available for use.

Borrowing costs that are attributable to the acquisition or construction of qualifying assets are capitalised as part of the cost of such assets. A qualifying asset is one that takes a substantial period of time to get ready for its intended use. All other borrowing costs are recognised as profit or loss in the period in which they are incurred.

2.6 Foreign currency translation

Functional and presentation currency
Items included in the financial statements of the Company are measured using the currency of the primary economic environment in which the Company operates ('the functional currency'). The financial statements are presented in United Arab Emirates Dirhams ("AED"), which is the Company's functional and presentation currency.

2 BASIS OF PREPARATION AND MATERIAL ACCOUNTING POLICIES continued

2.6 Foreign currency translation continued

Transactions and balances
Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the statement of comprehensive income.

2.7 Financial assets

Classification
The Company classifies its financial assets in the following measurement categories:

- those to be measured subsequently at fair value (either through OCI, or through profit or loss), and
- those to be measured at amortised cost.

The classification depends on the entity's business model for managing the financial assets and the contractual terms of the cash flows.

For assets measured at fair value, gains and losses will either be recorded in profit or loss or OCI. For investments in equity instruments that are not held for trading, this will depend on whether the Company has made an irrevocable election at the time of initial recognition to account for the equity investment at fair value through other comprehensive income (FVOCI). The Company reclassifies debt investments when and only when its business model for managing those assets changes.

Recognition and derecognition
The purchases and sales of financial assets are recognised on trade-date, the date on which the Company commits to purchase or sell the asset. Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Company has transferred substantially all the risks and rewards of ownership.

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 financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Company's business model for managing them. 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.

In order for a financial asset to be classified and measured at amortised cost or fair value through OCI, it needs to give rise to cash flows that are 'solely payments of principal and interest ("SPPI")' on the principal amount outstanding. This assessment is referred to as the SPPI test and is performed at an instrument level. The Company's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both.

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

a) Financial assets at amortised cost (debt instruments, cash and cash equivalents and trade receivables);
b) Financial assets at fair value through OCI with recycling of cumulative gains and losses (debt instruments);
c) Financial assets designated at fair value through OCI with no recycling of cumulative gains and losses upon derecognition (equity instruments);
d) Financial assets at fair value through profit or loss.

2 BASIS OF PREPARATION AND MATERIAL ACCOUNTING POLICIES continued

2.7 Financial assets continued

Impairment
The Company's amount due from a related party, other receivables and cash at bank are subject to IFRS 9's expected credit loss model. However, the identified impairment loss was negligible on these financial assets.

The Company applies the IFRS 9 simplified approach to measure the expected credit losses, which uses a lifetime expected loss allowance for amount due from a related party.

To measure the expected credit losses, other receivables have been grouped based on shared credit risk characteristics and the days past due. The loss allowance for other receivables are based on assumptions about risk of default and expected loss rates. Management uses judgement in making these assumptions and selecting the inputs to the impairment calculation which are applied to the exposure at default to arrive at the expected credit losses at the reporting date. Management base their assumptions on the Company's historical data, existing market conditions as well as forward looking estimates.

The amount due from a related party consists of only one customer, EWEC, which is ultimately held by the Government of Abu Dhabi.

Other receivables balances are written off when there is no reasonable expectation of recovery. Indicators that there is no reasonable expectation of recovery include, amongst others, the failure of a debtor to engage in a repayment plan with the Company, and a failure to make contractual payments per case by case basis.

2.8 Offsetting of financial assets

Financial assets and liabilities are offset and the net amount reported in the statement of financial position when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the assets and settle the liability simultaneously.

2.9 Fair value of financial instruments

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:

a) In the principal market for the asset or liability; or
b) 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 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.

2 BASIS OF PREPARATION AND MATERIAL ACCOUNTING POLICIES continued

2.9 Fair value of financial instruments continued

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

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 at the end of each reporting year.

For the purpose of fair value disclosures, the Company has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

2.10 Other receivables

Other receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method less provision for expected credit losses.

