

اسیاد ASYAD



Financial Report

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ASYAD



ASYAD GROUP SAOC AND ITS SUBSIDIARIES

CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2025

ASYAD GROUP SAOC AND ITS SUBSIDIARIES

CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2025

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Registered office:
P.O. Box 470, Postal Code 115
Muscat
Sultanate of Oman

Principal place of business:
Bawsher Heights, Building No. 1/171
Complex 261, Bowsher, PC 115, Muscat
Sultanate of Oman



Asyad Group SAOC and its Subsidiaries
Consolidated
Board of Directors Report

The Shareholders,
Asyad Group SAOC
Muscat,
Sultanate of Oman

After Compliments,

The Board of Directors submit their report and the consolidated financial statements for the year ended 31st of December 2025.

1. Principal Activities

ASYAD Group SAOC (“ASYAD” or the “Company” or “the Parent Company”) and its subsidiaries together (the “Group”) are engaged in various activities in the logistics sector including freight forwarding, shipping, ports, free zones, express and postal services. In addition to ship repairs and public transport. These services enable the Company to offer integrated solutions globally. By leveraging its diverse and powerful assets, Asyad delivers efficient and reliable solutions that strengthen Oman’s position as a critical hub in global trade.

2. Financial Position and Performance

The Board is pleased to report net profit of RO 60.64 million for the year ended 31 December 2025. This is compared to the net profit for the year 2024 of 52.87 million. The group’s operating profit is OMR 45.59 million in 2025 against OMR 55.20 million in 2024. The decrease in operating profit is mainly due to lower revenue from the shipping segment, along with IPO-related costs and depreciation on the acquisition of vessels-

The Group debt-to-equity ratio dropped to 0.99 for the year 2025 compared to 1.01 for the year 2024 mainly due to increase in total equity compared to last year.

ASYAD continues to work towards improvement of logistics sector in Oman and continues to engage with private sector in all its endeavors.

3. Dividends

The Group received a total dividend of OMR 6.80 million from joint ventures, associates and equity investments.

The Group proposed to declare cash dividends of OMR 20 million to shareholders.

4. Going Concern

As of 31 December 2025, the Group has a current asset position of RO 576.87 million and current liability position of RO 228.17 million. The Group is confident that it will be able to meet its obligations as and when they fall due through its operations for the coming year. Accordingly, these consolidated financial statements are prepared on a going concern basis.

5. Governance

Asyad Group is devoted to adhering to the provisions of corporate governance as approved by the Board of Directors and outlined in the Oman Investment Authority Code of Governance. The Board and Asyad Group executive management are committed to achieving a high level of transparency, accountability, and ethical business conduct, with the ultimate goal of enhancing long-term shareholder value while addressing the stakeholders’ rights.

As on 31 December 2025, no fines or penalties were imposed on the company by any regulatory authority during the past financial year 2025.

6. Board of Directors and Executive Management

A. Board of Directors

The Board of Directors is responsible for the overall governance, strategic direction, and oversight of the company. In accordance with the Commercial Companies Law and the Code of Governance for OIA Entities, the Board exercises its duties with due care and diligence, including supervising the performance of the company, approving strategic plans and key policies, safeguarding the interests of shareholders, and ensuring the company’s compliance with applicable laws, regulations, and governance standards.

As at the date of this report, the Board of Directors comprises the following members:

- Dr. Musallam Qatan – Chairman
- Saif Al Hamhami – Vice Chairman
- Wilhelmus Heeren – Director
- Yousuf Al Ojaili – Director
- Rehab Al Lawati – Director
- Mehdi Al Lawati – Director
- Issa Al Balushi – Director

B. Executive Management

The Executive Management reports to the Board of Directors and works under its supervision to achieve the company’s strategic objectives and sustainable growth, managing the day-to-day operations of the company and implementing the strategies, policies, and decisions approved by the Board of Directors. In accordance with the governance framework established under the Commercial Companies Law and the Code of Governance for OIA Entities, Executive Management ensures the efficient operation of the company, effective risk management, and adherence to internal policies and regulatory requirements.





The key members of the Executive Management team are as follows:

- **Abdulrahman Al Hatmi** – Group Chief Executive Officer
- **Muhsin Al Rustom** – Group Chief Financial Officer
- **Abdulmalik Al Balushi** – Group Chief People Officer
- **Ghaith Al Darmaki** – Group Chief Technology Officer
- **Leyan Al Mawali** – Group Chief Legal Officer
- **Scott Smiley** – Chief Commercial Officer
- **Ziyad Al Harbi** – SVP Strategy and Planning
- **Selim Ismail** – SVP and Group Head of M&A and Portfolio Development
- **Juma Al Uraimi** – SVP and Group Head of Business Development
- **Ahmed AL Bulushi** – CEO of Asyad Drydock and Infrastructure Services
- **Ibrahim Al Nadhairi** – CEO of Asyad Shipping
- **Omar Al Mahrizi** – CEO of Asyad Ports and Freezones

7. Ultimate Controlling Party

Asyad Group SAOC is 100% owned by OIA which is ultimately owned by the Government of Sultanate of Oman (the "Ultimate Controlling Party").

8. Future of the Company

The forward outlook for ASYAD Group entails a continued focus on expanding its Integrated Logistics offerings and products to facilitate cross-selling and capitalize on collective buying power. This strategic approach aims to generate a multiplier effect across all business verticals. Additionally, the Group will prioritize international expansion through mergers and acquisitions in the different logistic verticals. These initiatives will not only support ASYAD's growth and diversification objectives but also contribute to the development of the logistics sector, fostering a sustainable business model and enhancing future shareholder value.

9. Auditor

The consolidated financial statements have been audited by KPMG LLC.

For and on behalf of the Board of Directors

Chairman
ASYAD Group SAOC

Board Member

Group Chief Executive Officer



KPMG LLC
Children's Public Library Building
4th Floor, Shatti Al Qurum
P O Box 641, PC 112
Sultanate of Oman
Tel. +968 24 749600, www.kpmg.com/om

Independent auditors' report

To the Shareholder of ASYAD Group SAOC

Report on the Audit of the Consolidated Financial Statements

Opinion

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

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

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditors' Responsibilities for the Audit of the consolidated Financial Statements* section of our report. We are independent of the Group in accordance with the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards) (IESBA Code) together with the ethical requirements that are relevant to our audit of the consolidated financial statements in the Sultanate of Oman, 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.

Other Information

Management is responsible for the other information. The other information comprises the Directors' report.

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

Continued on page 4(b)



Continued from page 4(a)

Other Information (continued)

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

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

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with IFRS Accounting Standards and their preparation in compliance with the applicable provisions of the Commercial Companies Law of 2019 and the Ministerial Decision 146/2021, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Group'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 Group or to cease operations, or has no realistic alternative but to do so.

Those Charged with Governance are responsible for overseeing the Group's financial reporting process.

Auditors' Responsibilities for the Audit of the Financial Statements

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

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

- Identify and assess the risks of material misstatement of the consolidated 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.

Continued on page 4(c)



Continued from page 4(b)

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

- 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 Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the group as a basis for forming an opinion on the group financial statements. We are responsible for the direction, supervision and review of the work performed for purposes of the group audit. We remain solely responsible for our audit opinion.

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.

Report on Other Legal and Regulatory Requirements

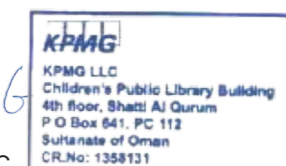
We report that these financial statements comply, in all material respects, with the applicable provisions of the Commercial Companies Law of 2019.

Further, as required by the applicable provisions of the Commercial Companies Law of 2019 and the Ministerial Decision 146/2021, we report that:

- (i) we have obtained all the information and explanations we considered necessary for the purposes of our audit;
- (ii) the Group has maintained accounting records and the consolidated financial statements are in agreement therewith;
- (iii) the Group has carried out physical verification of inventories;
- (iv) the financial information included in the Board of Directors' report is consistent with the books of accounts of the Group; and
- (v) based on the information that has been made available to us, nothing has come to our attention which causes us to believe that the Group has contravened during the year ended 31 December 2025 any of the applicable provisions of the Commercial Companies Law of 2019 or of its Articles of Association which would materially affect the financial performance and/or its financial position as at 31 December 2025.

25 March 2026

KPMG
KPMG LLC



ASYAD GROUP SAOC AND ITS SUBSIDIARIES

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CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2025

	Note	2025 Rp	2024 Rp
ASSETS			
Non-current assets			
Property, vessels and equipment	8	925,941,034	844,669,341
Investment property	9	23,788,082	24,605,970
Intangible assets and goodwill	10	24,264,330	28,148,325
Investments accounted for using the equity method	11	158,651,957	144,352,160
Receivables under finance lease arrangements	13(a)	105,016,612	114,736,646
Loans receivable	13(b)	740,000	371,199
Financial assets at fair value through other comprehensive income	14	101	101
Derivative financial instruments	22	157,700	648,400
Other assets	16	13,136,966	12,719,669
Bank deposits	13(f)	5,000,000	12,700,000
Deferred tax assets	34	1,985,522	807,991
		<u>1,258,682,304</u>	<u>1,183,759,802</u>
Current assets			
Inventories	15	15,841,125	18,766,106
Other assets	16	19,907,809	22,331,233
Receivables under finance lease arrangements	13(a)	9,627,264	8,527,822
Trade receivables	13(c)	38,386,402	53,712,527
Derivative financial instruments	22	244,395	1,215,913
Other financial assets at amortised cost	13(d)	29,427,224	34,781,787
Assets Held for Sale	37	63,912,827	-
Cash and cash equivalents	13(f)	54,606,149	62,465,226
Margin and other deposits	13(f)	340,626,351	124,607,080
Restricted cash	13(f)	4,293,309	26,791,383
		<u>576,872,855</u>	<u>353,199,077</u>
Total assets		<u>1,835,555,159</u>	<u>1,536,958,879</u>

The notes and other explanatory information on pages 10 to 72 form an integral part of these consolidated financial statements.

Independent auditor's report - page 4(a) - 4(c).


ASYAD GROUP SAOC AND ITS SUBSIDIARIES

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CONSOLIDATED STATEMENT OF FINANCIAL POSITION (continued)
AS AT 31 DECEMBER 2025

		2025 Rp	2024 Rp
EQUITY AND LIABILITIES			
EQUITY			
Capital and reserves			
Share capital	17	452,063,884	452,063,884
Share capital pending registration	17	-	-
Legal reserve	18	52,461,742	29,380,549
Cumulative changes in fair values of derivatives		15,747,226	16,903,006
Other reserves	38	79,269,723	-
Retained earnings		<u>206,765,348</u>	<u>196,696,231</u>
Equity attributable to the owners of the Parent Company		<u>806,307,923</u>	<u>695,043,670</u>
Non-controlling interests	7	65,487,782	18,281,977
Total equity		<u>871,795,705</u>	<u>713,325,647</u>
LIABILITIES			
Non-current liabilities			
Interest bearing loans and borrowings	19	723,882,723	530,563,564
Provisions	24	505,625	1,371,469
Government grants	20	6,111,968	6,935,233
Derivative financial instruments	22	-	17,899
Provision for employees' end of service benefits	23	5,085,928	5,023,147
		<u>735,586,244</u>	<u>543,911,312</u>
Current liabilities			
Trade and other payables	25	90,752,949	88,974,112
Provisions	24	1,663,962	1,495,375
Interest bearing loans and borrowings	19	134,376,389	187,360,336
Government grants	20	854,500	934,054
Income tax payable		525,410	958,043
		<u>228,173,210</u>	<u>279,721,920</u>
Total liabilities		<u>963,759,454</u>	<u>823,633,232</u>
Total equity and liabilities		<u>1,835,555,159</u>	<u>1,536,958,879</u>

The consolidated financial statements on pages 5-72 were approved and authorised for issue by Board of Directors on 17 March 2026 and signed on their behalf by:


Director


Director

The notes and other explanatory information on pages 10 to 72 form an integral part of these consolidated financial statements. Independent auditor's report - page 4(a) - 4(c)

ASYAD GROUP SAOC AND ITS SUBSIDIARIES

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 DECEMBER 2025

	Note	2025 P	2024 P
Revenue	27	496,591,337	492,954,848
Other income	28	6,084,567	3,946,248
Operating costs	29	(248,670,023)	(240,212,768)
Depreciation and amortization	8,9&10	(152,693,255)	(145,172,070)
Release of provisions	24	865,845	912,465
Administrative expenses	30	(65,157,892)	(55,453,168)
Net (provision)/reversal for impairment losses on non-financial assets		9,992,875	(35,490)
Net provision for impairment losses on financial assets	13(c)	(1,420,023)	(1,736,913)
Operating profit		45,593,431	55,203,152
Finance costs	32	(38,081,041)	(46,163,790)
Finance income	33	13,446,650	14,021,373
Share of results of joint ventures and associates	11	14,132,913	11,735,520
Government subsidies and grants	20	24,785,430	24,981,697
Profit before tax		59,877,383	59,777,952
Taxation	34	758,835	(6,909,060)
Profit for the year		60,636,218	52,868,892
Profit attributable to:			
Owners of the Parent Company		49,600,050	48,734,215
Non-controlling interests	7	11,036,168	4,134,677
		60,636,218	52,868,892
Other comprehensive income			
<i>Items that may be subsequently reclassified to profit or loss</i>			
Cash flow hedges – effective portion of changes in fair value ⁽¹⁾		(1,369,180)	(2,614,274)
Total comprehensive income for the year		59,267,038	50,254,618
Total comprehensive income attributable to:			
Owners of the Parent Company		48,444,270	46,221,865
Non-controlling interests		10,822,768	4,032,753
		59,267,038	50,254,618

⁽¹⁾ The cash flow hedges do not have any tax impact as these relate to entities registered in tax haven jurisdictions.

The notes and other explanatory information on pages 10 to 72 form an integral part of these consolidated financial statements.

Independent auditor's report - page 4(a) - 4(c).

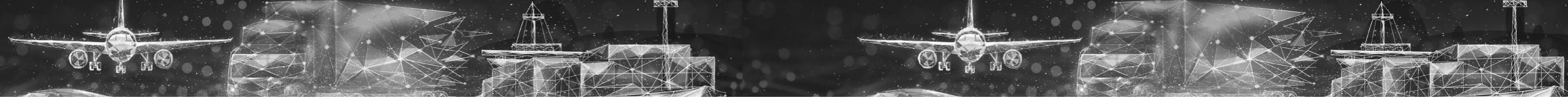
ASYAD GROUP SAOC AND ITS SUBSIDIARIES

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2025

	Attributable to owners of the Parent Company							Total equity
	Share capital	Share capital pending registration	Legal reserve	Cumulative changes in fair values	Other reserves	Retained earnings	Total	
At 1 January 2025	337,463,178	114,600,706	16,809,924	19,415,356	-	178,334,864	666,624,028	679,288,742
Comprehensive income	-	-	-	-	-	48,734,215	48,734,215	52,868,892
Profit for the year	-	-	-	-	-	(12,570,625)	-	-
Other comprehensive income	-	-	12,570,625	346,918	-	-	346,918	345,875
Transfer to legal reserve (note 18)	-	-	-	(2,859,268)	-	(100,881)	(2,859,268)	(2,960,149)
Fair value of cash flow hedge adjustments – gross	-	-	-	(2,512,350)	-	(101,924)	(2,512,350)	(2,614,274)
Reclassification to profit or loss – gross	-	-	12,570,625	(2,512,350)	-	(101,924)	(2,512,350)	(2,614,274)
Total other comprehensive income	-	-	12,570,625	(2,512,350)	-	4,032,753	4,032,753	50,254,618
Total comprehensive income for the year	-	-	12,570,625	(2,512,350)	-	36,163,590	46,221,865	50,254,618
Transactions with owners	114,600,706	(114,600,706)	-	-	-	-	-	-
Registration of shares	-	-	-	-	-	-	-	-
SFS & ACT/NCI adjustment	-	-	-	-	-	(17,802,223)	(17,802,223)	(17,802,223)
Dividends	114,600,706	(114,600,706)	-	-	-	(17,802,223)	(17,802,223)	(16,217,713)
Total transactions with owners	452,063,884	(452,063,884)	29,380,549	16,903,006	-	196,696,231	695,043,670	713,325,647
31 December 2025	452,063,884	-	29,380,549	16,903,006	-	196,696,231	695,043,670	713,325,647
At 1 January 2025	452,063,884	-	29,380,549	16,903,006	-	196,696,231	695,043,670	713,325,647
Comprehensive income	-	-	-	-	-	49,600,050	49,600,050	60,636,218
Profit for the year	-	-	-	-	-	(23,081,193)	-	-
Other comprehensive income	-	-	23,081,193	(507,538)	-	-	(507,538)	(656,382)
Transfer to legal reserve (note 18)	-	-	-	(648,242)	-	(64,556)	(648,242)	(712,798)
Fair value of cash flow hedge adjustments - gross	-	-	-	(1,555,780)	-	(213,400)	(1,555,780)	(1,369,180)
Reclassification to profit or loss – gross	-	-	23,081,193	(1,555,780)	-	(213,400)	(1,555,780)	(1,369,180)
Total other comprehensive income	-	-	23,081,193	(1,555,780)	-	10,822,768	10,822,768	59,267,038
Total comprehensive income for the year	-	-	23,081,193	(1,555,780)	-	26,518,857	48,444,270	59,267,038
Transactions with owners	-	-	-	-	-	-	-	-
Initial Public Offerings (note 38)	-	-	-	-	79,731,800	-	79,731,800	127,912,831
Shares buyback (note 38)	-	-	-	-	(462,077)	-	(462,077)	(808,953)
Dividends	-	-	-	-	(16,449,740)	-	(16,449,740)	(27,900,858)
Total transactions with owners	-	-	-	-	79,269,723	-	79,269,723	99,203,020
31 December 2025	452,063,884	-	52,461,742	15,747,226	-	206,765,348	806,307,923	871,795,705

The notes and other explanatory information on pages 10 to 72 form an integral part of these consolidated financial statements.

Independent auditor's report - page 4(a) - 4(c).



ASYAD GROUP SAOC AND ITS SUBSIDIARIES

CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 DECEMBER 2025

	Note	2025 ₹	2024 ₹
Operating activities			
Profit before tax		59,877,383	59,777,952
Adjustments for:			
Depreciation and amortisation	8,9&10	152,693,255	145,172,070
Net provision/(reversal) for impairment losses on non-financial assets		(9,992,875)	35,490
Net provision for impairment losses on financial assets	13(e)	1,420,023	1,736,913
Release of provisions	24	(865,844)	(912,465)
(Gain)/loss on disposal of assets		(49,900)	(80,389)
Share of results of joint ventures and associates	11	(14,132,913)	(11,735,520)
Government subsidies and grants (including amortisation)	20	(24,785,430)	(24,981,697)
Provision for employees' end of service benefits	23	1,042,156	1,040,313
Finance income	33	(13,446,650)	(14,021,373)
Finance cost	32	38,081,041	46,163,790
Provisions	24	168,587	322,439
Accrued lease rental income		(417,297)	321,018
Profit before changes in working capital		189,591,536	202,838,541
Changes in working capital:			
Inventories		2,771,240	234,139
Trade and other receivables		14,237,884	(21,397,428)
Trade and other payables		550,951	1,581,276
Other assets – current		2,423,424	(479,800)
Other financial assets at amortised costs		(595,479)	4,862,107
Margin deposits		22,498,074	(10,772,781)
Cash generated from operations		231,477,630	176,866,054
Employees' end of service benefits paid	23	(964,518)	(777,687)
Income tax paid		(375,651)	(466,193)
Interest paid		(35,330,869)	(46,163,790)
Net cash generated from operating activities		194,806,592	129,458,384
Investing activities			
Purchase of property, vessels and equipment	8&10	(199,394,780)	(67,201,952)
Investment in joint ventures		(7,095,520)	(15,554,311)
Loans receivable		(368,801)	7,261,220
Fixed deposits		(208,319,271)	25,885,711
Receipts under finance lease arrangements		8,694,161	7,799,540
Dividend from joint ventures and associates		6,801,199	6,003,223
Finance income		13,446,650	14,021,373
Proceeds from disposal of assets		3,050,909	181,315
Net cash (used in)/generated from investing activities		(383,185,453)	(21,603,881)
Financing activities			
Term loans and capital element of lease liabilities, net	13 (f)	49,334,099	(121,944,674)
Dividend paid to shareholders		(27,900,857)	(21,613,723)
Government grants and subsidies received		31,173,711	17,133,052
Proceeds from IPOs		127,912,831	-
Net cash used in financing activities		180,519,784	(126,425,345)
Change in cash and cash equivalents		(7,859,077)	(18,570,842)
Cash and cash equivalents at beginning of year		62,465,226	81,036,068
Cash and cash equivalents at end of year (note 13(f))		54,606,149	62,465,226

Reconciliation of liabilities arising from financing activities (note 13(f)).

The notes and other explanatory information on pages 10 to 72 form an integral part of these consolidated financial statements.

Independent auditor's report - page 4(a) - 4(c).

ASYAD GROUP SAOC AND ITS SUBSIDIARIES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2025

1 Legal status and principal activities

ASYAD Group SAOC ("ASYAD" or the "Company" or "the Parent Company") and its subsidiaries together (the "Group") are engaged in various activities in the logistics sector including maritime, ports, free zones and on land logistics. The Group operates internationally through its subsidiaries Asyad Shipping Company SAOG ("ASC"/"Asyad Shipping") and Asyad Logistics LLC ("AL"/"Asyad Logistic"), whilst the remainder of the Group largely operates in the Sultanate of Oman.

The Company was registered with the name Oman Rail Company SAOC as a closed Joint Stock Company with the Ministry of Commerce and Industry, Sultanate of Oman on 7 July 2014 with an authorised capital of ₹ 500,000. The Company was formed under a Directive of the Supreme Council for Planning no. 5-2-2012 with the principal objective of developing the railway network for Oman.

On 19 April 2016 at an Extraordinary General Meeting of its shareholders, Oman Rail Company SAOC changed its name to Oman Global Logistics Group SAOC and updated its Articles of Association to reflect its role as the Government of the Sultanate of Oman's ("Government") Sector Company for the logistics sector pursuant to a decision issued by the Financial & Energy Resources Council at its meeting No. 3/2015 dated 20 May 2015. In 2020, the name of the Company was changed to ASYAD Group SAOC.

The Company is tasked with implementing Oman's logistics strategy, acting as the Government's investment arm in the logistics sector while also managing the investments transferred to it by the Government.

As of 31 December 2019, the Company was 100% owned by Ministry of Finance ("MOF"), Government of Sultanate of Oman. In June of 2020, by way of a Royal Decree 61/2020 issued by His Majesty Haitham bin Tariq, the Sultan of Oman, the Oman Investment Authority ("OIA / Parent Company") was formed. Through this decree, all the competences, allocations, rights, obligations, records, holdings, assets, and investments related to the State General Reserve Fund, Oman Investment Fund, and the Directorate General of Investments in the MOF were transferred to OIA. Therefore, effective from June 2020, ASYAD is 100% owned by OIA which is ultimately owned by the Government of Sultanate of Oman (the "Ultimate Controlling Party").

2 Basis of preparation

- The consolidated financial statements have been prepared in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board (IFRS Accounting Standards) and applicable requirements of the Commercial Companies Law of 2019.
- The consolidated financial statements have been presented in Rials Omani ("₹"). The functional currency of the Company is ₹.
- The consolidated financial statements are prepared under the historical cost convention modified where applicable for financial assets and financial liabilities carried at fair value and disclosed in financial statements.
- The preparation of financial statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements are disclosed in note 5.
- New and amended standards adopted by the Group:*

The Group has adopted all new and revised standards and interpretations issued by the International Accounting Standards Board (IASB) and the IFRS Interpretations Committee (IFRIC) of the IASB that are relevant to its operations and effective for accounting periods beginning on 1 January 2025.

The following standards and interpretations apply for the first time to financial reporting periods commencing on or after 1 January 2025:

New accounting standards or amendments

Lack of Exchangeability – Amendments to IAS 21

**Effective for annual periods
beginning on or after
01 January 2025**

The above standards and amendments do not have any material impact on the Group financial statements.

ASYAD GROUP SAOC AND ITS SUBSIDIARIES

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2025

2 Basis of preparation (continued)

(f) *New standards and interpretations not yet effective or adopted:*

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

New accounting standards or amendments	Effective for annual periods beginning on or after
Classification and measurement of financial instruments IFRS 9 and IFRS 7	01 January 2026
Contracts referencing nature -dependent electricity – amendments to IFRS 9 and IFRS 7	01 January 2026
Annual improvements to IFRS Accounting Standards – Volume 11	01 January 2026
IFRS 18 Presentation and disclosure in financial statements	01 January 2027
IFRS 19 Subsidiaries without Public Accountability: Disclosures	01 January 2027
Sale or Contribution of Assets between an Investor and its Associate or Joint Venture - Amendments to IFRS 10 and IAS 28	Available for optional adoption/ effective date deferred indefinitely

There are no other IFRS standards, amendments or interpretations that are expected to have a material impact on the Group.

3 Summary of material accounting policies

The Group's principal accounting policies are summarized below. The Group has consistently applied the following accounting policies to all periods presented in these consolidated financial statements, except if mentioned otherwise.

3.1 Basis of consolidation

(a) *Business combination*

The Group accounts for the business combinations using the acquisition method where control is transferred to the Group. The consideration transferred in the acquisition is generally measured at fair value, as are the identifiable net assets acquired. Any goodwill that arises is tested annually for impairment. Any gain on a bargain purchase is recognised in profit or loss immediately. Transactions costs are expensed as incurred, except if related to the issue of debt or equity securities.

The consideration transferred does not include amounts related to the settlement of pre-existing relationships. Such amounts are generally recognised in profit or loss.

(b) *Subsidiaries*

Subsidiaries are all entities (including structured entities) over which the group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases. Losses applicable to the non-controlling interests in a subsidiary are attributed to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

When the Group loses control over a subsidiary, it derecognises the assets and liabilities of the subsidiary, and any related NCI and other components of equity. Any resulting gain or loss is recognised in profit or loss. When the Group ceases to have control, any retained interest in the entity is re-measured to its fair value and subsequently, it is accounted for as associate, joint venture or as a financial asset depending on the level of influence retained.

The financial statements of the subsidiaries are prepared for the same reporting year as the parent company, using consistent accounting policies.

ASYAD GROUP SAOC AND ITS SUBSIDIARIES

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2025

3 Summary of material accounting policies (continued)

3.1 Basis of consolidation (continued)

(c) *Non-controlling interests*

Transactions with non-controlling interests that do not result in loss of control are accounted for as equity transactions – that is, as transactions with the owners in their capacity as owners. The difference between fair value of any consideration paid and the relevant share acquired of the carrying value of net assets of the subsidiary is recorded in equity reserve attributable to the parent. Gains or losses on disposals to non-controlling interests are also recorded in equity reserve attributable to the parent.

(d) *Accounting for business combinations*

The Group applies the acquisition method to account for business combinations. The consideration transferred for the acquisition of a subsidiary is the fair value of the assets transferred, the liabilities incurred to the former owners of the acquiree and the equity interests issued by the Group. The consideration transferred includes the fair value of any asset or liability resulting from a contingent consideration arrangement. Identifiable assets acquired and liabilities, contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date.

The Group recognises any non-controlling interest in the acquiree on an acquisition-by-acquisition basis, either at fair value or at the non-controlling interest's proportionate share of the recognised amounts of acquiree's identifiable net assets.

If the business combination is achieved in stages, the acquisition date carrying value of the acquirer's previously held equity interest in the acquiree is re-measured to fair value at the acquisition date; any gains or losses arising from such re-measurement are recognised in statement of comprehensive income.

Any contingent consideration to be transferred by the Group is recognised at fair value at the acquisition date. Subsequent changes to the fair value of contingent consideration that is deemed to be an asset or liability is recognised in accordance with IAS 39 either in statement of comprehensive income or as a change to other comprehensive income. Contingent consideration that is classified as equity is not re-measured, and its subsequent settlement is accounted within equity.

The excess of the consideration transferred, the amount of any non-controlling interest in the acquiree and the acquisition-date fair value of any previous equity interest in the acquiree over the fair value of the identifiable net assets acquired is recorded as goodwill. If the total of consideration transferred, non-controlling interest recognised and previously held interest measured is less than the fair value of the net assets of the subsidiary acquired in the case of a bargain purchase, the difference is recognised directly in the consolidated statement of comprehensive income.

(e) *Invested in equity-accounted investees*

The Group interest in equity-accounted investees comprise interest in associates and a joint venture. Associates are all entities over which, the Group has significant influence but not control or joint control over the financial and operating policies. Interest in associates and the joint venture are accounted for under the equity method. They are initially recognized at cost, which includes transaction cost.

Subsequent, to initial recognition, the consolidated financial statements include the Group's share of the profit or loss and OCI of equity-accounted investees until the date on which significant influence or joint control cease.

(f) *Transactions eliminated on consolidation*

Inter-company transactions, balances and unrealised gains on transactions between group companies are eliminated. Unrealised losses are also eliminated. When necessary, amounts reported by subsidiaries are adjusted to conform to the group's accounting policies.

ASYAD GROUP SAOC AND ITS SUBSIDIARIES

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2025

3 Summary of material accounting policies (continued)

3.2 Property, vessels and equipment

(a) Owned assets

Items of property, vessels, and equipment are stated at cost less accumulated depreciation and impairment losses, if any. Cost of marine vessels includes purchase price paid to third parties, including registration and legal documentation costs, all directly attributable costs incurred to bring the vessel into working condition at the area of planned use, mobilisation costs to the operating location, sea trial costs, significant rebuild expenditure incurred during the life of the asset and borrowing costs incurred during the construction period of vessels. Costs for other items of property, and equipment include expenditure that is directly attributable to the acquisition of the asset. When parts of an item of property, vessels, and equipment have different useful lives, they are accounted for as separate items of property and equipment.

(b) Subsequent expenditure

Expenditure incurred to replace a component of an item of property and equipment that is accounted for separately, including major inspection and overhaul expenditure is capitalised. Other subsequent expenditure is capitalised only when it increases the future economic benefits embodied in property and equipment. All other expenditure is recognised in the statement of profit or loss as an expense as incurred. Costs incurred to refurbish owned assets are capitalised within property and equipment and then depreciated over the shorter of the estimated economic life of the related refurbishment or the remaining life of the vessel.

(c) Dry docking costs

The expenditure incurred on vessel dry docking, a component of property and equipment, is amortised over the period from the date of dry docking, to the date on which the management estimates that the next dry docking is due which is generally between two and half to five years.

Gains and losses on disposal of property, vessel and equipment are determined by reference to their carrying amount and are taken into account in determining the operating profit (loss) for the year.

(d) Depreciation

Depreciation is charged to the statement of profit or loss on a straight-line basis over the estimated useful lives of items of property and equipment. Land is not depreciated. The estimated useful lives are as follows:

	Years
Buildings and related improvements	3-50
Infrastructure development	5-20
Housing complex	25
Machinery	3-10
Vessels	20-30
Dry docking charges	2½-5
Furniture and fixtures and computer equipment	2-10
Business specific equipment	3-35
Motor vehicles	3-10

ASYAD GROUP SAOC AND ITS SUBSIDIARIES

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2025

3 Summary of material accounting policies (continued)

3.2 Property, vessels and equipment (continued)

(d) Depreciation (continued)

The cost of certain assets used on specific contracts is depreciated to estimated residual value over the period of the respective contract, including extensions if any. Depreciation method, useful lives and residual values are reviewed at each reporting date and adjusted if appropriate.

The depreciation period for secondhand vessels owned by Asyad Shipping Company SAOG is determined on the basis of the condition and age of the vessels at the time of acquisition, but the depreciation period for such vessels does not exceed 25 years from delivery from the shipyard. The carrying values of property, vessels and equipment are reviewed for impairment when events or changes in circumstances indicate the carrying value may not be recoverable. If any such indication exists and where the carrying values exceed the estimated recoverable amount, the assets are written down to their recoverable amount, being the higher of their fair value less costs to sell and their value in use.

(e) Asset under construction

Capital work-in-progress is stated at cost and comprises all costs including borrowing costs directly attributable to bringing the assets under construction ready for their intended use. Capital work-in-progress is transferred to property and equipment at cost on completion. No depreciation is charged on capital work-in-progress.

3.3 Intangible assets and goodwill

Intangible assets

Intangible assets acquired in a business combination are recognised separately from goodwill if they:

- Meet IFRS 3's general recognition principles - assets acquired and liabilities assumed are recognised if they meet the definition of an asset or liability in the Conceptual Framework for Financial Reporting, and
- are identifiable.

According to IAS 38, an acquired intangible asset is identifiable if it meets either of the following criteria:

- Contractual/legal - arising from contractual or legal rights, regardless of whether those rights are transferable or separable from the entity or from other rights and obligations
- Separable - capable of being separated or divided from the acquiree and sold, transferred, licensed, rented or exchanged either individually or together with a related contract, identifiable asset or liability.

Intangible assets other than goodwill that have been acquired and have finite lives are measured at fair value upon acquisition less accumulated amortisation and any accumulated impairment losses.

An intangible asset related to favorable lease terms is recognised upon acquisition and amortised over the term of the agreement, where the terms are favorable compared to observable market data and/or future economic benefits of the lease at the acquisition date.

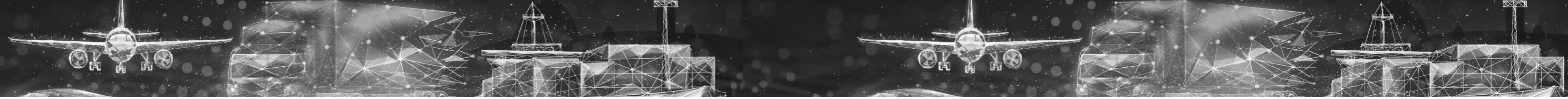
Receivables from the Government are released against additional cash receipts from Government.

Intangible assets arising from contractual or legal rights are recognised upon acquisition at the present value of net economic benefits over the term of the contract, and amortised over the term of the contract.

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

	Years
Favorable lease terms	5-30
Contractual rights	5-16
Customer relationship	15
Trademark	9

Amortisation methods, useful lives and residual values are reviewed at each reporting date and adjusted if appropriate.

**ASYAD GROUP SAOC AND ITS SUBSIDIARIES****NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2025****3 Summary of material accounting policies (continued)****3.3 Intangible assets and goodwill (continued)***Goodwill*

Goodwill on acquisitions of subsidiaries is included in intangible assets. Goodwill acquired in a business combination is initially measured at cost being the excess of the consideration paid over the Group's interest in the net fair value of the separately identifiable assets and liabilities acquired. Following initial recognition, goodwill is measured at cost less any accumulated impairment losses. Goodwill is reviewed for impairments, annually, or more frequently if events or changes in circumstances indicate that the carrying value may be impaired.

Impairment is determined by assessing the recoverable amount of the cash-generating unit (group of cash-generating units), to which the goodwill relates. Where the recoverable amount of the cash-generating unit (group of cash-generating units) is less than the carrying amount, an impairment loss is recognised. Where goodwill forms part of a cash-generating unit (group of cash-generating units) and part of the operation within that unit is disposed of, the goodwill associated with the operation disposed of is included in the carrying amount of the operation when determining the gain or loss on disposal of the operation. Goodwill disposed in this circumstance is measured based on the relative values of the operation disposed of and the portion of the cash-generating unit retained.

For the purpose of impairment testing, goodwill acquired in a business combination is allocated to each of the Group's cash-generating units that are expected to benefit from the synergies of the combination, irrespective of whether other assets or liabilities of the Group are assigned to those units or groups of units. Each unit or group of units to which the goodwill is so allocated represents the lowest level within the Group at which the goodwill is monitored for internal management purposes.

The recoverable amount of a cash generating unit (CGU) is determined based on value-in-use calculations which require the use of assumptions. The calculations use cash flow projections based on financial forecasts approved by the Board of Directors, contractual cash flows and projections by the management using industry reports, consultant's forecast and other data available to the management.

3.4 Leases*(a) Group as a lessor*

The Group enters into lease agreements as a lessor with respect to some of its vessels.

Leases where the Group retains substantially all the risks and benefits of ownership of the asset are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are charged to profit and loss within the consolidated statement of comprehensive income on a straight-line basis over the period of the lease.

Finance leases, which transfer from the Group substantially all of the risks and rewards incidental to ownership of the leased item, are recognised as a disposal of asset at the inception of the lease and are presented as receivables under a finance lease at an amount equal to the net investment in the finance lease. Lease receivables are apportioned between finance income and reductions of the receivables under a finance lease so as to achieve a constant periodic rate of return on the lessor's net investment in the finance lease. Finance income earned is recognised within profit and loss in the consolidated statement of comprehensive income. Lease receivables due within one year are disclosed as current assets.

The Group accounts for each lease component within the contract as a lease separately from non-lease components of the contract. When a contract includes lease and non-lease components, the Group applies IFRS 15 to allocate the consideration under the contract to each component.

(b) Group as a lessee

Leases are recognised as a right-of-use asset and a corresponding liability at the date at which the leased asset is available for use by the Group. Each lease payment is allocated between the liability and finance cost. The finance cost is charged to profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period. The right-of-use asset is depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis.

Assets and liabilities arising from a lease are initially measured on a present value basis. Lease liabilities include the net present value of the following lease payments:

ASYAD GROUP SAOC AND ITS SUBSIDIARIES**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2025****3 Summary of material accounting policies (continued)****3.4 Leases (continued)***(b) Group as a lessee (continued)*

- fixed payments (including in-substance fixed payments), less any lease incentives receivable
- variable lease payment that are based on an index or a rate, initially measured using the index or rate as at the commencement date
- amounts expected to be payable by the lessee under residual value guarantees
- the exercise price of a purchase option if the lessee is reasonably certain to exercise that option, and
- payments of penalties for terminating the lease, if the lease term reflects the lessee exercising that option.