2.11 Cash and cash equivalents

Cash and cash equivalents include cash on hand and current accounts held with a bank less company's restricted bank account for Maintenance Reserve Account .

2.12 Derivatives

Derivatives are initially recognised at fair value on the date a derivative contract is entered into, and they are subsequently remeasured to their fair value at the end of each reporting period. The accounting for subsequent changes in fair value depends on whether the derivative is designated as a hedging instrument and, if so, the nature of the item being hedged. The Company designates certain derivatives as:

- Hedges of the fair value of recognised assets or liabilities or a firm commitment (fair value hedges);
- Hedges of a particular risk associated with the cash flows of recognised assets and liabilities and highly probable forecast transactions (cash flow hedges);
- Hedges of a net investment in a foreign operation (Net investment hedges).

At inception of the hedge relationship, the Company documents the economic relationship between hedging instruments and hedged items, including whether changes in the cash flows of the hedging instruments are expected to offset changes in the cash flows of hedged items. The Company documents its risk management objective and strategy for undertaking its hedge transactions.

The full fair value of a hedging derivative is classified as a non-current asset or liability when the remaining maturity of the hedged item is more than 12 months; it is classified as a current asset or liability when the remaining maturity of the hedged item is less than 12 months.

2 BASIS OF PREPARATION AND MATERIAL ACCOUNTING POLICIES continued

2.12 Derivatives continued

Cash flow hedges that qualify for hedge accounting
The effective portion of changes in the fair value of derivatives that are designated and qualify as cash flow hedges is recognised in the cash flow hedge reserve within equity. The gain or loss relating to the ineffective portion is recognised immediately in profit or loss, within other gains/(losses).

Where option contracts are used to hedge forecast transactions, the company designates only the intrinsic value if the option as the hedging instrument.

Gains or losses relating to the effective portion of the change in intrinsic value of the options are recognised in the cash flow hedge reserve within equity. The changes in the time value of the options that relate to the hedged item ('aligned time value') are recognised within OCI in the costs of hedging reserve within equity.

When forward contracts are used to hedge forecast transactions, the Company generally designates only the change in fair value of the forward contract related to the spot component as the hedging instrument. Gains or losses relating to the effective portion of the change in the spot component of the forward contracts are recognised in the cash flow hedge reserve within equity. The change in the forward element of the contract that relates to the hedged item ('aligned forward element'), if material, is recognised in OCI within equity. In some cases, the entity may designate the full change in fair value of the forward contract (including forward points) as the hedging instrument. In such cases, the gains or losses relating to the effective portion of the change in fair value of the entire forward contract are recognised in the cash flow hedge reserve within equity.

Amounts accumulated in equity are reclassified in the periods when the hedged item affects profit or loss, as follows:

- The gain or loss relating to the effective portion of the interest rate swaps hedging variable rate borrowings is recognised in profit or loss within finance cost at the same time as the interest expense on the hedged borrowings.

When a hedging instrument expires, is sold or terminated, or when a hedge relationship no longer qualifies for cash flow hedge accounting, the cumulative effective portion of the gain or loss and any deferred costs of hedging recognised in other comprehensive income at that date are retained in equity within the cash flow hedge reserve, provided the forecast transaction remains highly probable. The amounts accumulated in the cash flow hedge reserve are reclassified to profit or loss in the same period or periods during which the hedged forecast cash flows affect profit or loss. When the forecast transaction is no longer expected to occur, the cumulative amounts recognised in equity are immediately reclassified to profit or loss.

Derivatives that do not qualify for hedge accounting
Changes in the fair value of any derivative instrument that does not qualify for hedge accounting are recognised immediately in profit or loss and are included in other gains/(losses).

2.13 Trade payables

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Trade payable are classified as current liabilities if payment is due within one year or less (or in the normal operating cycle of the business if longer). If not, they are presented as non-current liabilities. Trade payables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method.