The lease payments are discounted using the interest rate implicit in the lease, if that rate can be determined, or the Group's incremental borrowing rate. To determine the incremental borrowing rate, the Group:

- where possible, uses recent third-party financing received by the individual lessee as a starting point, adjusted to reflect changes in financing conditions since third party financing was received
- uses a build-up approach that starts with a risk-free interest rate adjusted for credit risk for leases held by the Group, which does not have recent third-party financing, and
- makes adjustments specific to the lease, e.g. term, country, currency and security

Right-of-use assets are measured at cost comprising the following:

- the amount of the initial measurement of lease liability
- any lease payments made at or before the commencement date less any lease incentives received
- any initial direct costs, and
- restoration costs.

Right-of-use assets are generally depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis.

Payments associated with short-term leases and leases of low-value assets are recognised on a straight-line basis as an expense in profit or loss. Short-term leases are leases with a lease term of 12 months or less. The Group accounts for each lease component within the contract as a lease separately from non-lease components of the contract.

The lease term is considered to be the non-cancellable period for which the Group has the right to use an underlying asset. The lease term is adjusted for periods covered by an option to extend; if it is reasonably certain that the option will be exercised as well as periods covered by an option to terminate the lease; if it is reasonably certain that the option will not be exercised.

3.5 Investment property

Property that is held for long-term rental yields or for capital appreciation or both is classified as investment property. Investment property also includes property that is being constructed or developed for future use as investment property.

Although the Group does not own land, it has the right to earn rentals through usufruct agreements in place with the relevant Government authorities. Where the Group has the right to issue sub-usufruct agreements, the land is valued separately as an investment property. Any restrictions on usage arising from the usufruct agreement is reflected in the evaluation.

Investment property also comprises of completed property and property under development. Investment property is measured initially at its cost, including related transaction costs and where applicable borrowing costs. When commissioned, property under development is transferred to investment property.

After initial recognition, investment property is carried at cost less accumulated depreciation and accumulated impairment, if any.

Subsequent expenditure is capitalised to the asset's carrying amount only when it is probable that future economic benefits associated with the expenditure will flow to the Group and the cost of the item can be measured reliably. All other repair and maintenance costs are expensed when incurred. When part of an investment property is replaced, the carrying amount of the replaced part is derecognised.

ASYAD GROUP SAOC AND ITS SUBSIDIARIES

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2025

3 Summary of material accounting policies (continued)

3.5 Investment property (continued)

Depreciation on assets is calculated using the straight-line method to allocate their depreciable cost over their estimated useful lives, as follows:

	Years
Land	Indefinite
Building (including lifts which have life of 10 years)	10 - 20
Warehouse	20
Furniture and fixtures	5
Computers	3

Full month depreciation is charged in the month of purchase and no depreciation is charged in the month of disposal.

The asset's 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.

Any gain or loss on disposal of investment property (calculated as the difference between the net proceeds from disposal and the carrying amount of the item) is recognised in the statement of profit or loss.

3.6 End of service benefits

Payment is made to Government of the Sultanate of Oman's Social Security Scheme under Royal Decree 72 / 91 (as amended) for Omani employees. Provision is made for amounts contractually payable under the Labour Laws of Sultanate of Oman Royal Decree 35 / 2003 (as amended) applicable to expatriate employees' accumulated periods of service at the end of the reporting period.

3.7 Onerous Contract

The Company estimates cost to complete for determination of provision for onerous contract, if any and records a provision at the year-end after assessment and the assessment is based on the project completion status and future estimated cost. The Company periodically assess the adequacy of its recorded provision and adjusts the amounts as necessary.

3.8 Inventories

Inventories are stated at the lower of cost and net realisable value. Costs comprise purchase cost and where applicable, direct labour costs and those overheads that have been incurred in bringing the inventories to their present location and condition. Net realisable value represents the estimated selling price less all estimated costs to be incurred in selling. The cost of the inventory is determined using weighted average method.

Provision is made for slow moving and obsolete inventory items where necessary, based on management's assessment. Net realisable value is based on estimated selling price less any further costs expected to be incurred on completion and disposal.

3.9 Investments and other financial assets

3.9.1 Classification

The Group classifies its financial assets in the following measurement categories:

- those to be measured subsequently at fair value (either through other comprehensive income (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 Group 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).

ASYAD GROUP SAOC AND ITS SUBSIDIARIES

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2025

3 Summary of material accounting policies (continued)

3.9 Investments and other financial assets (continued)

3.9.1 Classification (continued)

The Group reclassifies debt investments when and only when its business model for managing those assets changes.

Cash and cash equivalents

Cash and cash equivalents comprise cash at hand, bank balances and short-term deposits with an original maturity of three months or less, from the date of placement, net of bank overdraft. Bank borrowings that are repayable on demand and form an integral part of the Group's cash management are included as a component of cash and cash equivalents for the purpose of the statement of cash flows.

Trade receivables

Trade receivables are amounts due from customers for goods sold or services performed in the ordinary course of business. They are generally due for settlement within 60 days and therefore are all classified as current. Trade receivables are recognised initially at the amount of consideration that is unconditional unless they contain significant financing components, when they are recognised at fair value. The Group holds the trade receivables with the objective to collect the contractual cash flows and therefore measures them subsequently at amortised cost using the effective interest method.

Other financial assets at amortised cost

The Group classifies its financial assets as at amortised cost only if both of the following criteria are met:

- the asset is held within a business model whose objective is to collect the contractual cash flows, and
- the contractual terms give rise to cash flows that are solely payments of principal and interest.

Classification of financial assets at fair value through other comprehensive income

Financial assets at fair value through other comprehensive income (FVOCI) comprise:

- Equity securities which are not held for trading, and which the Group has irrevocably elected at initial recognition to recognise in this category. These are strategic investments and the Group considers this classification to be more relevant.
- Debt securities where the contractual cash flows are solely principal and interest and the objective of the Group's business model is achieved both by collecting contractual cash flows and selling financial assets.

3.9.2 Recognition

Trade receivables and debt securities issued are initially recognised when they are originated. All other financial assets and financial liabilities are initially recognised when the Group becomes a party to the contractual provisions of the instrument.

3.9.3 Derecognition

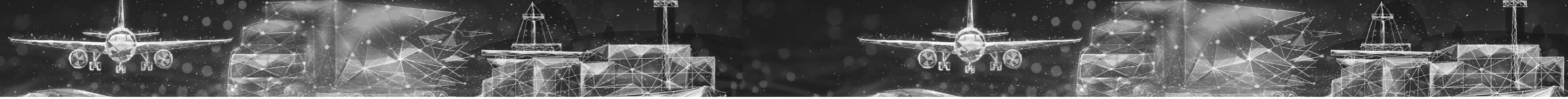
a) Derecognition of financial assets

The Group derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Group neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset.

The Group enters into transactions whereby it transfers assets recognised in its consolidated statement of financial position but retains either all or substantially all of the risks and rewards of the transferred assets. In these cases, the transferred assets are not derecognised.

b) Derecognition of financial liabilities:

The Group derecognises a financial liability when its contractual obligations are discharged or cancelled or expire. The Group also derecognises a financial liability when its terms are modified and the cash flows of the modified liability are substantially different, in which case a new financial liability based on the modified terms is recognised at fair value.

**ASYAD GROUP SAOC AND ITS SUBSIDIARIES****NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2025****3 Summary of material accounting policies (continued)****3.9 Investments and other financial assets (continued)****3.9.3 Derecognition****b) Derecognition of financial liabilities (continued):**

On derecognition of a financial liability, the difference between the carrying amount extinguished and the consideration paid (including any non-cash assets transferred or liabilities assumed) is recognised in profit or loss.

3.9.4 Measurement

At initial recognition, the Group measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss (FVPL), transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at FVPL are expensed in profit or loss.

Financial assets with embedded derivatives are considered in their entirety when determining whether their cash flows are solely payment of principal and interest.

Debt instruments

Subsequent measurement of debt instruments depends on the Group's business model for managing the asset and the cash flow characteristics of the asset. There are three measurement categories into which the Group classifies its debt instruments:

- **Amortised cost:** Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. Interest income from these financial assets is included in finance income using the effective interest rate method. Any gain or loss arising on derecognition is recognised directly in profit or loss and presented in other gains/(losses), together with foreign exchange gains and losses. Impairment losses are presented as a separate line item in the statement of profit or loss.
- **FVOCI:** Assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at FVOCI. Movements in the carrying amount are taken through OCI, except for the recognition of impairment gains or losses, interest revenue and foreign exchange gains and losses which are recognised in profit or loss. When the financial asset is derecognised, the cumulative gain or loss previously recognised in OCI is reclassified from equity to profit or loss and recognised in other gains/(losses). Interest income from these financial assets is included in finance income using the effective interest rate method. Foreign exchange gains and losses are presented in other gains/(losses) and impairment expenses are presented as separate line item in the statement of profit or loss.
- **FVPL:** Assets that do not meet the criteria for amortised cost or FVOCI are measured at FVPL. A gain or loss on a debt investment that is subsequently measured at FVPL is recognised in profit or loss and presented net within other gains/(losses) in the period in which it arises.

Equity instruments

The Group subsequently measures all equity investments at fair value. Where the group's management has elected to present fair value gains and losses on equity investments in OCI, there is no subsequent reclassification of fair value gains and losses to profit or loss following the derecognition of the investment. Dividends from such investments continue to be recognised in profit or loss as other income when the Group's right to receive payments is established.

Changes in the fair value of financial assets at FVPL are recognised in other gains/(losses) in the statement of profit or loss as applicable. Impairment losses (and reversal of impairment losses) on equity investments measured at FVOCI are not reported separately from other changes in fair value.

3.9.5 Offsetting

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

3.9.6 Impairment of financial assets

The Group assesses on a forward-looking basis the expected credit losses associated with its debt instruments carried at amortised cost and FVOCI. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

ASYAD GROUP SAOC AND ITS SUBSIDIARIES**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2025****3 Summary of material accounting policies (continued)****3.9 Investments and other financial assets (continued)****3.9.6 Impairment of financial assets (continued)**

The Group applies the IFRS 9 simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for all trade receivables and contract assets.

Impairment of trade receivables and other financial assets at amortised cost

All of the Group's financial assets at amortised cost are considered to have low credit risk, and the loss allowance recognised during the period was therefore limited to 12 months expected losses. The Group holds the vessels underlying the time charter contracts for finance lease receivables as collateral against the finance lease receivables which has been factored in the loss given default. Management considers 'low credit risk' for entities based on its significant increase in credit risk criteria. The Group considers a financial instrument to have experienced a significant increase in credit risk when one or more of the following quantitative, qualitative or backstop criteria have been met:

Quantitative criteria: A ratings downgrade by two notches for rated entities.

Qualitative criteria: Other instruments from unrated entities are considered to be low credit risk when they have a low risk of default and the issuer has a strong capacity to meet its contractual cash flow obligations in the near term.

Backstop: A backstop is applied and the financial instrument considered to have experienced a significant increase in credit risk if the borrower is more than 30 days past due on its contractual payments (except for government entities).

Trade receivables and contract assets 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 group, and a failure to make contractual payments for a period of greater than 2 years past due. The Group applies the IFRS 9 simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for all trade receivables and contract assets.

To measure the expected credit losses, trade receivables and contract assets have been grouped based on shared credit risk characteristics and the days past due. The contract assets relate to unbilled work in progress and have substantially the same risk characteristics as the trade receivables for the same types of contracts. The Group has therefore concluded that the expected loss rates for trade receivables are a reasonable approximation of the loss rates for the contract assets.

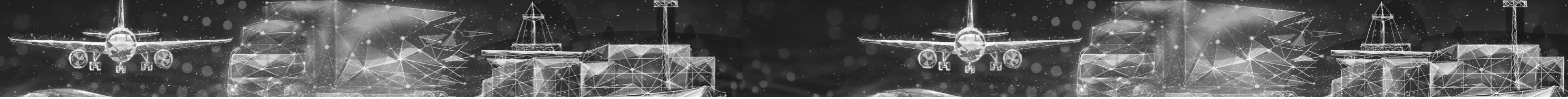
The expected loss rates are based on the payment profiles of sales over a period of 36 month before 31 December 2025 and the corresponding historical credit losses experienced within this period. The historical loss rates are adjusted to reflect current and forward-looking information on macroeconomic factors affecting the ability of the customers to settle the receivables. The Group has considered industry default rate forecasts issued by an external rating agency to incorporate forward-looking factor in its impairment assessment. The default rate forecasts issued by external agency are based on historic default rates for the industry and is adjusted for forward-looking macro-economic information (e.g., economic data from industry groups, associations or bodies).

Trade receivables and contract assets 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 Group, and a failure to make contractual payments for a period of greater than 90 days past due.

Impairment losses on trade receivables and contract assets are presented as net impairment losses within operating profit. Subsequent recoveries of amounts previously written off are credited against the same line item.

3.9.7 Measurement of Expected Credit Losses

ECLs are a probability weighted estimate of credit losses. Credit losses are measured as the present value of all cash shortfalls (i.e. the difference between the cash flows due to the company in accordance with the contract and the cash flows that the Company expects to receive). ECLs are discounted at the effective interest rate of the financial asset. The maximum period considered when estimating ECLs is the maximum contractual period over which the Group is exposed to credit risk. Trade receivables 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 Group, and a failure to make contractual payments.

**ASYAD GROUP SAOC AND ITS SUBSIDIARIES****NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2025****3 Summary of material accounting policies (continued)****3.10 Derivatives and hedging activities**

Derivatives are initially recognised at fair value on the date a derivative contract is entered into and 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 Group designates certain derivatives as either:

- 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), or
- hedges of a net investment in a foreign operation (net investment hedges).

At inception of the hedge relationship, the Group 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 Group documents its risk management objective and strategy for undertaking its hedge transactions.

Derivatives are only used for economic hedging purposes and not as speculative investments. However, where derivatives do not meet the hedge accounting criteria, they are classified as 'held for trading' for accounting purposes and are accounted for at fair value through profit or loss.

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. Trading derivatives are classified as a current asset or liability.

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 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.

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, or is sold or terminated, or when a hedge no longer meets the criteria for hedge accounting, any cumulative deferred gain or loss at that time remains in equity until the forecast transaction occurs, resulting in the recognition of a non-financial asset such as inventory. When the forecast transaction is no longer expected to occur, the cumulative gain or loss and deferred costs of hedging that were reported in equity are immediately reclassified to profit or loss.

Hedge ineffectiveness

Hedge effectiveness is determined at the inception of the hedge relationship, and through periodic prospective effectiveness assessments to ensure that an economic relationship exists between the hedged item and hedging instrument.

The Group enters into interest rate swaps that have similar critical terms as the hedged item, such as reference rate, reset dates, payment dates, maturities and notional amount. The Group does not hedge 100% of its loans, therefore the hedged item is identified as a proportion of the outstanding loans up to the notional amount of the swaps. As all critical terms matched during the year, the economic relationship was 100% effective.

Hedge ineffectiveness for interest rate swaps is assessed using the same principles as for hedges of foreign currency purchases. It may occur due to:

- the credit value/debit value adjustment on the interest rate swaps which is not matched by the loan, and
- differences in critical terms between the interest rate swaps and loans.

3.11 Impairment of non-financial assets

The carrying amounts of the Group's non-financial assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. An impairment loss is recognised if the carrying amount of an asset or its cash generating unit exceeds its recoverable amount. Impairment losses, are recognised in the statement of profit or loss.

ASYAD GROUP SAOC AND ITS SUBSIDIARIES**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2025****3 Summary of material accounting policies (continued)****3.11 Impairment of non-financial assets (continued)**

The recoverable amount of an asset or its cash generating unit is the greater of its value-in-use and its fair value less costs to sell. In assessing value-in-use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of time value of money and risks specific to the asset. For the purpose of impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or groups of assets (the cash-generating unit).

Impairment losses recognised in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

3.12 Share capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of ordinary shares are recognised as a deduction from equity, net of any tax effects.

Gains and losses on measurement of transactions with shareholders are recognised in equity.

3.13 Trade and other payables

These amounts represent liabilities for goods and services provided to the Group prior to the end of the financial year which are unpaid. The amounts are unsecured and are usually paid within 30 days of recognition. Trade and other payables are presented as current liabilities unless payment is not due within 12 months after the reporting period. They are recognised initially at their fair value and subsequently measured at amortised cost using the effective interest method.

3.14 Dividend distribution

Dividends are recognised as a liability in the year in which they are approved by the Company's shareholders.

3.15 Provisions

A provision is recognised in the statement of financial position when the Group has a legal or constructive obligation as a result of a past event, and it is probable that an outflow of economic benefit will be required to settle the obligation. If the effect is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liabilities.

3.16 Employees' end of service benefits

End of service benefits is a defined benefit plan and the benefits are accrued in accordance with the terms of employment of the Group's employees at the reporting date, having regard to the requirements of Oman Labour Law 2003, as amended. Employee entitlements to annual leave and leave passage are recognised when they accrue to employees and an accrual is made for the estimated liability arising as a result of services rendered by employees up to the reporting date. These accruals are included in current liabilities, while the provision relating to end of service benefits are classified as a non-current liability.

Contributions to a defined contribution retirement plan for Omani employees in accordance with the Omani Social Insurances Law of 1991 are recognised as an expense in the statement of comprehensive income as incurred.

For non-Omani companies the end of service benefits are provided as per the respective regulations in their country.

In accordance with the provisions of IAS 19, Employee benefits, management carries an exercise to assess the present value of the Group's obligations as of reporting date, using the actuarial techniques, in respect of employees' end of service benefits payable under the aforesaid Oman Labour Law. Under this method, an assessment is made of an employee's expected service life with the Group and the expected basic salary at the date of leaving the service.

ASYAD GROUP SAOC AND ITS SUBSIDIARIES

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2025

3 Summary of material accounting policies (continued)

3.17 Interest expense

Interest expense on borrowings is calculated using the effective interest rate method. Financing costs are recognised as an expense in the statement of profit or loss in the period in which they are incurred. Borrowing costs comprise interest payable on borrowings. Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale. Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the cost of those assets. All other borrowing costs are recognised as an expense in the year in which they are incurred.

3.18 Income tax

Income tax is provided for in accordance with the fiscal regulations of the country in which the Group operates. Income tax on the profit or loss for the period comprises current and deferred taxation. Income tax is recognised in the statement of comprehensive income except to the extent that it relates to items recognised directly in the equity or other comprehensive income. Current tax comprises the expected tax payable or receivable on the taxable income or loss for the period and any adjustment to the tax payable or receivable in respect of previous years. The amount of current tax payable or receivable is the best estimate of the tax amount expected to be paid or received that reflects uncertainty related to income taxes, if any. It is measured using tax rates enacted or substantively enacted at the reporting date. Current tax also includes any tax arising from dividends. Current tax assets and liabilities are offset only if certain criteria are met.

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognised for:

- temporary differences on the initial recognition of assets or liabilities in a transaction that:
 - is not a business combination; and
 - at the time of the transaction
- (i) affects neither accounting nor taxable profit or loss and
- (ii) does not give rise to equal taxable and deductible temporary differences
- temporary differences related to investments in subsidiaries, associates and joint arrangements to the extent that the Group is able to control the timing of the reversal of the temporary differences and it is probable that they will not reverse in the foreseeable future; and
- taxable temporary differences arising on the initial recognition of goodwill.