2.14 Provisions

Provisions are recognised when the Company has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and the amount can be reliably estimated. Provisions are not recognised for future operating losses.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

2 BASIS OF PREPARATION AND MATERIAL ACCOUNTING POLICIES continued

2.14 Provisions continued

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a rate that reflects current market assessments of the time value of money and risks specific to the obligation. Increases in provisions due to the passage of time are recognised as 'finance costs'.

2.15 Amount due from a related party

Amount due from a related party represent the lease receivable for operating lease revenue in the ordinary course of business. If the collection is expected in one year or less (or in the normal operating cycle of the business if longer), they are classified as current assets. If not, they are presented as non-current asset.

Amount due from a related party is recognised initially at the amount of consideration, unless they contain significant financing components, when they are recognised at fair value. The Company holds the amounts due from a related party with the objective of collecting the contractual cash flows and therefore measures them subsequently at amortised cost using the effective interest method.

When applicable, the carrying amount of the asset is reduced through the use of a provision account, and the amount of the loss is recognised in the statement of comprehensive income. When an amount due from a related party is uncollectible, it is written off against the provision for impairment over the amount due from a related party. Subsequent recoveries of amounts previously written off are credited against the statement of comprehensive income. The Company applies IFRS 9 simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for amount due from a related party.

2.16 Revenue recognition

Operating lease revenues
Output and operational & maintenance revenue is recognised as operating lease revenues in accordance with the contractual terms of the PPA, to the extent output energy has been made available to EWEC during the period. The PPA agreement does not contain a minimum output requirement. Hence, the revenue is not contractually fixed and this contract is accounted for as operating lease. The operating lease revenue calculated with reference to kWh of electricity produced in the measuring point of the electricity grid. The selling price per unit is calculated in accordance with the mechanism set out in the PPA and includes both the capital and operational & maintenance components of the electrical energy payment.

2.17 Other income

Other income in respect of revenue generated prior to Project Commercial Operation Date is recognised over-time.

2.18 Share capital

Ordinary shares are classified as equity.

2.19 Impairment of non-financial assets

Assets that are subject to amortisation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units). Non-financial assets that suffered impairment are reviewed for possible reversal of the impairment at each reporting date.

Assets in the course of construction or under inspection pending certification/approval for their intended use, are carried at cost as capital work-in-progress, and transferred to property and equipment when available for use. All costs directly attributable to bringing the asset to the location and condition necessary for it to be used in the manner intended by management, are included in the cost of the asset. No depreciation is charged on such assets until available for use.

2 BASIS OF PREPARATION AND MATERIAL ACCOUNTING POLICIES continued

2.20 Value added tax

Output value added tax related to sales is payable to tax authorities on the earlier of (a) collection of receivables from customers or (b) delivery of goods or services to customers. Input VAT is generally recoverable against output VAT upon receipt of the VAT invoice. The tax authorities permit the settlement of VAT on a net basis. VAT related to sales and purchases is recognised in the statement of financial position on a net basis and disclosed as an asset and liability. Where provision has been made for the ECL of receivables, the impairment loss is recorded for the gross amount of the debtor, including VAT.

2.21 Bank borrowings

Borrowings are recognised initially at fair value, net of transaction costs incurred. Borrowings are subsequently stated at amortised cost; any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in the statement of comprehensive income over the period of the borrowings using the effective interest method. Term loans are classified as a non-current liability as the Company has an unconditional right to defer settlement of the liability for more than 12 months after the reporting date.

Commitment fees paid on establishment or extending of loan facilities are recognised as transaction costs of the facility to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw-down occurs. To the extent there is no evidence that it is probable that some or all of the facility will not be drawn down, the fee is capitalised as a pre-payment for liquidity services and amortised over the period of the facility to which it relates.

2.22 Dividends

Provision is made for the amount of any dividend declared, being appropriately authorised and no longer at the discretion of the entity, on or before the end of the reporting period but not distributed at the end of the reporting period.

2.23 Employees' benefits

An accrual is made for the estimated liability for employees' entitlements to annual leave and leave passage as a result of services rendered by the employees up to the statement of financial position date. A provision is made for the end of service benefits due to employees in accordance with the UAE Labour Law for their periods of service up to the statement of financial position date. The accrual relating to annual leave and leave passage is included in trade and other payables.