A deferred tax asset is recognised only to the extent that it is probable that future taxable profits will be available against which the unused tax losses and credits can be utilised. The carrying amount of deferred tax assets is reviewed at reporting date and reduced to the extent that it is no longer probable that the related tax benefit will be realised. Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax assets and liabilities and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different taxable entities, but they intend to settle current tax assets and liabilities on a net basis or their tax assets and liabilities will be realised simultaneously. In determining the amount of current and deferred tax, the Group takes into account the impact of uncertain tax positions and whether additional taxes and interest may be due. The assessment regarding adequacy of tax liability for open tax period relies on estimates and assumptions and may involve a series of judgments about future events. New information may become available that causes the Group to change its judgment regarding the adequacy of existing tax liabilities; such changes to tax liabilities will impact tax expense in the period that such a determination is made.

3.19 Foreign currency

The functional currency of the individual entities of the largest subsidiary in the Group, Asyad Shipping, is the United States Dollar. As at the reporting date, the assets and liabilities of Asyad Shipping are translated into the presentation currency of the Group (the Rial Omani) at the rate of exchange ruling at the reporting date and their income statements are translated at the weighted average exchange rates for the year. Transactions denominated in foreign currencies are translated to the respective functional currencies of the Group entities at exchange rates ruling at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies at the reporting date are retranslated to the functional currency at the exchange rate ruling at that date. The foreign currency gain or loss on monetary items is the difference between amortised cost in functional currency at the beginning of the year, adjusted for effective interest and payments during the year and the amortised cost in foreign currency translated at the exchange rate at the end of the year.

Non-monetary assets and liabilities denominated in foreign currencies that are measured at fair value are retranslated to the functional currency at the exchange rate at the date that the fair value was determined. Non-monetary items in a foreign currency that are measured based on historical cost are translated using the exchange rate at the date of the transaction.

ASYAD GROUP SAOC AND ITS SUBSIDIARIES

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2025

3 Summary of material accounting policies (continued)

3.19 Foreign currency (continued)

Foreign currency differences arising on retranslation are recognised in statement of comprehensive income except for differences arising in retranslation of a financial liability designated as a hedge of the net investment in a foreign operation, or qualifying cash flow hedges, to the extent these hedges are effective, which are recognised in other comprehensive income.

3.20 Government subsidies and grants

Within the Group a number of entities receive grants from Government. The basis of accounting for the grants varies according to the business activity of the company receiving the grant as detailed below. In all cases the grants are recognised at their fair value where there is a reasonable assurance that the grant will be received and the Group will comply with all attached conditions.

(a) Universal Service Obligation (“USO”) provision

For those entities which provide a universal service obligation the amount of subsidy is the amount claimed by the relevant company and accepted by the Government as a reimbursement of costs incurred or as compensation for losses incurred and is recognised in the statement of profit or loss for the period for which it is receivable.

Any excess over and above the loss for the year is recognised in the company’s statement of financial position as “Government subsidy received in advance” within “Trade and other payables”.

Government grants relating to assets are included in non-current liabilities as deferred government grants and are credited to the statement for profit or loss on a straight-line basis over the expected lives of the related assets.

(b) Commercial activities

For entities where grants are required to support operating cash flows the grants from the Government are recognised at their fair value.

Government grants relating to costs are deferred and recognised in the statement of comprehensive income over the period necessary to match them with the costs that they are intended to compensate.

Grants from the Government are recognised at their fair value where there is a reasonable assurance that the grant will be received and the relevant company will comply with all attached conditions. In certain contracts the primary condition of the grant is that the company should acquire or construct non-current assets in which case the grant is included in non-current liabilities as deferred government grants and is credited to the statement of statement of comprehensive income on a straight-line basis over the expected lives of the related assets.

3.21 Revenue recognition

The Group recognizes revenue from contracts with customers based on the five-step model as set out in IFRS 15 and is given below:

Step 1 – Identify the contract(s) with a customer: A contract is defined as an agreement between two or more parties that creates enforceable rights and obligations and sets out the criteria that must be met;

Step 2 – Identify the performance obligations in the contract: A performance obligation is a promise in a contract with a customer to transfer a good or service to the customer;

Step 3 – Determine the transaction price: The transaction price is the amount of consideration to which the Group expects to be entitled in exchange for transferring promised goods or services to a customer, excluding amounts collected on behalf of third parties;

Step 4 – Allocate the transaction price to the performance obligations in the contract: For a contract that has more than one performance obligation, the Group allocates the transaction price to each performance obligation in an amount that depicts the amount of consideration to which the Group expects to be entitled in exchange for satisfying each performance obligation.

ASYAD GROUP SAOC AND ITS SUBSIDIARIES

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2025

3 Summary of material accounting policies (continued)

3.21 Revenue recognition (continued)

Step 5 – Recognize revenue when (or as) the entity satisfies a performance obligation.

The Group satisfies a performance obligation and recognizes revenue over time, if one of the following criteria is met:

- The Group's performance does not create an asset with an alternate use to the Group and the Group has an enforceable right to payment for performance completed to date;
- The Group's performance creates or enhances an asset that the customer controls as the asset is created or enhanced;
- The customer simultaneously receives and consumes the benefits provided by the Group's performance as the Group performs.

For performance obligations where none of the above conditions are met, revenue is recognized at the point in time at which the performance obligation is satisfied. Revenue is recognized when a customer receives the services.

(a) Freight services

Revenue is recognized in accordance with IFRS 15. For vessels operating on spot voyage charters, freight revenue is recognized over time as the performance obligation is satisfied. A voyage charter contract represents a single performance obligation to provide the charterer with an integrated transportation service within a specified time period. Accordingly, the Group recognizes voyage revenue ratably over the estimated duration of each voyage, calculated on a load-to-discharge basis. Revenue recognition commences only once a voyage charter has been agreed between the Group and the customer, even if the vessel has completed its previous discharge and is sailing to the anticipated load port for the next voyage. Progress towards complete satisfaction of the performance obligation is measured using an input method, whereby revenue is recognized from the point of disconnection of hoses at the load port to the point of disconnection of hoses at the discharge port, as this method appropriately reflects the transfer of services to the customer.

Variable consideration, which includes demurrage or dispatch, speed bunker differentials, and storage revenue, is included in the transaction price only to the extent that it is highly probable that a significant reversal of cumulative revenue recognized will not occur when the uncertainty related to the variable consideration is resolved. Such amounts are estimated using the expected value method based on accumulated historical experience. Revenue from crew services and repair and maintenance services is recognized for the amount to which the Group has the right to invoice for the period, as the invoiced amount corresponds directly with the value of the services provided to the customer to date.

Where revenue is recognized over time prior to invoicing, the Group recognizes a contract asset representing its right to consideration for services performed. Contract assets are reclassified to trade receivables when the right to invoice becomes unconditional, generally upon completion of the performance obligation. Invoices are raised based on the freight rate agreed in the contract and payment terms are typically within three to five days from the date of invoice. Advances received from customers are recorded as contract liabilities. Due to the short-term nature of the payment terms, the transaction price does not include a significant financing component. The Group does not disclose the transaction price allocated to remaining performance obligations as voyage contracts are typically expected to have an original duration of one year or less.

Voyage expenses are capitalized as contract fulfilment costs when they meet the recognition criteria under IFRS 15. These costs are capitalized between the previous discharge port, or the contract date if later, and the next load port once a voyage charter has been agreed between the Group and the customer. To qualify for capitalization, the costs must relate directly to the contract, generate or enhance resources that will be used in satisfying future performance obligations, and be expected to be recovered. Capitalized voyage expenses are subsequently amortized between the load port and discharge port in a manner consistent with the transfer of services to the customer. Vessel operating expenses, including crew costs, vessel stores and supplies, lubricating oils, maintenance and repairs, insurance, and communication costs, are recognized in profit or loss as incurred. Discounts are rarely offered and are not considered material to the financial statements.

ASYAD GROUP SAOC AND ITS SUBSIDIARIES

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2025

3 Summary of material accounting policies (continued)

3.21 Revenue recognition (continued)

(b) Operation and maintenance services

Operational and maintenance services pertain to the crew services and repairs-maintenance services for the vessels chartered. The performance obligation relating to such service element is satisfied overtime since the customer simultaneously receives and consumes the benefits of the Group's performance as the Group performs. Revenue for the services is recognised for the amount to which the Group has right to invoice for the period, since the invoice amount corresponds directly with the value to the customer of the entity's performance completed to date. Receivable from the customer is booked at the same time when the consideration is unconditional, because only the passage of time is required before the payment is due. The invoice is raised monthly and is payable within 3 to 5 days from the date of receipt of invoice by the customer. The Group does not adjust the transaction price for time value of money as the period between the transfer of the promised goods or services to the customer and payment by the customer does not exceed one period and the sales are made with agreed credit terms which is in line with the relevant industry practice.

(c) Vessel management services

The Group provides crew management and ship maintenance management services to vessels chartered by the Group. The contracts gives rise to a single performance obligations namely vessel management services. The performance obligation relating to such service is satisfied overtime since the customer simultaneously receives and consumes the benefits of the Group's performance.

Revenue for the services is recognised for the amount to which the Group has right to invoice for the period, since the invoice amount corresponds directly with the value to the customer of the entity's performance completed to date. Receivable from the customer is booked at the same time when the consideration is unconditional, because only the passage of time is required before the payment is due. The invoice is raised on a monthly basis and is payable within 3 to 5 days from the date of receipt of invoice by the customer. The Group does not adjust the transaction price for time value of money as the period between the transfer of the promised goods or services to the customer and payment by the customer does not exceed one period and the sales are made with agreed credit terms which is in line with the relevant industry practice.

(d) Ship conversion and repair services

The Group provides ship conversion and repair services under contracts with customers that are typically agreed prior to the commencement of work. These contracts generally have a short duration and usually do not extend beyond two months, except in the case of certain high-value projects exceeding USD 3 million. The contracts contain a single performance obligation to perform the agreed ship conversion or repair services, which is satisfied over time as the services are performed. Payment is generally due upon completion of the services and customer acceptance; however, in certain contracts, customers are required to make short-term advance payments before the services are provided.

Revenue from ship conversion and repair services is recognized over time in accordance with IFRS 15 using the cost-to-cost method, whereby revenue is recognized based on the proportion of contract costs incurred for work performed to date relative to the estimated total contract costs. Management considers this input method to be an appropriate measure of progress towards complete satisfaction of the performance obligation, as it faithfully depicts the transfer of services to the customer. The related contract costs are recognized in profit or loss as they are incurred.

The Group becomes entitled to invoice customers upon achieving specified performance-related milestones defined in the contract. When a milestone is achieved, the customer is issued a statement of work, typically signed by a third-party assessor, together with the corresponding invoice for the milestone payment. Prior to invoicing, the Group recognizes a contract asset for revenue recognized for work performed but not yet billed. Upon issuance of the invoice, any previously recognized contract asset is reclassified to trade receivables. If the milestone payment invoiced exceeds the revenue recognized to date under the cost-to-cost method, the excess is recorded as a contract liability until the related performance obligation is satisfied. Advances received from customers are also recorded as contract liabilities. The Group has concluded that these arrangements do not contain a significant financing component as the period between revenue recognition and customer payment is generally less than one year. Any contractual discounts are applied to the gross value of the project in accordance with the terms agreed with the customer.

ASYAD GROUP SAOC AND ITS SUBSIDIARIES

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2025

3 Summary of material accounting policies (continued)

3.21 Revenue recognition (continued)

(e) Bus and ferry transportation services

The Group provides bus and ferry transportation services. The performance obligation is satisfied when the customer commences the journey and the payment is generally collected before the commencement of journey, with the exception of certain corporates and government owned entities, where the invoice is raised monthly or during journey and the payment is due within 30 to 60 days from the date of invoice.

For certain long-term bus transportation service contracts, the performance obligation is satisfied over time and the payment is due within 30 to 60 days from the date of invoice, which is generally raised monthly. Revenue from providing services is recognised in the accounting period in which the services are rendered. As these are typically fixed list prices, therefore, revenue is recognised based on the actual service provided to the end of the reporting period as a proportion of the total services to be provided because the customer receives and uses the benefits simultaneously. The Group recognise a contract asset for services provided over time. Any amount previously recognised as a contract asset is reclassified to trade receivables at the point at which it is invoiced to the customer.

Advances received are included in contract liabilities. Discounts are not considered as they are only given in rare circumstances and are never material.

(f) Advertisement services

The bus transportation division of the Group entered into certain advertisement contracts, which include multiple performance obligations. Where the contracts include multiple performance obligations, such as naming rights for bus stops, bus stop poles, bus screens and tickets. The transaction price is allocated to each performance obligation based on the commercial team's pricing strategy for each individual service item. Revenue for the services is recognised over time, in the accounting period, in which the relevant performance obligation is satisfied, based on the allocated transaction price. The payment is due within 30 to 60 days from the date of invoice. Amounts received in advance before the completion of performance obligation are recognised as contract liabilities.

(g) Postal related services

The postal services division of the Group provides mail delivery, post box and document collection services. These services are generally provided as per the fixed list price for each relevant service. Performance obligations relating to post box rentals and collection and delivery of bags are satisfied over time and the payment is due within 30 days from the date of invoice. Discounts and rebates are generally not considered as part of the transaction price as they are only given in rare circumstances as bulk volume discounts on monthly basis and are recognised in the invoices when incurred.

Performance obligations relating to stamps, prepaid postage, terminal dues, express mail service, parcels, sale and collection of forms, and collection of delivery fee are satisfied at a point of time when the mail is dispatched to the customer, and the revenue is also recognized at the time of service.

The payment for these services is generally collected in cash up front, however, in the case of certain corporate customers the invoices are raised on a monthly basis and the payment becomes due within 30 days from the date of invoice, except for settlement of terminal dues where the payments are settled as per the universal postal service guidance which allows a settlement period beyond one year. As this arrangement is according to international practice, this transaction is not considered to have any financing component.

Discounts and rebates are generally not considered as part of transaction price they are only given in rare circumstances as bulk volume discounts on a monthly basis and are recognised in the invoices when incurred. Amounts received in advance before the completion of performance obligation are recognised as contract liabilities.

ASYAD GROUP SAOC AND ITS SUBSIDIARIES

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2025

3 Summary of material accounting policies (continued)

3.21 Revenue recognition (continued)

(h) Express services

The Express services division's revenue is derived by providing various services to its customers. Revenue for all major services provided to customers is recognised as below:

- Revenue from E-commerce is recognised at the point when the contracted services are provided to the customers;
- Revenue from last mile delivery and cash on delivery (COD) is recognised when such services are rendered;
- Revenue from Fulfillment is recognised over the period for which space are rented at contracted rates;
- Revenue from handling of express items and other related services is recognised when such services are rendered.

(i) Freight forwarding and Warehousing services

The division's revenue is generated by offering a range of services, including freight forwarding via air, sea, and land shipments, as well as customs clearance and storage services for food and beverages.

The following table provides information about the nature of services related revenue recognition policies:

- Storage services – Revenue from storage service is recognised over the time as the performance obligations are satisfied i.e., the time for which the customer occupy the storage facility and avail the services.
- Freight forwarding services – Revenue is recorded at a point in time

(j) Interest income

Interest income on financial assets at amortised cost and financial assets at FVOCI calculated using the effective interest method is recognised in the statement of profit or loss as part of other income.

Interest income is calculated by applying the effective interest rate to the gross carrying amount of a financial asset except for financial assets that subsequently become credit-impaired. For credit-impaired financial assets the effective interest rate is applied to the net carrying amount of the financial asset (after deduction of the loss allowance).

Interest income is presented as finance income where it is earned from financial assets that are held for cash management purposes. Any other interest income is included in other income.

(k) Dividend

Dividend income is recognised when the right to receive payment is established.

(l) Other revenue

Other revenues are recognised when the control has transferred to the customer. Revenue from providing services is recognised in the accounting period in which the services are rendered. For fixed-price contracts, revenue is recognised based on the actual service provided to the end of the reporting period as a proportion of the total services to be provided because the customer receives and uses the benefits simultaneously. The Group has long-term agreements with certain customers which determines performance obligation, transaction price and allocates the transaction price to each of the separate performance obligations.

Where the contracts include multiple performance obligations, the transaction price will be allocated to each performance obligation based on the stand-alone selling prices. Where these are not directly observable, they are estimated based on expected cost-plus margin. Estimates of revenues, costs or extent of progress toward completion are revised if circumstances change. Any resulting increases or decreases in estimated revenues or costs are reflected in profit or loss in the period in which the circumstances that give rise to the revision become known by management.

In case of fixed-price contracts, the customer pays the fixed amount based on a payment schedule. If the services rendered by the Group exceed the payment, a contract asset is recognised. If the payments exceed the services rendered, a contract liability is recognised. If the contract includes an hourly fee, revenue is recognised in the amount to which the Group has a right to invoice. Customers are invoiced on a monthly basis and consideration is payable when invoiced.

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2025

3 Summary of material accounting policies (continued)

3.21 Revenue recognition (continued)

Accumulated experience is used to estimate and provide for the discounts, using the expected value method, and revenue is only recognised to the extent that it is highly probable that a significant reversal will not occur.

No element of financing is deemed to be present in other revenue as the sales are made with a credit period.

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

3.22 Interest bearing borrowings

Borrowings are recognised initially at fair value, net of transaction costs incurred. Borrowings are subsequently carried at amortised cost; any difference between the proceeds (net of transaction costs) and the redemption value is recognised in the consolidated statement of comprehensive income over the period of the borrowings using the effective interest method.

Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan 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 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.

3.23 Borrowing costs

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

3.24 Determination of fair values

Certain of the Group's accounting policies and disclosures require the determination of fair value, for financial assets at fair value through other comprehensive income (FVOCI), financial assets at fair value through profit or loss (FVPL), financial liabilities, derivatives and for non-financial assets and liabilities.

Fair values have been determined for measurement and/or disclosure purposes based on the following methods. When applicable, further information about the assumptions made in determining fair values is disclosed in the notes specific to the asset or liability.

Financial assets at FVOCI represent investment in unquoted securities. At the reporting date, the Group did not hold any financial asset at FVPL.

Financial liabilities consist of trade and other payables, interest bearing loans and borrowings, bank overdrafts and vessel deposits. Derivatives consist of interest rate swap agreements.

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2025

3 Summary of material accounting policies (continued)

3.24 Determination of fair values (continued)

When applicable, further information about the assumptions made in determining fair values is disclosed in the notes specific to the asset or liability.

The group's policy is to recognise transfers into and out of fair value hierarchy levels as at the end of the reporting period.

Level 1: The fair value of financial instruments traded in active markets (such as publicly traded derivatives, and equity securities) is based on quoted market prices at the end of the reporting period. The quoted market price used for financial assets held by the group is the current bid price. These instruments are included in level 1.

Level 2: The fair value of financial instruments that are not traded in an active market (for example, over-the-counter derivatives) is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3. This is the case for unlisted equity securities.

The fair values of the financial assets at FVOCI, liabilities and derivatives are not materially different from their carrying values.

(a) Investments

For investments traded in organised financial markets, fair value is determined by reference to Stock Exchange quoted market bid prices at the close of business on the reporting date (Level 1).