2.24 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 considèration.

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.

2 BASIS OF PREPARATION AND MATERIAL ACCOUNTING POLICIES continued

2.24 Leases continued

Company as a lessee continued

i) 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. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the asset.

If ownership of the leased asset transfers to the Company at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset.

ii) 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 the lease, if the lease term reflects the Company exercising the option to terminate. Variable lease payments that do not depend on an index or a rate are recognised as expenses (unless they are incurred to produce inventories) in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Company uses its incremental borrowing rate at the lease commencement date because 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., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

2.25 Inventories

Inventories are stated at the lower of cost and net realisable value after adjusting allowance for any slow and non-moving items. Inventories are valued at the weighted average basis and comprises purchase price, freight and other charges incurred in bringing inventory to its present location and condition. Net realisable value is the estimated selling price in the ordinary course of business, less estimated selling expenses.

2.26 Current versus non-current classification

The Company presents assets and liabilities in the statement of financial position based on current/non-current classification. An asset is current when it is:

a) Expected to be realised or intended to be sold or consumed in the normal operating cycle;
b) Held primarily for the purpose of trading;
c) Expected to be realised within twelve months after the reporting period; or
d) 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.

2 BASIS OF PREPARATION AND MATERIAL ACCOUNTING POLICIES continued

2.26 Current versus non-current classification continued

A liability is current when:

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

All other liabilities are classified as non-current.

2.27 Income tax expense

The tax expense for the period comprises current and deferred tax. Tax is recognized in the statement of comprehensive income except to the extent that it relates to a business combination, or items recognized directly in equity or in other comprehensive income.

Current tax comprises the expected tax payable or receivable on the taxable income or loss for the year and any adjustment to tax payable or receivable in respect of previous years. It is measured using tax rates enacted or substantively enacted at the reporting date.

Deferred tax is recognised on all temporary differences at the reporting date between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit, with the following exceptions:

- Where the temporary difference arises from the initial recognition of goodwill or of an asset or liability in a transaction that is not a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss;

- In respect of taxable temporary differences associated with investments in subsidiaries, associates and joint ventures, where the timing of reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future; and

- Deferred tax assets are recognised only to the extent that it is probable that a taxable profit will be available against which the deductible temporary differences and carried forward tax credits or tax losses can be utilized.

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

Deferred tax assets and liabilities are measured on an undiscounted basis at the tax rates that are expected to apply when the asset is realised or the liability is settled, based on tax rates and tax laws enacted or substantively enacted at the reporting date.

Current and deferred tax is charged or credited directly to other comprehensive income or equity if it relates to items that are credited or charged to, respectively, other comprehensive income or equity. Otherwise, income tax is recognised in the statement of comprehensive income.

3 FINANCIAL RISK MANAGEMENT

3.1 Financial risk factors

The Company's activities expose it to a variety of financial risks: market risk, credit risk and liquidity risk. The Company's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Company's financial performance.

(a) Market risk

(i) Foreign exchange risk

Foreign exchange risk arises when future commercial transactions or recognised assets or liabilities are denominated in a currency that is not entity's functional currency. The Company does not have any significant foreign currency exposure, as a significant proportion of the transactions are denominated in AED or currencies pegged to the AED.

AED is pegged to USD at a fixed rate of exchange.

(ii) Price risk

Price risk is the risk that the value of a financial instrument will fluctuate as a result of changes in market prices, whether those changes are caused by factors specific to the individual instrument or its issuer or factors affecting all the instruments traded in the market. The Company has no significant exposure to price risk.

(iii) Cash flow and fair value 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 is not exposed to interest rate risk on its borrowings as the borrowings carry fixed interest rate.

(b) Credit risk

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. The Company's exposure to credit risk arises from cash at bank and amount due from a related party. For bank and financial institutions, only independently rated parties with a good reputation are accepted.