For unquoted investments, a reasonable estimate of the fair value is determined by reference to the market value of a similar investment or is based on the expected discounted cash flows (Level 2). The fair value for certain unquoted investments are classified as level 3 in the fair value hierarchy note 14 due to the use of unobservable inputs, including own credit risk. (Level 3).

(b) Other interest-bearing items

The fair value of interest-bearing items is estimated based on discounted cash flows using market interest rates for items with similar terms and risk characteristics (Level 2).

(c) Derivatives

The fair value of interest rate swaps is calculated by discounting estimated future cash flows based on the terms and maturity of each contract and using market interest rates for a similar instrument at the measurement date. This calculation is tested for reasonableness through comparison with the valuations received from the parties issuing the instruments (Level 2).

(d) Non-derivative financial liabilities

Fair value, which is determined for disclosure purposes, is calculated based on the present value of future principal and interest cash flows, discounted at the market rate of interest at the reporting date (Level 2).

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2025

3 Summary of material accounting policies (continued)

3.25 Value added taxes

The Company recognises Value Added Tax in line with the rules and regulations set out in the VAT law set out by the Tax Authority of the Sultanate of Oman. The law requires all sales, supplies, services and consumptions within Oman eligible to 5% VAT. The sales, supplies, services, and consumptions outside Oman are subject to zero percent VAT. Revenue, expenses, assets and liabilities are recognised net of the amount of VAT, except where the VAT incurred on the purchase of assets or services is not recoverable from the tax authorities, in which case the VAT is recognised as part of the cost of acquisition of assets or as part of the expense item as applicable.

3.26 Common control transactions

Transactions involving entities under common control are accounted for based on the substance of the transaction. Where the transaction has commercial substance, the Group accounts for the transaction using the acquisition method in accordance with the applicable financial reporting standards. Where the transaction does not have commercial substance, the Group applies the pooling of interests method.

Under the pooling of interests method, the assets and liabilities transferred are recognized at their existing carrying values as recorded in the books of the transferor entity, adjusted where necessary to align with the Group's accounting policies. The relevant carrying value used is the amount recorded for the investee in the transferor's separate financial statements. No new goodwill is recognized as a result of such transactions; only any pre-existing goodwill relating to the combining entities continues to be recognized.

Any difference between the consideration transferred and the carrying value of the net assets acquired is recognized directly in equity as a merger reserve.

3.27 Subsequent events

The financial statements are adjusted to reflect events that occurred between the reporting date and the date when the financial statements are authorised for issue, provided they give evidence of conditions that existed at the reporting date. Any post year-end events that are non-adjusting are disclosed in the financial statements when material (refer note 39).

3.28 Assets held for sale

Non-current assets, or disposal groups comprising assets and liabilities, are classified as held-for-sale if it is highly probable that they will be recovered primarily through sale rather than through continuing use.

Such assets, or disposal groups, are generally measured at the lower of their carrying amount and fair value less costs to sell. Any impairment loss on a disposal group is allocated first to goodwill, and then to the remaining assets and liabilities on a pro rata basis, except that no loss is allocated to inventories, financial assets, deferred tax assets, employee benefit assets, which continue to be measured in accordance with the Group's other accounting policies.

Impairment losses on initial classification as held-for-sale or held-for-distribution and subsequent gains and losses on remeasurement are recognised in profit or loss.

Once classified as held-for-sale, intangible assets and property, vessel and equipment are no longer depreciated, and any equity-accounted investee is no longer equity accounted.

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2025

4 Financial risk management

The Board of Directors has overall responsibility for the establishment and oversight of the Group's risk management framework. The Group's risk management policies are established to identify and analyse the risks faced by the Group, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Group's activities.

The Group, through its training and management standards and procedures, aims to develop a disciplined and constructive control environment in which all employees understand their roles and obligations. The Audit Committee oversees how management monitors compliance with the Group's risk management policies and procedures and reviews the adequacy of the risk management framework in relation to the risks faced by the Group.

The Audit Committee is assisted in its oversight role by Internal Audit. Internal Audit undertakes both regular and ad-hoc reviews of risk management controls and procedures, the results of which are reported to the Audit Committee.

4.1 Financial risk factors

(a) Market risk

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

(i) Foreign currency risk

The Group's functional currency is OMR. Since all transactions are conducted in OMR, the Group does not have exposure to foreign currency risk.

(ii) Interest rate risk

Risk management strategy

The Group has obtained credit facilities from various international and local banks. Certain credit facilities bear interest at USD SOFR plus applicable margins. To manage this, the Group entered into interest rate swaps, in which the Group agree to exchange, at specified intervals, the difference between fixed and variable rate interest amounts calculated by reference to an agreed-upon notional principal amount.

These swaps are designated to hedge underlying debt obligations. The Group does not hedge 100% of its loans, therefore the hedged item is identified as a proportion of the outstanding loans up to the notional amount of the swaps.

The Group enters into interest rate swaps that have similar critical terms as the hedged item, such as reference rate, reset dates, payment dates, maturities and notional amount. As all critical terms matched during the year, the economic relationship was 100% effective.

The Group applies hedge accounting to remove the accounting mismatch between the hedging instrument and the hedged item since all critical terms matched during the year and the economic relationship was 100% effective. This will effectively result in recognising interest expense at a fixed interest rate for the hedged floating rate loans.

ASYAD GROUP SAOC AND ITS SUBSIDIARIES

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2025

4 Financial risk management (continued)

4.1 Financial risk factors (continued)

(a) Market risk (continued)

(ii) Interest rate risk (continued)

Risk management strategy (continued)

Hedge ineffectiveness for interest rate swaps may occur due to:

- the credit value/debit value adjustment on the interest rate swaps which is not matched by the loan, and
- differences in critical terms between the interest rate swaps and loans.

Hedge effectiveness is determined at the inception of the hedge relationship, and through periodic prospective effectiveness assessments to ensure that an economic relationship exists between the hedged item and hedging instrument. Hedge ineffectiveness for interest rate swaps is assessed using the same principles as for hedges of foreign currency purchases.

There was no ineffectiveness during 2025 or 2024 in relation to the interest rate swaps.

The Group's bank deposits carry fixed rates of interest and therefore, are not exposed to interest rate risk. The Group's exposure to the risk of changes in market interest rates relates primarily to the Group long-term debt obligations with floating interest rates. At 31 December 2025 and 2024, after taking into account, the effect of interest rate swaps, 49.41% (2024 - 69.63%) of the Groups' total borrowings are at a fixed rate of interest. For the borrowings that are not hedged, if the interest rates on borrowings were to shift by +/- 0.5% there would be a maximum change in the profit and equity for the year by **₹** 1,799,063 (2024 - **₹** 856,013).

Effects of hedge accounting on the financial position and performance

The effects of the interest rate swaps on the Group's financial position and performance are as follows:

Interest rate swaps	2025 ₹	2024 ₹
Carrying amount of liability hedged (note 22)	8,923,080	57,280,813
Notional amount (note 22)	8,923,080	57,280,813
Maturity period	1 - 3 years	5 - 10 years
Hedge ratio (holding all other variables constant)	100%	100%
Change in fair value of outstanding hedging instruments since 1 January	(1,369,180)	(2,614,274)
Change in value of hedged item used to determine hedge effectiveness	1,369,180	2,614,274
Weighted average hedged rate for the year	0.70%	2.45%

(b) Price risk

As at 31 December 2025, the Group is not materially exposed to price risk as the financial assets at fair value through other comprehensive income (FVOCI) represents an unquoted investment of immaterial value.

(c) Credit risk

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligation and arises principally from Group's receivables, contract assets, and financial assets at amortised cost.

Credit risk arises from cash and cash equivalents, contractual cash flows of debt investments carried at amortised cost and at fair value through other comprehensive income (FVOCI), favourable derivative financial instruments and deposits with banks and financial institutions, as well as credit exposures to outstanding receivables and contract assets.

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2025

4 Financial risk management (continued)

4.1 Financial risk factors (continued)

(c) Credit risk (continued)

The Group seeks to limit its credit risk with respect to its finance lease receivables, trade receivables and contract assets by monitoring outstanding receivable balances. The Group has a policy to deal only with credit worthy counter parties. If the customer independently rated, these ratings are used. Otherwise, if there is no independent rating, the Group assesses the credit quality of the customer, taking into account its financial position, past experiences, and other factors.

With respect to credit risk arising from the other financial assets of the Group, including cash and cash equivalents, the Group's exposure to credit risk arises from default of the counterparty, with a maximum exposure equal to the carrying amount of these instruments. The Group limits its credit risk with regard to bank deposits by only dealing with banks with high credit rating. The Group also assesses the credit quality of the companies to whom loans have been advanced taking into account their financial position, past experience and other factors. Concentration of credit risk arises when a number of counter-parties are engaged in similar business activities, or activities in the same geographic region, or have similar economic features that would cause their ability to meet contractual obligations to be similarly affected by changes in economic, political or other conditions. Concentrations of credit risk indicate the relative sensitivity of the Group's performance to developments affecting a particular industry or geographical location. The Group has significant concentrations of credit risk with financial assets at amortised cost, details of which are provided in the note below. The Group evaluates the credit worthiness and business outlook of its customers and specifically those with significant finance lease receivable on periodic basis and makes appropriate provisions, where necessary.

Major classification of financial assets as at 31 December is as follows:

Credit risk	2025 ₹	2024 ₹	Comments
Trade receivables	38,386,402	53,712,527	The Group has strong counterparties with good reputations and strong financial performance. The Group liquidity is strictly placed with financial institutions with strong credit ratings or classified as systematic important financial institutions supported by the Oman government.
Other financial assets at amortised cost	29,427,224	34,781,787	
Bank balances (including cash and cash equivalents, bank deposits, margin and other deposits)	404,525,809	226,563,689	
Receivables under finance lease arrangements	114,643,876	123,264,468	Refer to note 13(a) for details.
Loans receivable	740,000	371,199	Refer to note 13(b) for details.
Accrued lease rental income	13,136,966	12,719,669	Refer to note 16 for details.
Contract asset relating to costs incurred to fulfil a contract	31,052	303,366	Refer to note 16 for details.
Total	600,891,329	451,716,705	

At 31 December, the ageing of trade receivables that were not impaired was as follows:

	2025 ₹	2024 ₹
0 - 120 days	19,789,612	32,703,616
121 - 180 days	2,821,646	3,148,765
181 - 240 days	1,808,702	3,389,404
241 - 300 days	1,400,093	1,812,260
301 - 360 days	1,946,703	1,784,867
361 and over	10,619,645	10,873,615
	38,386,401	53,712,527

With respect to exposures with banks, management considers the credit risk exposure to be minimal as the Group deals with reputed local banks. Management does not expect any losses from non-performance by these counterparties. The credit ratings for counter parties have been disclosed in notes 13(a) and 13(f).

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2025

4 Financial risk management (continued)

4.1 Financial risk factors (continued)

(d) Liquidity risk

Liquidity risk is the risk that the Group will encounter difficulty in meeting the obligations, associated with its financial liabilities that are settled by delivering cash or other financial asset. The Group limits its liquidity risk by ensuring bank facilities are available on a continuous basis. The Group's terms of services either require amounts to be paid in advance or within 30 days of the date of sale. Trade payables are normally settled within thirty days of the date of purchase. The table below summarises the contractual maturities of the Group's undiscounted financial liabilities at 31 December, based on contractual payment dates.

	Carrying Amount ₹	Contractual cash flows			Total ₹
		Less than 1 year ₹	1 to 5 years ₹	More than 5 years ₹	
At 31 December 2025					
<i>Non- derivative financial liabilities</i>					
Trade and other payables*	77,342,534	77,342,534	-	-	77,342,534
Term loans	711,254,186	100,185,207	504,294,803	275,296,895	879,776,905
Lease liabilities	148,180,970	72,223,669	76,322,911	24,785,503	173,332,083
	<u>936,777,690</u>	<u>249,751,410</u>	<u>580,617,714</u>	<u>300,082,398</u>	<u>1,130,451,522</u>
At 31 December 2024					
<i>Non- derivative financial liabilities</i>					
Trade and other payables*	75,428,760	75,428,760	-	-	75,428,760
Term loans	563,668,438	115,448,129	220,292,297	414,781,201	750,521,627
Lease liabilities	155,956,772	78,549,565	77,742,919	25,800,248	182,092,731
	<u>795,053,970</u>	<u>269,426,454</u>	<u>298,035,216</u>	<u>440,581,449</u>	<u>1,008,043,119</u>

* Trade and other payables balance exclude interest payable, advance subsidy received, advance from customers and contract liabilities (unearned income). The maturity profile of derivative financial instruments is given in note 22.

4.2 Capital risk management

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern, so that it can provide returns for members and benefits for other stakeholders.

The Group sets the amount of capital in proportion to risk. The Group manages the capital structure and makes adjustments to it in the light of changes in economic conditions and the risk characteristics of the underlying assets. In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to members, return capital to members, issue new shares, or sell assets.

Consistent with others in the industry, the Group monitors capital on the basis of the gearing ratio (debt to total equity)

	2025 ₹	2024 ₹
Debt**	859,435,156	719,625,210
Total equity	871,795,705	713,325,647
Debt to equity ratio (times)	0.986	1.009

** Debt includes term loans, loans from commercial banks, lease liabilities, bank overdrafts and excludes the deferred finance cost.

5 Critical accounting estimates and judgements

In the process of applying the Group's accounting policies, management has made the following significant judgements, apart from those involving estimations, which have the most significant effect in the amounts recognised in the financial statements:

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2025

5 Critical accounting estimates and judgements (continued)

5.1 Judgements

(a) Determination of cash generating unit

Management has assessed the entire fleet of a specific category of vessel as a single CGU. Among other things, the judgement effects on which basis an impairment test is performed. The CGUs are considered to be the VLCC fleet and the Dry bulk fleet. When determining that the fleet of vessel forms one single CGU, Management has considered the degree of interdependency between the vessels operating in the fleet in respect of commercial decisions, operating synergies and financial efficiencies. Management has concluded that the interdependency is of such extent that the cash inflows are not largely independent from each other and that, consequently, the entire fleet forms one CGU. When determining that the CGU is not at a lower level than the vessel fleet, Management has attached importance to the fact that fleet is managed as a portfolio, where revenue is shared on a pool basis and the vessels in the fleet as well as the cashflows are largely interchangeable.

5.2 Estimates and assumptions

The preparation of financial statements requires management to make estimates and assumptions that affect the application of accounting policies and reported amounts of assets and 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 period in which the estimate is revised and in any future periods affected.

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

(a) Impairment of financial assets

The loss allowances for financial assets are based on assumptions about risk of default and expected loss rates. The Group uses judgements in making these assumptions and selecting the inputs to the impairment calculation, based on the Group's past history, existing market conditions as well as forward looking estimates at the end of each reporting period. Details of the key assumptions and inputs used are disclosed in the note 13(e).

At the reporting date, gross trade receivables, contract assets, loans receivables and receivables under finance lease arrangements were ₹ 54.449 million, ₹ 9.254 million, ₹ 0.740 million and ₹ 114.737 million respectively (2024 - ₹ 68.687 million, ₹ 11.530 million, ₹ 0.371 million and ₹ 123.430 million respectively) and the loss allowance was ₹ 16.062 million, ₹ 0.073 million, ₹ nil and ₹ 0.093 million respectively (2024 - ₹ 14.975 million, ₹ 0.113 million, ₹ nil and ₹ 0.166 million respectively). Any difference between the amounts actually collected in future periods and the amounts expected will be recognised in the statement of comprehensive income.

At 31 December 2025, loss allowance on other financial assets was not considered material and accordingly was not recognised in these consolidated financial statements.

(b) Provisions

An onerous contract or unfavorable lease is one in which the unavoidable costs of meeting the obligations under the contract exceed the economic benefits expected to be received under it. The Group evaluates its contracts for possible losses at each reporting date and makes provision, as necessary. This evaluation involves significant judgments with respect to the rates used, expected utilisation and other related factors. 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 will be required to settle the obligation; and the amount has been reliably estimated. Provisions are not recognised for future operating losses.

(c) Favourable lease terms and contractual rights

The Group recognises favorable lease terms where the terms are favourable compared to observable market data and/or future economic benefits of the lease at the acquisition date. Intangible assets arising from contractual or legal rights are measured at the present value of net economic benefits over the term of the contract. The Group evaluates its contracts for possible losses at each reporting date and makes provision, as necessary. This evaluation involves significant judgments with respect to the rates used, expected utilisation and other related factors.

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2025

5 Critical accounting estimates and judgements (continued)

5.2 Estimates and assumptions (continued)

(d) Impairment of investments in joint ventures

The impairment of costs in the respective joint ventures is based on significant estimates and assumptions including the estimation of per day charter revenue rates, growth rates, discount rates, inflation rates and residual values. The impairment provision recognised in respective joint ventures has been accounted for in the Group's consolidated financial statements through the share of loss from the joint venture entities.

Based on the information available, including an evaluation of the assumptions as above, management concluded that no further impairment provision is required in respect of these investments in the Group's consolidated financial statements as the joint ventures are profitable. The Group's share of losses would increase or decrease if there are changes to these estimates. Similarly, adjustments may be necessary to the carrying value of investments if there are significant changes in the above estimates.

At the reporting date, gross investments in joint ventures were ~~SD~~ 125.700 million (2024 - ~~SD~~ 118.604 million) and the provision for impairment was ~~SD~~ 3.894 million (2024 - ~~SD~~ 3.450 million).

(e) Impairment of non-current assets

(i) Vessels

The Group determines whether its non-financial assets are impaired when there are indicators of impairment as defined in IAS 36. This requires an estimation of the value-in-use of the cash-generating unit ("the CGU"), which constitutes the carrying value of the fleet of vessels (including vessel components) as at 31 December 2025. Estimating the value-in-use requires the Group to make an estimate of the expected future cash flows from the CGU and also to choose a suitable discount rate in order to calculate the present value of those cash flows.

As a consequence of ongoing volatility in freight rates during 2025 and the losses in the bulk fleet CGU, the carrying value of the Group's Bulk fleet CGU have been assessed for impairment.

The Group uses freight rate estimates based on 10 years historical average rates.

The carrying value of the Bulk fleet CGU as at 31 December 2025 was ~~SD~~ 43.95 million.

The assessment of the value in use of the Bulk fleet CGU was based on the net present value of the expected future cash flows. The freight rate estimates are based on 10 years historical average rates and are consistent with the Group's business plans. The Group believes that the approach used for long-term rates appropriately reflects the cyclical nature of the shipping industry and is the most reliable estimate for the periods considered in the assessment.

The Operating expenses and administrative expenses are adjusted for 2.6% per annum. The discount rate used in the value in use calculation is based on a Weighted Average Cost of Capital (WACC) of 8.2% as of 31 December 2025 (2024: 11.6%). WACC is calculated by using a standard WACC model in which cost of equity, cost of debt and capital structure are the key parameters.

As of 31 December 2025, the 10-year historical average spot freight rates used in the value in use calculation are as follows:

- Bulk fleet: USD/day 15,094 (consisting of 7 Bulk's with DWT around 63,000)

The vessels are expected to generate normal income for the entire duration of their useful life from the date of delivery from the shipyard taking into consideration the dry dock time. Given the current age profile of the underlying vessels, the average remaining life would be 15 years to 19 years for the Bulk fleet. The Group has used forecasted cashflows for the average remaining life for the Bulk fleet. The calculation of the value in use is sensitive to changes in the key assumptions which are related to the future development in freight rates, the WACC applied as discounting factor in the calculations.

All other things being equal, the sensitivities to the value in use have been assessed as follows:

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2025

5 Critical accounting estimates and judgements (continued)

5.2 Estimates and assumptions (continued)

(e) Impairment of non-current assets (continued)

(i) Vessels (continued)

- An increase/decrease in the freight rates of USD 1,000 per day would result in an increase/decrease in the value in use of ~~SD~~ 10.59 million in the Bulk fleet;
- An increase in WACC of 1% would result in a decrease in the value in use of ~~SD~~ 4.64 million. A decrease in WACC of 1% would result in an increase in the value in use of ~~SD~~ 5.19 million.
- An increase in inflation of 1% would result in an increase in the value in use of ~~SD~~ 5.09 million. A decrease in inflation of 1% would result in a decrease in the value in use of ~~SD~~ 4.62 million.

As outlined above, the impairment test has been prepared on the basis that the Group will continue to operate its vessels as a fleet in the current set-up.

The management has considered the Clarkson's shipping reports for ascertaining fair values of the bulk fleet CGU that was adjusted for the age of the vessels. The value in use (which was similar to the recoverable amount adjusting cost to sell at 1% of fair value) for bulk fleet CGU is ~~SD~~ 68.23 million accordingly the recoverable value is higher than the carrying value of bulk fleet CGU, hence no impairment is charged in the current period.

Impairment of right-of-use vessels:

During the year, due to ongoing volatility in freight rates in the product segment, the Group assessed the carrying value of its leased tanker vessel cash-generating units ("CGUs") for impairment as at 30 June 2025 and 31 December 2025. The leases for these vessels were entered into during a period when demand for shipping capacity significantly exceeded supply. Subsequent market normalisation and a material decline in freight rates reduced the economic performance of these vessels compared to expectations at lease inception. As a result, management performed an impairment test of the recoverable amount of the Group's leased tanker vessels as at 30 June 2025. The carrying amount of seven leased tanker vessels exceeded their recoverable amount, resulting in the recognition of an impairment loss of ~~SD~~ 0.21 million. The discount rate used to calculate the value in use is specific to the vessel, considering the appropriate rate for that investment, which is incremental borrowing rate ranging from 5.28% to 6.18%. As of 30 June 2025, freight rates used in the value in use calculation was USD 23,957 and USD 24,979 per day used as at 30 June 2025 and 31 December 2025 respectively.

All other things being equal, the sensitivities to the value in use have been assessed as follows:

- An increase/decrease in the TCE rates of USD 1,000 per day would result in an increase/decrease in the value in use of ~~SD~~ 2.17 million;
- An increase in discount rate of 1% would result in a decrease in the value in use of ~~SD~~ 0.82 million. A decrease in discount rate of 1% would result in an increase in the value in use of ~~SD~~ 0.84 million.

As at 31 December 2025, management performed a further impairment assessment in accordance with IAS 36 – Impairment of Assets, considering updated freight rate assumptions and market conditions as the TCE rates are better as market is positive in December 2025 comparing to June 2025. Based on this assessment, the recoverable amount of the leased tanker vessel CGUs exceeded the carrying amount of ~~SD~~ 48.5 million. Accordingly, no additional impairment or reversal of impairment was recognised as at 31 December 2025.

Reversal of Impairment loss on Vessels:

During prior periods, an impairment loss was recorded on the 9 VLCC (very large crude carriers) and 1 LNG (liquefied natural gas) vessels due to adverse market conditions in the respective year. During the year ended 31 December 2025, the Group assessed whether there were indicators for a reversal of previously recognised impairment in respect of its VLCC and LNG vessels, in accordance with IAS 36 *Impairment of Assets*. In performing this assessment, the Group considered the sustained profitability achieved over the several periods, favorable shipping market outlook, fully utilisation, and stable forecasted time charter equivalent (TCE) rates for vessels.

5 Critical accounting estimates and judgements (continued)

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2025

5.2 Estimates and assumptions (continued)

(e) Impairment of non-current assets (continued)

As at 31 December 2025, the Group performed a recoverable amount assessment for its owned 9 VLCC and 1 LNG vessels. The recoverable amount was determined on a value-in-use basis (except for 1 vessel where fair value was relevant considering the vessel was classified as held for sale during the year) using discounted cash flow models that reflect the expected operating performance of the vessels over their remaining useful lives. The recoverable amount exceeded the carrying amount. Accordingly, the Group recognised a partial reversal of impairment losses amounting to ~~29.99~~ 29.99 million, which was recognised in profit or loss.

Cash flow projections were prepared based on forecasted TCE rates, operating costs, utilization period till the end of useful life, dry-docking schedules and scrap value. The value-in-use calculations applied a pre-tax discount rate of 8.2% and a long-term inflation rate of 2.6% reflecting the time value of money and the risks specific to the Crude and Gas shipping segments.

Reversal of impairment loss is as follows:

	Consolidated	
	2025	2024
VLCC (9 vessels)	28,211,000	-
LNG (1 vessel)	1,784,000	-
	<u>29,995,000</u>	-

At 31 December 2025, the recoverable amount was as follows.

	Consolidated	
	2025	2024
VLCC (9 vessels)	176,505,000	-
LNG (1 vessel)	48,218,000	-
	<u>224,723,000</u>	-

(ii) Buildings

SFZ headquarter building is classified as both investment property and property, vessels and equipment. During the year, the Group engaged an independent professionally qualified valuer. The valuer has used investment market value approach. The valuer has made assumptions with respect to tenure, town planning, the conditions and repair of the subject building, including environmental and ground conditions. As at December 31, 2025, the fair value of the building as determined by the valuer was higher as compared to its net book value.

Useful lives of property, vessel and equipment

The useful lives, residual values and methods of depreciation of property, vessel and equipment are reviewed, and adjusted if appropriate, at each financial year end. In the review process, the Group takes guidance from recent acquisitions, as well as market and industry trends. In accordance with its policy, the Group reviews the estimated useful lives and residual values of its property, vessel and equipment on an ongoing basis. The impact on subsequent accounting periods of extending the useful lives of these assets will depend on acquisition of new of assets within the categories concerned. Accordingly, no specific forecasts can be made in respect of future periods. For the year ended 31 December 2025, no change in estimated useful lives and residual values of property, vessel and equipment was considered necessary.

(f) Advertisement contracts

Some fixed-price advertisement contracts include provision for multiple services. Because these contracts include multiple performance obligations, the transaction price must be allocated to the performance obligations on a relative stand-alone selling price basis. Management estimates the stand-alone selling price at contract inception based on observable prices of the type of services likely to be rendered in similar circumstances to similar customers. If a discount is granted, it is allocated to all the performance obligations based on their relative stand-alone selling prices.

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2025

6 Investment in subsidiaries, joint ventures and associates

(a) List of subsidiaries, joint ventures and associates

In 2016 the Government, through the MOF, transferred a number of companies to the Group as detailed below. The transfers enabled the Group to act as the Government's Sector Company for the logistics sector pursuant to a decision issued by the Financial & Energy Resources Council at its meeting No. 3/2015 dated the 20th of May 2015 (refer to note 1).

As at 31 December 2025 and 2024 the Company held the subsidiaries, joint ventures and associates detailed below. In each case the percentage shareholding equals the percentage of voting interests.

Company name		Country of incorporation	% Holding 2025	% Holding 2024
Subsidiaries				
Asyad Shipping Company SAOG ("ASC")	(i)	Sultanate of Oman	80%	100%
Oman National Transport Company SAOC ("ONTC")		Sultanate of Oman	100%	100%
National Ferries Company LLC ("NFC")		Sultanate of Oman	100%	100%
Oman Logistics Company LLC ("OLC")	(ii)	Sultanate of Oman	-	100%
Asyad Drydock Company LLC ("ADC")		Sultanate of Oman	100%	100%
Salalah Free Zone Company LLC ("SFZ")	(ii)	Sultanate of Oman	-	100%
Oman Rail Company LLC ("ORC")		Sultanate of Oman	100%	100%
Asyad Ports & Freezone LLC ("APFZ") (Previously Asyad Ports LLC ("AP"))	(ii)	Sultanate of Oman	100%	100%
Asyad Logistics LLC ("AL") (Previously Asyad Investment and Business Company LLC ("AIBC"))		Sultanate of Oman	100%	100%
Oman Road and Transport Management Company LLC (under liquidation) ("ORTMC")	(iii)	Sultanate of Oman	100%	100%

(i) Asyad Shipping Company SAOG:

During the year, the Group sold 20% of its stake in Asyad Shipping Company SAOG through initial public offerings ("IPO"). ASC was listed on the Muscat Stock Exchange (MSX) on 12 March 2025, with total issued share capital is ~~130.219~~ 130.219 million, comprising of 5,208 million shares of 25 baiza each. The Group has retained 80% of the outstanding shares and the remaining 20% are publicly floated.

(ii) As part of Group restructuring, during the period 100% shares of OLC and SFZ were transferred from the Company to APFZ with book value of investment as Share capital injection.

(iii) Formal liquidation of ORTMC was commenced where the liquidation notification was published in the official gazette on 20 February 2023.

Company name		Country of incorporation	% Holding 2025	% Holding 2024
Joint ventures and associates				
Port of Duqm Company SAOC ("PDC")	(i)	Sultanate of Oman	-	50%
Sohar Industrial Port Company SAOC ("SIPC")	(i)	Sultanate of Oman	-	50%
Sohar International Development Company LLC ("SIDC")	(i)	Sultanate of Oman	-	50%
Duqm Industrial Land Company LLC ("DILC")	(i)	Sultanate of Oman	-	25%
Duqm Logistic Lands and Investment Company LLC ("DLLIC")	(i)	Sultanate of Oman	-	40%
Salalah Port Services Company SAOG ("SPS")	(i)	Sultanate of Oman	-	20%

IFRS 10 requires the Company to identify a control framework to identify associates, joint ventures and subsidiaries. As a result, the Company is accounting for the transferred entities as follows:

(a) PDC, SIPC and SIDC (ownership - 50%) are considered to be joint ventures as these are jointly controlled through a Memorandum of Understanding which includes deadlock provisions which means neither party has control.

(b) DILC, DLLIC and SPS are treated as associates as ownership is greater than 20% but the Company does not have control of the respective entities.

(i) As part of Group restructuring, during the period shares of PDC, SIPC, SIDC, DILC, DLLIC & SPS were transferred from the Company to APFZ with ~~1~~ 1.

All other companies are accounted for as subsidiaries of the Company, because the Group controls these entities as it is exposed to, or has rights to, variable returns from the involvement with the entity and has the ability to effect returns through its power over the entities.

(b) Revenues and profits of the subsidiaries

The subsidiaries contributed the following revenue and profit/(loss) to the Group results, after incorporating consolidation entries:

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6 Investment in subsidiaries, joint ventures and associates (continued)

(b) Revenues and profits of the subsidiaries (continued)

Company	Revenue 2025 P	Profit/(loss) 2025 P	Revenue 2024 P	Profit/(loss) 2024 P
ASC	337,200,527	56,435,146	366,006,047	47,057,711
ADC	65,421,470	6,129,180	57,661,437	3,844,286
AL	66,578,061	(3,882,043)	45,248,227	(2,255,259)
SFZ	-	-	6,146,371	(3,356,192)
ONTC	8,429,301	1,101,044	8,062,689	1,089,181
OPC	-	-	-	-
ORC	920,199	(139,941)	1,252,247	(66,079)
NFC	1,198,865	71,105	1,231,141	40,025
ASCS	-	-	-	-
OLC	-	-	380,359	281,226
AP	16,842,914	2,259,948	6,966,330	(1,405,229)
Total	496,591,337	61,974,439	492,954,848	45,229,670

Reconciliation to Group's reported net profit (profit for the year):

	2025 P	2024 P
Profit of the subsidiaries	61,974,439	45,229,670
Profit for the year	60,636,215	52,868,892
Difference	1,338,224	(7,639,222)
<i>Adjustments for:</i>		
Asyad Corporate profit/(loss)	46,784,204	22,130,619
Share of results of equity accounted investments	8,782,347	11,357,826
Dividend from Group companies	(56,904,775)	(25,849,223)
	(1,338,224)	7,639,222
Difference	-	-

7 Non-controlling interests

As of 31 December 2025 and 31 December 2024, there was no direct non-controlling interests for the Group. The NCI disclosed in the consolidated statement of financial position and the consolidated statement of profit or loss and other comprehensive income includes non-controlling interests within subsidiaries of ASC, AP, AL and Asyad.

	2025 P	2024 P
2025	Carrying amount of NCI	Profit/(loss) attributable to NCI
NCI in ASC's subsidiaries	11,235,059	(845,000)
NCI in AP's subsidiaries	(137,341)	401,787
NCI in AL's subsidiaries	5,360,552	23,381
NCI in Asyad's subsidiaries	49,029,512	11,456,000
Total	65,487,782	11,036,168
2024	Carrying amount of NCI	Profit/(loss) attributable to NCI
NCI in ASC's subsidiaries	13,483,934	4,495,116
NCI in AP's subsidiaries	(539,128)	(451,600)
NCI in AL's subsidiaries	5,337,171	91,161
Total	18,281,977	4,134,677

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FOR THE YEAR ENDED 31 DECEMBER 2025

8 Property, vessels and equipment

	Capital-work-in progress (8.2) P	Vessels (8.1) P	Buildings P	Motor vehicles P	Infrastructure development (8.3) P	Machinery & others P	Right of use assets (8.3) P	Total P
Cost								
At 1 January 2024	54,066,717	2,415,689,013	51,066,224	13,833,512	29,537,051	38,725,324	299,319,644	2,902,237,485
Acquisitions during the year	941,170	-	-	454,604	-	986,337	560,488	2,942,599
Additions during the year	33,442,973	8,717,329	67,609	637,709	143,960	7,225,905	77,466,624	127,702,109
Transfers	(8,624,749)	859,398	(307,894)	-	-	7,813,807	-	(259,438)
Disposals	-	(20,431)	-	(1,650,954)	(700)	(1,465)	(514,841)	(2,188,391)
At 31 December 2024	79,826,111	2,425,245,309	50,825,939	13,274,871	29,680,311	54,749,908	376,831,915	3,030,434,364
At 1 January 2025	79,826,111	2,425,245,309	50,825,939	13,274,871	29,680,311	54,749,908	376,831,915	3,030,434,364
Additions during the year	98,126,137	90,038,299	547,525	398,510	184,349	8,001,767	91,407,650	288,704,237
Transfers	(3,101,541)	-	51,434	-	166,175	2,883,932	-	-
Disposals	-	(13,244,000)	-	(306,634)	-	(192,145)	(63,413)	(13,806,192)
Asset Held for Sale	-	(343,280,000)	-	-	-	-	(166,315,887)	(343,280,000)
Write-off	(292,376)	-	-	-	-	-	-	(292,376)
Transfer to intangible assets	(1,000,970)	-	-	-	-	-	-	(1,000,970)
At 31 December 2025	173,557,361	2,158,759,608	51,424,898	13,366,747	30,030,835	65,443,462	301,860,265	2,794,443,176
Accumulated depreciation								
1 January 2024	1,275,100	1,826,485,287	12,674,499	12,667,277	21,347,548	19,276,900	152,257,504	2,045,984,115
Acquisition during the year	-	-	-	287,824	-	872,419	150,432	1,310,675
Charge for the year	-	50,082,471	1,940,079	470,280	584,329	4,497,362	82,983,177	140,557,698
Disposals	-	(12,760)	-	(1,557,737)	(155)	(1,972)	(514,841)	(2,087,465)
Impairment	-	-	-	-	-	-	-	-
31 December 2024	1,275,100	1,876,554,998	14,614,578	11,867,644	21,931,722	24,644,709	234,876,272	2,185,765,023
1 January 2025	1,275,100	1,876,554,998	14,614,578	11,867,644	21,931,722	24,644,709	234,876,272	2,185,765,023
Charge for the year	(508,389)	52,614,867	2,589,829	497,911	595,637	5,142,464	84,960,860	145,893,179
Disposals	-	(9,776,000)	-	(253,627)	-	(188,537)	(63,413)	(10,281,577)
Impairment	-	(29,995,000)	-	-	-	-	-	(29,995,000)
Asset Held for Sale	-	(259,573,000)	-	-	-	-	(163,306,483)	(259,573,000)
Write-off	-	-	-	-	-	-	-	-
31 December 2025	766,711	1,629,825,865	17,204,407	12,111,928	22,527,359	29,598,636	156,467,236	1,868,502,142
Net carrying amount								
At 31 December 2025	172,790,650	528,933,743	34,220,491	1,254,819	7,503,476	35,844,826	145,393,029	925,941,034
At 31 December 2024	78,551,011	548,690,311	36,211,361	1,407,227	7,748,589	30,105,199	141,955,643	844,669,341

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2025

8 Property, vessels and equipment (continued)

8.1 Certain of the Group's vessels are secured against loan arrangements. Details regarding the Group's obligations under its loan arrangements and its future commitments are set out in note 19.

8.2 Capital work in progress includes the construction of two LNG and four VLCC vessels and two medium range tankers vessels and costs incurred upto 31 December 2025 aggregated to **AED** 151.29 million (2024: **AED** 66.96 million). Included in this amount are capitalised borrowing costs related to the construction of **AED** 6.33 million (2024: **AED** 2.50 million), calculated using a capitalisation rate of 4.2 percent for specific borrowings and 5.6 percent for general borrowings (2024: 5.8 percent for general borrowings).

8.3 Infrastructure development largely relates to SFZ.

8.4 The Group has entered into long-term charter contracts for leasing vessels, which it further engages in operations for generating revenue. It has also leased land and building for administrative purposes. The vessel lease contracts are typically entered into for a period of 2 to 15 years but may have extension options. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. The lease agreements do not impose any covenants, but leased assets may not be used as security for borrowing purposes. These liabilities are measured at the present value of the remaining lease payments, discounted using the lessee's incremental borrowing rate as at date of measurement which were between 4.13% and 7.42% (2024: 3.7% to 8.4%) at the date of initial adoption. The Group is not exposed to any future cash-flows from variable lease terms or residual value guarantees that are not reflected in the measurement of lease liabilities. There are no extension or early termination options with respect to lease liabilities.