As set out in note 2.7, the amount due from a related party consists of only one customer, EWEC, which is ultimately held by the Government of Abu Dhabi, accordingly, the balance due from EWEC are considered low credit risk and furthermore, the Company has not experienced any default from EWEC since the commencement of the Plant's commercial operations in 2019. Refer to note 7 for information on balances and transactions.

For other receivables, the Company assesses the credit quality of the customers, taking into account their financial position, past experience and other factors. Individual risk limits are set in accordance with limits set by the management.

Based on management's impairment assessment, there is no provision required in respect of other receivables transactions, as these balances are considered to have low credit risk and the Company has not experienced any material default from these receivables. The compliance with credit limits by customers is regularly monitored by management.

3 FINANCIAL RISK MANAGEMENT continued

3.1 Financial risk factors continued

(c) Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Company's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation.

Prudent liquidity risk management implies maintaining sufficient cash and cash equivalents, and the availability of funding through an adequate amount of committed credit facilities to reduce the risk that an entity would be unable to meet financial commitments. The Company has cash and cash equivalents on hand at 31 December 2025 of AED 144,517 thousand (2024: AED 133,616 thousand). The tables below analyse the Company's financial liabilities into relevant maturity groupings based on their contractual maturities for all non-derivative financial liabilities.

3 FINANCIAL RISK MANAGEMENT continued

3.1 Financial risk factors continued

(c) Liquidity risk continued

The amounts disclosed in the table, other than the carrying amount, are the contractual undiscounted cash flows.

	Carrying amount AED'000	*1 year or less AED'000*	*Between 1 to 5 years AED'000*	*More than 5 years AED'000*	*Total AED'000*
Maturities of financial liabilities at 31 December 2025					
Other payables	**2,462**	**2,462**	**-**	**-**	**2,462**
Borrowings	**2,357,756**	**158,898**	**632,434**	**2,699,702**	**3,491,034**
	2,360,218	**161,360**	**632,434**	**2,699,702**	**3,493,496**
Maturities of financial liabilities at 31 December 2024					
Other payables	2,532	2,532	-	-	2,532
Amount due to a related party	19,961	19,961	-	-	19,961
Borrowings	2,429,328	159,844	633,598	2,857,436	3,650,878
	2,451,821	182,337	633,598	2,857,436	3,673,371

The category more than 5 years includes the repayment of borrowings until their maturity in the year 2049.

3 FINANCIAL RISK MANAGEMENT continued

3.2 Capital risk management

The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern in order to provide returns for shareholders and benefits for the other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the Company may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt. Consistent with others in the industry, the Company monitors capital on the basis of the gearing ratio.

The Company monitors capital on the basis of its gearing ratio. This ratio is calculated as net debt divided by total equity plus net debt. Net debt is calculated as total borrowings (including current and non-current borrowings as shown in the statement of financial position) less cash and cash equivalents. Total capital is calculated as total equity as shown in the statement of financial position plus net debt.

The gearing ratio at 31 December is as follows:

	2025 *AED'000*	*2024* *AED'000*
Total borrowings (note 11)	**2,327,508**	2,397,775
Other payables (note 12)	**2,462**	2,532
Amount due to a related party (note 7)	**-**	19,961
Less: cash and cash equivalents (note 8)	**(144,517)**	(133,616)
Net debt	**2,185,453**	2,286,652
Total equity	**274,139**	275,948
Total capital	**2,459,592**	2,562,600
Gearing ratio	**88.85%**	89.23%

4 SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The Company makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates, assumptions and judgments that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are as follows:

(a) Useful lives of property, plant and equipment

The Company assigns useful lives and residual values to property, plant and equipment based on the intended use of assets and the economic lives of those assets. Subsequent changes in circumstances such as technological advances or prospective utilisation of the assets concerned could result in the actual useful lives or residual values differing from initial estimates. The Company has reviewed the residual values and useful lives of major items of property, plant and equipment and determined that no adjustment is necessary.