8.5 The statements of financial position and profit or loss shows the following amounts relating to lease of right of use assets:

	Land AED	Properties AED	Vessels AED	Vehicles AED	Total AED
Cost					
At 1 January 2024	3,280,251	11,086,365	284,827,553	125,475	299,319,644
Acquisition during the year	560,488	-	-	-	560,488
Additions during the year	7,244,457	727,945	68,831,608	662,614	77,466,624
Disposals	-	(514,841)	-	-	(514,841)
Adjustment during the year	-	-	(100,113)	100,113	-
At 31 December 2024	11,085,196	11,299,469	353,559,048	888,202	376,831,915
At 1 January 2025	11,085,196	11,299,469	353,559,048	888,202	376,831,915
Additions during the year	355,698	1,178,525	89,590,000	283,427	91,407,650
Disposals	-	(63,413)	-	-	(63,413)
Write-off/Adjustment	(7,244,457)	6,706,933	(165,890,693)	112,330	(166,315,887)
At 31 December 2025	4,196,437	19,121,514	277,258,355	1,283,959	301,860,265
Accumulated depreciation					
At 1 January 2024	229,737	3,483,268	148,499,307	45,192	152,257,504
Acquisition during the year	150,432	-	-	-	150,432
Charge for the year	521,369	770,876	81,547,062	143,870	82,983,177
Disposals	-	(514,841)	-	-	(514,841)
Adjustment during the year	-	-	(97,990)	97,990	-
At 31 December 2024	901,538	3,739,303	229,948,379	287,052	234,876,272
At 1 January 2025	901,538	3,739,303	229,948,379	287,052	234,876,272
Charge for the year	259,988	804,125	83,643,581	253,166	84,960,860
Disposals	-	(63,413)	-	-	(63,413)
Impairment loss	-	-	(208,000)	-	(208,000)
Write-off/Adjustment	(520,095)	94,900	(162,673,288)	-	(163,098,483)
At 31 December 2025	641,431	4,574,915	150,710,672	540,218	156,467,236
Net carrying amount at 31 December 2025	3,555,006	14,546,599	126,547,683	743,741	145,393,029
31 December 2024	10,183,658	7,560,166	123,610,669	601,150	141,955,643

The Group leases various offices, lands, vessels, ferries, warehouses and vehicles. Rental contracts are typically made for fixed periods of 3 to 50 years but may have extension options as described in note 3.4(b). Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. The lease agreements do not impose any covenants, but leased assets may not be used as security for borrowing purposes.

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9 Investment property

The investment property comprises of the following:

	Land AED	Building AED	Warehouse AED	Furniture and equipment AED	Total AED
Cost					
At 1 January 2024	13,318,961	7,509,838	10,806,145	1,050,003	32,684,947
Addition during the year	-	-	53,014	-	53,014
31 December 2024	13,318,961	7,509,838	10,859,159	1,050,003	32,737,961
At 1 January 2025	13,318,961	7,509,838	10,859,159	1,050,003	32,737,961
Additions during the year	-	-	20,493	-	20,493
At 31 December 2025	13,318,961	7,509,838	10,879,652	1,050,003	32,758,454
Accumulated depreciation					
1 January 2024	-	3,975,816	2,260,528	888,530	7,124,874
Charge for the year	-	304,346	541,298	161,473	1,007,117
31 December 2024	-	4,280,162	2,801,826	1,050,003	8,131,991
1 January 2025	-	4,280,162	2,801,826	1,050,003	8,131,991
Charge for the year	-	304,346	534,035	-	838,381
31 December 2025	-	4,584,508	3,335,861	1,050,003	8,970,372
Net carrying amount					
At 31 December 2025	13,318,961	2,925,330	7,543,791	-	23,788,082
At 31 December 2024	13,318,961	3,229,676	8,057,333	-	24,605,970

Land represents commercial properties for which a number of the Group entities have been granted usufruct agreements. Where the entity has the right to issue sub-usufruct agreements the land has been valued by an independent property evaluation expert and included in investment property. The Group holds eleven such properties totaling approximately 60,000 square meters. The fair value of the parcels of land is **AED** 13,318,961 (2024 - **AED** 13,318,961) which is based on discounted long-term lease rental rates. The Parent Company is currently developing a strategy to market these properties.

The Group is the beneficiary of usufruct agreements relating to a number of other plots in addition of land. At this stage the Parent Company is determining the best use of these plots including using them for operational purposes. As a result, they have not been included in investment property. Certain of the Group's investment properties were valued at 31 December 2025 by independent professionally qualified valuers who hold a recognized relevant professional qualification and have recent experience in the locations and segments of the investment properties valued. The fair value of other investment properties was determined internally by management. Based on such valuations, the fair value of the investment property as at 31 December 2025 was **AED** 13,701,713 (2024 - **AED** 13,701,713).

10 Intangible assets and goodwill

The Company has recognised a number of intangible assets upon share transfer of a number of group companies. Favorable lease terms recognised during the transfer relate to the long-term charter of LNG ships and VLOCs of ASC. Contractual rights relate to technical management and chartering contracts of OSMC and OCC.

In 2024, the Group acquired a 70% stake in Skybridge Holding Company Limited, a freight forwarding company based in the United Arab Emirates, through Asyad Logistic Company, resulting in the recognition of Goodwill of **AED** 7,604,905, Customer relationship of **AED** 8,313,690 and Trademark of **AED** 423,500.

	Goodwill AED	Customer Relationship AED	Trademark AED	Favourable lease terms AED	Contractual rights AED	ERP AED	Total AED
Cost							
At 31 December 2023	3,034,630	-	-	42,288,726	18,133,080	1,428,829	64,885,265
Additions during the year	7,604,905	8,313,690	423,500	-	-	571,358	16,913,453
Transfer	-	-	-	-	-	-	-
At 31 December 2024	10,639,535	8,313,690	423,500	42,288,726	18,133,080	2,000,187	81,798,718
Additions during the year	-	-	-	-	-	2,077,700	2,077,700
At 31 December 2025	10,639,535	8,313,690	423,500	42,288,726	18,133,080	4,077,887	83,876,418

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2025

10 Intangible assets and goodwill (continued)

Reconciliation of carrying amount (continued)

	Goodwill	Customer Relationship	Trademark	Favourable lease terms	Contractual rights	ERP	Total
Accumulated amortisation							
Charge for the year	615,186	-	-	1,470,446	1,441,039	80,584	3,607,255
Impairment loss	-	-	-	-	-	35,490	35,490
At 31 December 2024	3,034,630	-	-	37,440,897	12,368,924	805,942	53,650,393
Charge for the year	-	554,246	141,167	3,456,896	1,441,039	368,347	5,961,695
At 31 December 2025	3,034,630	554,246	141,167	40,897,793	13,809,963	1,174,289	59,612,088
Net carrying amount							
At 31 December 2025	7,604,905	7,759,444	282,333	1,390,933	4,323,117	2,903,598	24,264,330
At 31 December 2024	7,604,905	8,313,690	423,500	4,847,829	5,764,156	1,194,245	28,148,325

Amortisation

The above amortisation is charged to the consolidated statement of profit or loss and is allocated to depreciation and amortisation.

Impairment testing

The goodwill comprises:

- the value customer lists, that are not separately recognized, and
- implicit Government support resulting lower cost of borrowing. Due to the terms imposed for such support, the Government support is not separable. Therefore, it does not meet the criteria for recognition as separate intangible asset under IAS 38.

For the purposes of impairment testing goodwill has been allocated to the Parent Company of the Skybridge Holding group. The Group tests whether goodwill has suffered any impairment on an annual basis. The recoverable amount of a cash generating unit (CGU) is determined based on value-in-use calculations which require the use of assumptions. The calculations use cash flow projections based on financial budgets and estimated growth rates.

The calculation of value in use is most sensitive to the following assumptions:

- Margins and return on assets
- Discount rates ranging between 11.2% to 12.6% has been used for the determination of the value in use.
- Growth rates of 2.1% has been used to extrapolate cash flows beyond the forecast period.

11 Investments accounted for using equity method

The following table illustrates the movement of the Company's investment in joint ventures (JVs) and associates:

	2025	2024
At 1 January	99,484,719	94,069,408
Disposal of a direct associates*	(75,096,776)	-
Share of results	8,782,346	11,264,532
Dividends	(5,801,200)	(5,849,221)
At 31 December	27,369,089	99,484,719

* During the year the Parent Company transferred the direct associates to one of its 100% owned subsidiary APFZ. (refer note 6)

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2025

11 Investments accounted for using equity method (continued)

The following table illustrates the movement of the Group investment in JVs and associates including indirect JVs and associates:

	2025	2024
At 1 January	144,352,160	123,065,608
Share of results	14,132,913	11,735,520
Investment in direct associate	-	30,000
Investment in indirect joint ventures	7,095,520	15,524,311
Other comprehensive income of indirect investments	-	-
Adjustment during the year	(127,437)	(58)
Dividends	(6,801,199)	(6,003,221)
At 31 December	158,651,957	144,352,160

In addition, the JVs and associates include following for the year ended 31 December 2025:

	2025	2024
Share of results		
Company's investments	8,782,346	11,264,532
ASC's investments	1,876,713	835,160
ADC's investments	-	-
APFZ's investments	3,473,854	(364,172)
Total	14,132,913	11,735,520

	2025	2024
Carrying value		
Company's investments	27,369,089	99,484,719
ASC's investments	24,249,563	22,419,915
AL's investments	-	-
ORC's investment	29,359,656	22,264,136
APFZ's investment	77,673,649	183,390
Total	158,651,957	144,352,160

ASYAD GROUP SAOC AND ITS SUBSIDIARIES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2025

11 Investments in joint ventures and associates (continued)

Summarised financial information for joint ventures (continued)

Set out below is the summarised financial information of the indirect joint ventures which are accounted for using the equity method as at 31 December 2025.

Summarised statement of financial position:

	ENERGY £	LIWA £	RAYSUT £	AL-MUSANAH £	DUQM £	HAIMA £	TOTAL £
ASSETS							
Non-current assets	8,708,000	-	6,443,000	11,449,000	-	6,428,000	33,028,000
Current assets	2,696,000	6,674,000	2,490,000	3,644,000	12,835,000	2,310,000	30,649,000
Total assets	11,404,000	6,674,000	8,933,000	15,093,000	12,835,000	8,738,000	63,677,000
EQUITY AND LIABILITIES							
Total equity	11,302,000	5,505,000	8,924,000	6,178,000	12,832,000	8,731,000	53,472,000
LIABILITIES							
Non-current liability	-	-	-	6,597,000	-	-	6,597,000
Current liabilities	102,000	1,169,000	9,000	2,318,000	3,000	7,000	3,608,000
Total liabilities	102,000	1,169,000	9,000	8,915,000	3,000	7,000	10,205,000
Total equity and liabilities	11,404,000	6,674,000	8,933,000	15,093,000	12,835,000	8,738,000	63,677,000
Summarised statement of profit or loss and other comprehensive income:							
	ENERGY £	LIWA £	RAYSUT £	AL-MUSANAH £	DUQM £	HAIMA £	TOTAL £
Charter hire	4,361,000	12,477,000	2,558,000	4,258,000	-	2,712,000	26,366,000
Operating costs	(4,111,000)	(9,591,000)	(2,559,000)	(3,729,000)	(12,000)	(2,718,000)	(22,720,000)
Operating profit/(loss)	250,000	2,886,000	(1,000)	529,000	(12,000)	(6,000)	3,646,000
Other non-operation expenses							
Interest expense	1,000	-	-	(527,000)	-	-	(526,000)
Finance income	50,426	-	-	-	583,000	-	633,426
Net profit/(loss)	301,426	2,886,000	(1,000)	2,000	571,000	(6,000)	3,753,426

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2025

11 Investments in joint ventures (continued)

Summarised financial information for joint ventures (continued)

Reconciliation of summarised financial information:

	ENERGY £	LIWA £	RAYSUT £	AL-MUSANAH £	DUQM £	HAIMA £	TOTAL £
Opening net assets 1 January	11,000,459	2,588,384	9,012,652	6,212,430	12,262,506	8,737,748	49,814,178
Profit/(loss) for the year	301,426	2,886,000	(1,000)	2,000	571,000	(6,000)	3,753,426
Adjustment	(94,130)	-	-	-	-	-	(94,130)
Dividend received during the year	-	-	-	-	-	-	-
At 31 December	11,207,755	5,474,384	9,011,652	6,214,430	12,833,506	8,731,748	53,473,474
Investment in joint ventures	50%	50%	50%	50%	50%	50%	50%
Book value of investment	5,603,877	2,737,192	4,505,826	3,107,215	6,416,753	4,365,874	26,736,737
Fair value adjustment	2,741,045	1,786,583	(1,360,411)	(1,051,718)	(3,729,524)	(873,149)	(2,487,174)
Carrying value of investment	8,344,922	4,523,775	3,145,415	2,055,497	2,687,229	3,492,725	24,249,563

Set out below is the summarised financial information of the indirect joint ventures which are accounted for using the equity method as at 31 December 2024.

Summarised statement of financial position:

	ENERGY £	LIWA £	RAYSUT £	AL-MUSANAH £	DUQM £	HAIMA £	TOTAL £
ASSETS							
Non-current assets	10,579,724	-	7,921,429	13,630,302	-	7,892,195	40,023,650
Current assets	7,109,958	4,487,824	2,131,304	4,073,146	12,265,200	950,733	31,018,165
Total assets	17,689,682	4,487,824	10,052,733	17,703,448	12,265,200	8,842,928	71,041,815
EQUITY AND LIABILITIES							
Total equity	11,000,568	2,618,696	8,924,958	6,175,572	12,262,505	8,737,746	49,720,045
LIABILITIES							
Non-current liability	-	-	-	-	-	-	-
Current liabilities	6,689,113	1,869,129	1,127,775	11,527,876	2,695	105,182	21,321,770
Total liabilities	6,689,113	1,869,129	1,127,775	11,527,876	2,695	105,182	21,321,770
Total equity and liabilities	17,689,681	4,487,825	10,052,733	17,703,448	12,265,200	8,842,928	71,041,815

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11 Investments in joint ventures (continued)

Summarised financial information for joint ventures (continued)

Summarised statement of profit or loss and other comprehensive income:

	ENERGY ﷲ	LIWA ﷲ	RAYSUT ﷲ	AL-MUSANAH ﷲ	DUQM ﷲ	HAIMA ﷲ	TOTAL ﷲ
Charter hire	4,448,391	11,241,480	2,508,198	4,748,667	-	2,508,198	25,454,934
Operating costs	(4,814,945)	(9,941,344)	(2,507,753)	(3,841,413)	(12,300)	(2,502,619)	(23,620,374)
Operating profit/(loss)	(366,554)	1,300,136	445	907,254	(12,300)	5,579	1,834,560
Other non-operation expenses							
Interest expense	(1,420)	(190)	(4,673)	(906,893)	-	(5,253)	(918,429)
Finance income	87,661	175	108	392	665,800	53	754,189
Net profit/(loss)	(280,313)	1,300,121	(4,120)	753	653,500	379	1,670,320

Reconciliation of summarised financial information:

	ENERGY ﷲ	LIWA ﷲ	RAYSUT ﷲ	AL-MUSANAH ﷲ	DUQM ﷲ	HAIMA ﷲ	TOTAL ﷲ
Opening net assets 1 January	11,588,886	1,288,263	9,016,772	6,211,677	11,609,006	8,737,369	48,451,973
Profit/(loss) for the year	(280,313)	1,300,121	(4,120)	753	653,500	379	1,670,320
Adjustment	(115)	-	-	-	-	-	(115)
Dividend received during the year	(308,000)	-	-	-	-	-	(308,000)
At 31 December	11,000,458	2,588,384	9,012,652	6,212,430	12,262,506	8,737,748	49,814,178
Investment in joint ventures	50%	50%	50%	50%	50%	50%	
Book value of investment	5,500,229	1,294,192	4,506,326	3,106,215	6,131,253	4,368,874	24,907,089
Fair value adjustment	2,741,045	1,786,583	(1,360,411)	(1,051,718)	(3,729,524)	(873,149)	(2,487,174)
Carrying value of investment	8,241,274	3,080,775	3,145,915	2,054,497	2,401,729	3,495,725	22,419,915

ASYAD GROUP SAOC AND ITS SUBSIDIARIES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
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12 Revenue from contracts with customers

12.1 Disaggregation of revenue from contracts with customers

The Group derives revenue from the transfer of services over time and at a point in time in the following major product lines and geographical regions. Breakup of total revenue is disclosed in note 27:

31 December 2025	Freight and lease income ﷲ	Ship conversion & repair ﷲ	Bus, postal and ferry services ﷲ	Others ﷲ	Total ﷲ
Timing of revenue recognition					
- At a point in time	1,409,628	-	21,813,346	16,772,131	39,995,105
- Over time	105,351,375	66,220,835	3,790,754	920,199	176,283,163
	106,761,003	66,220,835	25,604,100	17,692,330	216,278,268

31 December 2024	Freight and lease income ﷲ	Ship conversion & repair ﷲ	Bus, postal and ferry services ﷲ	Others ﷲ	Total ﷲ
Timing of revenue recognition					
- At a point in time	1,441,898	-	20,105,087	13,493,060	35,040,045
- Over time	136,937,179	57,661,437	3,282,789	1,252,247	199,133,652
	138,379,077	57,661,437	23,387,876	14,745,307	234,173,697

12.2 Assets and liabilities related to contracts with customers

The Group has recognised the following assets and liabilities related to contracts with customers:

	2025 ﷲ	2024 ﷲ
Contract assets relating to:		
- Voyage charter contracts	1,422,018	4,775,317
- Ship conversion & repair contracts	7,403,485	6,191,591
- Advertisement contracts	298,015	419,862
- Project management contracts	56,737	30,342
Total current contract assets net of loss allowance (note 13(d))	9,180,255	11,417,112
Contract liabilities relating to:		
- Voyage charter contracts	8,787,624	11,962,965
- Advertisement contracts	114,065	-
- Others	449,766	-
Total current contract liabilities (note 25)	9,351,455	11,962,965

(i) *Revenue recognised in relation to contract liabilities*

The following table shows how much of the revenue recognised in the current reporting period relates to carried-forward contract liabilities and how much relates to performance obligations that were satisfied in a prior year.

	2025 ﷲ	2024 ﷲ
Revenue recognised that was included in the contract liability balance at the beginning of the period:		
- Voyage charter contracts	11,962,965	12,716,920

(ii) *Assets recognised from costs to fulfil a contract*

Asset recognised from costs incurred to fulfil a contract (note 16)	31,052	303,366
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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2025

12 Revenue from contracts with customers (continued)

12.2 Assets and liabilities related to contracts with customers (continued)

(iii) Unsatisfied long-term consulting contracts

There was no revenue recognised in the current reporting period that relates to carried-forward contract liabilities and there were no unsatisfied performance obligations in prior year.

13 Financial assets at amortised cost

The Group holds the following financial assets at amortised cost:

	2025 AED	2024 AED
Receivables under finance lease arrangements - note 13(a)	114,643,876	123,264,468
Loans receivable - note 13(b)	740,000	371,199
Trade receivables - note 13(c)	38,386,402	53,712,527
Other financial assets at amortised cost - note 13(d)	29,427,224	34,781,787
Bank balances and cash - note 13(f)	404,525,809	226,563,689
	<u>587,723,311</u>	<u>438,693,670</u>

13(a) Receivables under finance lease arrangements

Four of ASC's subsidiaries entered into 20 years lease arrangements for VLOCs with a third party (lessee). The Group has determined, based on an evaluation of the terms and conditions of the arrangements, that it does not retain the significant risks and rewards of ownership of these VLOCs and therefore has accounted the time charter party agreements as finance lease arrangements. Considering the specific nature of these vessels, the Group does not expect that the lessee will exercise the extension or early termination options.