4 SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS continued

(b) Expected credit losses on financial assets

The expected credit loss charge reflects estimates of losses that may arise from the failure or inability of the parties concerned to make the required payments or the time value of money. The charge is based on the expected credit losses on trade and other receivables that have been grouped together based on their shared credit risk characteristics, the party's credit worthiness and historic write-off experience. Changes to the estimated expected credit loss allowance may be required if the financial condition of the customers was to improve or deteriorate.

(c) Service Concession Arrangements

IFRIC Interpretation 12 Service Concession Arrangements applies to service concession operations and explains how to account for the obligations undertaken and rights received in service concession arrangements. The Company has entered into a power purchase agreement ("PPA") with EWEC. Based on the terms of the PPA, management has determined that EWEC does not control any residual interest in the plant at the end of the term of the PPA and therefore does not consider the PPA to fall within the scope of IFRIC Interpretation 12 Service Concession Arrangements.

(d) Operating Lease Commitments — Company as Lessor

As described above, the Company has entered into a long-term PPA and as it does not contain a minimum output requirement. Hence, the revenue is not contractually fixed and accordingly this agreement is accounted for as an operating lease.

5 PROPERTY, PLANT AND EQUIPMENT

	Solar plant	
	2025	*2024*
	AED'000	*AED'000*
Cost:		
At 1 January	**3,158,924**	3,158,924
Additions*	**190**	-
At 31 December	**3,159,114**	3,158,924
Depreciation:		
At 1 January	**597,309**	491,825
Charge for the year	**105,484**	105,484
At 31 December	**702,793**	597,309
Net book value:		
At 31 December	**2,456,321**	2,561,615

Depreciation expense is recognised as an operating cost (note 15).

*At 31 December 2025, the additions of AED 190 thousand were recognised as a capital work-in-progress.

6 ADVANCES, PREPAYMENTS AND OTHER RECEIVABLES

	2025 AED'000	*2024 AED'000*
Prepayments	**2,004**	2,089
Advance to supplier	**151**	193
Other receivables	**91**	91
	2,246	2,373

The carrying value of other receivables approximates their fair value. The maximum exposure to credit risk at the reporting date is the carrying value of other receivables mentioned above, that meet definition of financial instruments. Prepayments do not fall in the scope of IFRS 7, Financial Instruments: Disclosure. The Company does not hold any collateral as security.

7 RELATED PARTY BALANCES AND TRANSACTIONS

Related parties represent Government of Abu Dhabi, associated companies, shareholders, directors and key management personnel of the Company, and entities controlled, jointly controlled or significantly influenced by such parties. Pricing policies and terms of these transactions are approved by the Company's management.

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

	2025 AED'000	*2024 AED'000*
Amount due from a related party		
Emirates Water & Electricity Company (EWEC)	**24,638**	24,607
Amount due to a related party		
Jinko Solar Group	**-**	(19,961)
Equity		
Loan from shareholders (note 13)	**12,416**	22,698

During the year, the Company entered into the following significant transactions with related parties in the ordinary course of business, carried out on terms and conditions, agreed between the parties.

	2025 AED'000	*2024 AED'000*
Operating lease revenues generated from a related party (note 14)	**225,815**	224,134

Other transactions
The activities of the Company are carried out from premises and equipment constructed on land leased from AD Power at a nominal amount of AED 1. The initial term of the lease is 30 years. Leasehold land is carried in the books at nil value.

8 CASH AT BANK

	2025 AED'000	*2024 AED'000*
Cash at bank:		
Current accounts	**153,148**	139,674
Less: Company's restricted bank account for borrowings repayment*	**(8,631)**	(6,058)
Cash and cash equivalents	**144,517**	133,616

*In accordance with the Bonds agreement, the Company is required to maintain sufficient funds, named as Maintenance Reserve Account ("MRA") for repayment purposes.

9 SHARE CAPITAL

Share capital comprises of 37,808,380 (2024: 37,808,380 shares) ordinary shares of AED 10 each fully issued and paid. Based on the Board of Directors resolution dated 1 May 2019, the Company capital increased to AED 378,084 thousand from AED 5,000 thousand. During 2019, an increase in capital was funded through repayment by the shareholders of the equity bridge loan of an amount of AED 315,227 thousand and capitalisation of AED 57,857 thousand from the loan from shareholders.

10 LEGAL RESERVE

The UAE Federal Law No. (32) of 2021, as amended, and the Company's Articles of Association required the Company to transfer 10% of its profit for the year to a legal reserve, which is non-distributable. Transfers to this reserve were required to be made until such time as it equalled at least 50% of the paid up share capital of the Company.

11 BORROWINGS

	2025 AED	*2024 AED*
Interest bearing borrowings - Bonds	**2,327,508**	2,397,775

Disclosed in the statement of financial position as follows:

	2025 AED	*2024 AED*
Current	**73,273**	71,574
Non-current	**2,254,235**	2,326,201
	2,327,508	2,397,775

11 BORROWINGS continued

The carrying amount of borrowings presented in the statement of financial position is net of unamortized issuance cost and it is detailed as follows:

	2025 AED'000	*2024 AED'000*
Borrowings	**2,357,756**	2,429,328
Less: unamortised issuance cost	**(30,248)**	(31,553)
	2,327,508	2,397,775

The Bonds bear interest from the date of issuance at a rate of 3.625% per annum, payable semi-annually in arrear on 31 January and 31 July of each year, beginning on 31 July 2022. Principal on the Bonds will be repayable in semi-annual instalments, pursuant to an amortization schedule set forth herein, on 31 January and 31 July of each year, beginning 31 July 2022. The Bonds will mature on 31 January 2049.

Changes in liabilities arising from financing activities
The table below details changes in the Company's liabilities arising from financing activities, including cash and non-cash changes. Liabilities arising from financing activities are those for which cash flows were, or future cash flows will be, classified in the Company's statement of cash flows as cash flows used in financing activities.

	1 January 2025 AED'000	*Cash flows AED'000*	*Other AED'000*	*31 December 2025 AED'000*
Current:				
Interest bearing borrowings - Bonds	**71,574**	**(71,574)**	**73,273**	**73,273**
Non-current:				
Interest bearing borrowings - Bonds	**2,326,201**	**-**	**(71,966)**	**2,254,235**
Total	**2,397,775**	**(71,574)**	**1,307**	**2,327,508**

	1 January 2024 AED'000	*Cash flows AED'000*	*Other AED'000*	*31 December 2024 AED'000*
Current:				
Interest bearing borrowings - Bonds	65,886	(65,886)	71,574	71,574
Non-current:				
Interest bearing borrowings - Bonds	2,396,469	-	(70,268)	2,326,201
Total	2,462,355	(65,886)	1,306	2,397,775

Key financial covenants
Under the terms of the major borrowing facilities, the Company is required to comply with the certain financial covenants:

- the DSCR for the DSCR Period in relation to the most recent Calculation Date falling prior to the date of such drawing (as finally determined) was at least 1.10:1; and
- sufficient funds are set aside in designated bank account as Maintenance Reserved Account ("MRA") up to 31 January 2028.

The Company has complied with these covenants throughout the reporting period.

12 ACCRUED EXPENSES AND OTHER PAYABLES

	2025 AED'000	*2024 AED'000*
Accrued expenses	**38,973**	39,790
Other payables	**2,462**	2,532
	41,435	42,322

13 LOAN FROM SHAREHOLDERS

In compliance with the obligations defined in the Shareholders' Agreement, Sweihan Energy Holding Company PJSC and Sweihan Solar Holding Company advanced to the Company a total amount of AED 380,830 thousand (60% and 40% respectively) under the form of shareholder subordinated loan for which terms and conditions are defined within the Equity Bridge Loan ("EBL") Agreement. The loan from shareholders was fully drawn during 2017. On the EBL repayment date, the Company converted a portion of the loan as share capital representing part paid shares held by Sweihan Energy Holding Company PJSC and Sweihan Solar Holding Company. The remaining amount remains as interest free loan and is payable at the discretion of the Company. Accordingly, the loan has been classified within equity in the statement of financial position. During the year ended 31 December 2025 an amount of AED 10,282 thousand (2024: AED 33,053 thousand) was paid based on the approval of the board of directors of the Company.

14 OPERATING LEASE REVENUES

	2025 AED'000	*2024 AED'000*
Output revenue	**198,974**	198,312
Operation and maintenance revenue	**26,841**	25,822
	225,815	224,134

The Company derives revenue from the selling of energy over time in the following major product line and geographical region:

	2025 AED'000	*2024 AED'000*
Timing of revenue recognition		
Over time	**225,815**	224,134
Geographical markets		
Revenue generated within UAE	**225,815**	224,134

15 OPERATING COSTS

	2025 AED'000	*2024 AED'000*
Operation and maintenance service charges	**14,066**	14,328
Depreciation (note 5)	**105,484**	105,484
	119,550	119,812

16 GENERAL AND ADMINISTRATIVE EXPENSES

	2025 AED'000	*2024 AED'000*
Staff costs	**4,528**	5,500
Insurance	**4,174**	4,031
Utilities expense	**1,040**	1,034
License and registration fees	**713**	682
Legal fees	**531**	264
Information technology expenses	**312**	330
Audit fees	**189**	165
Others	**292**	407
Consultancy fees	**-**	2,615
	11,779	15,028

Audit fees includes fee of AED 57 thousand (2024: AED 55 thousand) with respect to opinion on effectiveness of internal control over financial reporting.

17 FINANCE COSTS, NET

	2025 AED'000	*2024 AED'000*
Interest on bonds	**85,947**	89,013
OCI - SWAP unwinding cost	**8,768**	8,768
Other interest expense	**2,462**	2,422
Interest income	**(2,381)**	(2,291)
	94,796	97,912

18 INCOME TAX

The Company calculates the income tax expense using the tax rate that would be applicable to the expected total annual earnings.

18.1 Amount recognised in the statement of comprehensive income

The major components of income tax expense for the years ended 31 December 2025 and 31 December 2024:

	2025 AED'000	*2024 AED'000*
Income tax		
Current income tax expense	**804**	160

18 INCOME TAX continued

18.2 Income tax payable

The movement in the current taxation account is as follows:

	2025 AED'000	*2024 AED'000*
Balance at 1 January	**160**	-
Current tax expense	**804**	160
Tax paid during the year	**(160)**	-
Balance at 31 December	**804**	160

18.3 Reconciliation of accounting income

The accounting profit before tax has been reconciled to the accounting profit subject to tax and the reconciliation between income tax expense and the product of accounting profit subject to tax multiplied by income tax rate for the year ended 31 December as follows:

	2025 AED'000	*2024 AED'000*
Accounting profit (loss) before tax	**509**	(6,622)
At United Arab Emirates' statutory income tax rate of 9%	**46**	(596)
Less: effect of standard exemption	**(33)**	(33)
Add: non-deductible expenses	**3**	1
OCI - SWAP unwinding cost	**788**	788
Income tax expense reported in the statement of comprehensive income	**804**	160
Effective tax rate	**158%**	(2.42%)

19 COMPARATIVE FIGURES

Certain comparative figures have been reclassified, wherever necessary, to conform to the presentation adopted in the financial statements. These reclassifications did not have an impact on the total equity and profit (loss) of the Company.

The reclassifications are summarized as follows:

	Previously reported AED'000	*Reclassification AED'000*	*As Reclassified AED'000*
Statement of financial position			
Current assets			
Advances, prepayments and other receivables	33,928	(31,555)	2,373
Non-current liabilities			
Borrowings	2,357,756	(31,555)	2,326,201
Provision for employees' end of service benefits	-	445	445
Current liabilities			
Accrued expenses and other payables	42,767	(445)	42,322

20 EVENT AFTER THE REPORTING PERIOD

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

These developments arose after the reporting period and have therefore been assessed as non-adjusting events in accordance with IAS 10 Events after the Reporting Period. Accordingly, no adjustments have been made to the amounts recognised in the consolidated financial statements as at 31 December 2025, which reflect conditions existing at that date.