	2025 AED	2024 AED
Non-current portion	<u>105,016,612</u>	<u>114,736,646</u>
Current portion	<u>9,720,034</u>	<u>8,694,161</u>
Less: Expected credit loss allowance	(92,770)	(166,339)
	<u>9,627,264</u>	<u>8,527,822</u>

Future minimum lease receivables under finance lease together with the present value of the minimum lease receivables are as follows:

	2025 AED	2024 AED
Finance lease receivable		
- Current	9,627,264	8,527,822
- Non-current	105,016,612	114,736,646
Total finance lease receivable	<u>114,643,876</u>	<u>123,264,468</u>
Undiscounted lease payments to be received		
1 year	23,500,333	23,217,101
2 years	23,855,015	23,500,333
3 years	23,001,718	23,855,015
4 years	23,345,799	23,001,718
5 years	23,208,000	23,345,799
> 5 years	60,851,011	78,553,949
	<u>177,761,876</u>	<u>195,473,915</u>
Less: unearned finance income	(63,118,000)	(72,209,447)
	<u>114,643,876</u>	<u>123,264,468</u>

ASYAD GROUP SAOC AND ITS SUBSIDIARIES

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2025

13 Financial assets at amortised cost (continued)

13(a) Receivables under finance lease arrangements (continued)

The loss allowance for receivables under finance lease arrangements was AED 92,770 as at 31 December 2025 (2024 - AED 166,339). The receivable under finance lease arrangements is from a reputable organisation, which is considered to be one of the largest ore producers in the world and therefore considered to be of good credit standing. Further, there are no past due finance lease receivables.

During 2025, the Group recognised interest income on lease receivables of AED 14.99 million (2024: AED 16.12 million).

13(b) Loans receivable

	2025 AED	2024 AED
Loans to joint ventures	740,000	371,199
Loan to OJV3 (note 14)	-	-
	<u>740,000</u>	<u>371,199</u>
Less: Expected credit loss allowance	-	-
	<u>740,000</u>	<u>371,199</u>
Less: classified as non-current	(740,000)	(371,199)
Current portion of loans receivable	<u>-</u>	<u>-</u>

(i) The loss allowance for loans receivables is AED Nil as at 31 December 2025 (2024 - Nil).

(ii) Loans provided to Asyad Terminal Duqm, a joint venture of APFZ, of AED 240k carries an effective annual interest rate of 7.3% (2024 - 8.5%).

(iii) Loans provided to Combined Marine Terminal Operations Marafi LLC, a joint venture of APFZ, of AED 1,020k carries an effective annual interest rate of 5.75% (2024 - 5.75%). The loan receivables also include an accrued interest of Nil (2024: AED Nil) as of the reporting date. During the year loan of AED 520k has been repaid.

(iv) None of the loans receivables from related parties are past due or carry specific provision as at 31 December 2025 or 31 December 2024.

13(c) Trade receivables

	2025 AED	2024 AED
Trade receivables	54,449,225	68,687,109
Less: loss allowance	(16,062,823)	(14,974,582)
	<u>38,386,402</u>	<u>53,712,527</u>

(i) Due to the short-term nature of the current receivables, their carrying amount approximates their fair value.

(ii) Of the total carrying amount of provision, AED 10,141,554 pertains to expected credit loss (2024 - AED 9,504,112), and the balance amount of AED 5,921,269 pertains to specific receivables arising from contracts with customers (2024 - AED 5,470,470).

13(d) Other financial assets at amortised cost

	2025 AED	2024 AED
Subsidy receivable (note 20)	788,223	6,851,440
Other receivables	11,852,376	5,556,711
Receivables due from related parties	8,334,738	11,757,894
Contract assets (accrued income) (note 12.2)	9,253,513	11,530,543
Less: loss allowance - other receivables	(728,368)	(801,370)
Less: loss allowance - contract assets	(73,258)	(113,431)
Less: loss allowance - Other financial assets at amortised cost	-	-
	<u>29,427,224</u>	<u>34,781,787</u>

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
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13 Financial assets at amortised cost (continued)

13(e) Impairment of trade receivables and other financial assets at amortised cost

The closing loss allowances for trade receivables as at 31 December 2025 reconcile to the opening loss allowances as follows:

	Trade receivables	
	2025	2024
At 1 January	14,974,582	12,963,044
Increase in loan loss allowance recognised in profit or loss during the year	2,776,935	2,811,168
Unused amount reversed	(1,170,168)	(799,630)
Receivables written off during the year as uncollectible	(518,526)	-
At 31 December	16,062,823	14,974,582
Net movement in provisions during the year on:		
- Trade receivables	1,606,767	2,011,538
- Contract assets	(40,173)	21,763
- Other receivables*	(73,002)	(260,998)
- Loans receivable	-	(24,789)
- Receivables under finance lease arrangements	(73,569)	(10,601)
- Other financial assets at amortised cost	-	-
Net (reversal)/provision for impairment losses on financial and contract assets	1,420,023	1,736,913

*In 2025 amount of 518,526 was written off against the Trade receivable account. Whereas, in 2024: 2,137,725 was written off against the other receivable account, mainly from Rakiza. Trade receivables 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 Group, and a failure to make contractual payments for a period of greater than 365 days past due.

On that basis, the loss allowance as at 31 December 2025 was determined as follows for trade receivables:

	0-120 days	121-180 Days	181-240 Days	241-300 days	301-360 days	361 and over	Total
31 December 2025							
Gross carrying amount (₹)							
Trade receivables	20,241,263	2,898,377	1,969,007	1,703,813	3,221,767	24,414,998	54,449,225
Expected loss rate (%)	2.23	2.65	8.14	17.83	39.58	56.50	29.50
Loss allowance	451,651	76,731	160,304	303,720	1,275,064	13,795,353	16,062,823

	0-120 days	121-180 Days	181-240 Days	241-300 days	301-360 days	361 and over	Total
31 December 2024							
Gross carrying amount (₹)							
Trade receivables	32,974,208	3,212,651	3,523,319	1,855,322	4,510,318	22,611,291	68,687,109
Expected loss rate (%)	0.82	1.99	3.80	2.32	60.43	51.91	21.80
Loss allowance	270,592	63,886	133,915	43,062	2,725,451	11,737,676	14,974,582

13(f) Bank balances and cash

Cash and cash equivalents include the following for the purpose of the consolidated statement of the cash flows:

	2025	2024
Cash and bank balances	78,397,532	86,256,609
Short term bank deposits - (i)	316,834,968	100,815,697
Long term bank deposits - (i)	5,000,000	12,700,000
Restricted cash - (ii)	4,293,309	26,791,383
Total cash and bank balances	404,525,809	226,563,689
Less: classified as non-current (bank deposits)	(5,000,000)	(12,700,000)
Current portion of cash and bank balances	399,525,809	213,863,689
Less: Short term bank deposits (more than 3 months) - (i)	(340,626,351)	(124,607,080)
Less: Restricted cash - (ii)	(4,293,309)	(26,791,383)
Cash and cash equivalents	54,606,149	62,465,226
Less: Bank overdraft (note 19)	-	-
Cash and cash equivalents in consolidated cash flow statement (iii)	54,606,149	62,465,226

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
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13 Financial assets at amortised cost (continued)

13(f) Bank balances and cash (continued)

(i) These deposits are held with commercial banks in Sultanate of Oman. These deposits carry annual interest rates ranging between 4.55% to 6.75% (2024 - 4.75% to 6.7%). Fixed deposits also include accrued interest amounting to ₹ 8,374,076 (2024: ₹ 3,577,825).

(ii) Certain subsidiaries are required to maintain service deposit balances to comply with the requirement of loans held with commercial banks in Sultanate of Oman, Japan and Europe. As of 31 December 2025, the balances in these service deposit accounts are denominated in US Dollars and amounted to ₹ 4,293,309 (2024 - ₹ 26,791,383).

(iii) Cash and cash equivalents at year end comprise cash and cash equivalents of ₹ 54,606,149 (2024 - ₹ 62,465,226) and bank overdrafts of ₹ Nil (2024 - Nil).

The loss allowance for bank balances and cash as at 31 December 2025 and 31 December 2024 was not considered to be material and therefore not recognised in the consolidated financial statements at the reporting date.

Reconciliation of liabilities arising from financing activities

	2024	Cash in flows	Cash out flows	Non-cash Item	2025
Interest bearing loans and borrowings (note 19)	563,668,438	341,559,936	(193,085,890)	(888,298)	711,254,186
Deferred finance cost (note 19)	(1,701,310)	-	(458,531)	983,797	(1,176,044)
Lease liabilities (note 19)	155,956,772	-	(98,681,416)	90,905,614	148,180,970
Bank overdraft (note 19)	-	-	-	-	-
Liabilities arising from financing activities	717,923,900	341,559,936	(292,225,837)	91,001,113	858,259,112

Cash flows from financing activities include dividends paid during the year amounting to ₹ 27,900,857 (2024 - ₹ 21,613,723) which do not have any corresponding liability in the statement of financial position at the reporting date.

Below is the summary of gross carrying amount by bank rating:

Moody's rating	2025	2024
A1	8,825,324	32,008,476
A2	11,402,315	1,129,353
A3	214,945	193,566
A/ Aa3	45,241	96,199
A+/A-1	2,054	2,616
Aa3	3,117,860	120,638
Aa1	4,724,554	1,490,137
Baa3	236,441,227	162,985,171
BB+	80,549,521	3,426,884
Baa3	507,368	1,781,096
BB-	216,023	482,353
BBB	21,810	33,985
BBB+	240,961	806,424
BBB+ / F2	5,149	167,597
Unrated	57,741,312	20,954,894
Total bank balance	404,055,664	225,679,389
Cash in hand	470,145	884,300
Total cash and bank balance	404,525,809	226,563,689

The stated rating is as per the global bank ratings by Moody's Investors Service. Although certain banks were unrated or not prime, management does not foresee any credit risk.

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2025

13 Financial assets at amortised cost (continued)

13(f) Bank balances and cash (continued)

	2025 ₹	2024 ₹
Net debt		
Cash and cash equivalents	54,606,149	62,465,226
Margin and other deposits	344,919,660	151,398,463
Lease liabilities - repayable within one year	(66,240,932)	(71,912,207)
Lease liabilities - repayable after one year	(81,940,038)	(84,044,565)
Long term loan - repayable within one year	(68,135,457)	(115,448,129)
Long term loan - repayable after one year	(643,118,729)	(448,220,309)
Net debt	<u>(459,909,347)</u>	<u>(505,761,521)</u>
Cash and cash equivalents	54,606,149	62,465,226
Margin and other deposits	344,919,660	151,398,463
Gross debt	<u>(859,435,156)</u>	<u>(719,625,210)</u>
Net debt	<u>(459,909,347)</u>	<u>(505,761,521)</u>

14 Financial assets at fair value through other comprehensive income

	2025 ₹	2024 ₹
At 1 January	101	101
Write off	-	-
At 31 December	<u>101</u>	<u>101</u>

Financial assets at fair value through other comprehensive income (FVOCI) comprise equity securities which are not held for trading, and which the Group has irrevocably elected at initial recognition to recognise in this category. These are strategic investments and the Group considers this classification to be more relevant.

At 31 December 2025, the FVOCI financial assets consists of unquoted shares amounting to ₹ 101 (2024: ₹ 101). The Group has a 40% preference share holding in OJV Cayman 3 Limited (OJV3) amounting to ₹ 2,907, which was written off during 2023. The loss allowance for financial assets at fair value through other comprehensive income as at 31 December 2025 and 31 December 2024 was not considered to be material and therefore not recognised in the consolidated financial statements at the reporting date.

15 Inventories

	2025 ₹	2024 ₹
Raw materials and spare parts	11,681,645	11,840,550
Provision for obsolete inventory	(687,995)	(534,254)
	<u>10,993,650</u>	<u>11,306,296</u>
Bunkers	1,429,610	4,142,693
Fuel	3,417,865	3,317,117
	<u>15,841,125</u>	<u>18,766,106</u>

Movement in provision for obsolete inventory

	2025 ₹	2024 ₹
As at 1 January	(534,254)	(397,212)
Provision for impairment recognised during the year	(153,741)	(137,042)
Write-offs	-	-
As at 31 December	<u>(687,995)</u>	<u>(534,254)</u>

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16 Other assets

	2025 ₹	2024 ₹
Accrued lease rental income (i)	13,136,966	12,719,669
Prepayments and advances	19,876,757	22,027,867
Contract asset relating to costs incurred to fulfil a contract (note 12.2)	31,052	303,366
	<u>33,044,775</u>	<u>35,050,902</u>
Less: classified as non-current other assets	<u>(13,136,966)</u>	<u>(12,719,669)</u>
	<u>19,907,809</u>	<u>22,331,233</u>

(i) Accrued lease rental income represents the amount due on account of recognition of operating lease rental income on a straight-line basis in accordance with the requirements of IFRS 16 'Leases' (2024 - IFRS 16 'Leases').

17 Share capital

	The Parent Company			
	Authorized share capital		Issued and fully paid	
	2025 ₹	2024 ₹	2025 ₹	2024 ₹
Shares of ₹ 1 each	500,000,000	500,000,000	452,063,884	452,063,884

Movement in share capital

	2025 ₹	2024 ₹
As at 1 January	452,063,884	337,463,178
Registered during the year	-	114,600,706
As at 31 December	<u>452,063,884</u>	<u>452,063,884</u>

Share capital pending registration

	2025 ₹	2024 ₹
As at 1 January	-	114,600,706
Registered during the year	-	(114,600,706)
As at 31 December	<u>-</u>	<u>-</u>

18 Legal reserve

As required by the Commercial Companies Law of the Sultanate of Oman, the Parent Company and its subsidiaries, incorporated in the Sultanate of Oman, are required to transfer 10% of their profit for the year to this reserve until such time as the statutory reserve amounts to at least one third of the respective company's registered share capital. The reserve is not available for distribution. The balance at the end of the year represents amounts relating to the Company and its share of reserves of each of its two Omani subsidiaries below:

	2025 ₹	2024 ₹
Relating to the Parent Company	23,121,405	10,145,843
Relating to the subsidiaries	29,340,337	19,234,706
	<u>52,461,742</u>	<u>29,380,549</u>

These consolidated financial statements do not include the pre-acquisition legal reserve of ₹ 6,390,904 (2024 - ₹ 6,301,931) relating to its subsidiaries.

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19 Interest bearing loans and borrowings

	2025 OMR	2024 OMR
Term loans (i) and (ii)*	711,254,186	563,668,438
Bank overdrafts	-	-
Lease liabilities (iii)	148,180,970	155,956,772
	<u>859,435,156</u>	<u>719,625,210</u>
Less: Deferred financing costs	<u>(1,176,044)</u>	<u>(1,701,310)</u>
	<u>858,259,112</u>	<u>717,923,900</u>
<i>Current portion of the above liabilities</i>		
Term loans	68,135,457	115,448,129
Bank overdrafts	-	-
Lease liabilities	66,240,932	71,912,207
Total current portion of interest bearing loans and borrowings	<u>134,376,389</u>	<u>187,360,336</u>
Non-current portion of interest bearing loans and borrowings	<u>723,882,723</u>	<u>530,563,564</u>

19.1 Loans and Borrowings

	2025 OMR	2024 OMR
Term loans	711,254,186	563,668,438
Bank overdrafts	-	-
	<u>711,254,186</u>	<u>563,668,438</u>
Less: Deferred financing costs	<u>(1,176,044)</u>	<u>(1,701,310)</u>
	<u>710,078,142</u>	<u>561,967,128</u>
<i>Current portion of the above liabilities</i>		
Term loans	68,135,457	115,448,129
Bank overdrafts	-	-
Total current portion of interest bearing loans and borrowings	<u>68,135,457</u>	<u>115,448,129</u>
Non-current portion of interest bearing loans and borrowings	<u>641,942,685</u>	<u>446,518,999</u>

*Term loans consist of both secured and unsecured loan balances.

(i) Term loans taken by ASC are denominated in USD and OMR and are repayable in installments of several denominations from quarterly to semi-annual repayments.

The loans are secured against the vessels of the Group having carrying value of OMR 209.17 million (2024 – OMR 328.43 million) that are assigned to the banks. The loans carry interest at variable rates based on SOFR with margins ranging from 1.7% to 5.4% per annum (2024: SOFR 1.7% to 5.7%).

Term loans also include accrued interest amounting to OMR 2.75 million (2024: OMR 5.45 million).

In order to manage the interest rate risk, the Group has entered into certain interest rate hedging agreements, the details of which are set out in note 22. Loan instalments and obligations under finance leases due within one year are disclosed under current liabilities.

(ii) In addition to above mentioned ASC loans, the Group companies also have the following loans and facilities:

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2025

19 Interest bearing loans and borrowings (continued)

(a) ASYAD has entered into 8 years loan facility agreement with National Bank of Oman SAOG for OMR 20 million with 12 months moratorium period from the date of the first drawdown. The loan matures on 31 December 2027. The loan is repayable in semi-annually instalments with a balloon payment of 28% of the loan at the end of the tenure. The facility attracts interest rate of 3 months SOFR plus 3.75% per annum (2024 - 3 months SOFR plus 3.75% per annum) payable on quarterly basis with SWAP interest rate of 0.7%. The loan is unsecured, however, contain certain restrictive covenants that includes debt service and pattern of shareholding.

(b) A loan facility agreement with Bank Muscat SAOG, Bank Muscat - Meethaq, Sohar International SAOG and Sohar Islamic SAOG for OMR 115.5 million. The loan matures on 31 December 2034. The Loan is repayable in semiannually installments with a balloon payment of 18%. The facility attracts 2 years fixed interest rate of 5.40% per annum payable half yearly and thereafter 2.2% plus CBO rate. The loan is unsecured, however, contains certain restrictive covenants.

(c) ASYAD has a unsecured revolving credit facilities of OMR 4 million (2024 – a unsecured revolving credit facilities of OMR 5 million) which has of 1 year FD rate + 1% per annum (2024 – 1 year FD rate of + 1% per annum).

(d) ASYAD has 3 unsecured working capital facilities (WCF), WCF 1 of OMR 15 million carrying profit rate of 4.85% per annum for 90 days tenor and 5.75% per annum for 180 days tenor. WCF 2 of OMR 7.7 million carrying fixed rate of 4.95%. WCF 3 of OMR 19.250 million has Fixed interest rate of 5% per annum for 90 days (2024 – 3 unsecured working capital facilities (WCF), WCF 1 of OMR 15 million carrying profit rate of 5.5% per annum for 90 days tenor and 5.75% per annum for 180 days tenor. WCF 2 of OMR 7.7 million carrying fixed rate of 5%. WCF 3 of OMR 7 million has fixed interest rate of 5.5% per annum for 3 months).

(e) ADC's loan has been refinanced through a commercial bank based in Oman. The term loan amounts to OMR 20 million and matures on 7 November 2031. The loan carries a fixed interest rate of 5.25% for the first two years from the first utilization date, and 5.45% fixed for the third year. Thereafter, the interest rate is the Central Bank of Oman rate + 1.30% for each interest period. The loan is secured through corporate guarantee by ASYAD Drydock and ASYAD Group.

(f) A loan facility agreement is refinanced with Bank Muscat - Meethaq, for OMR 30 million. The loan matures on 31 December 2031. The Loan is repayable in semiannually installments with a balloon payment of 24%. The facility attracts 2 year fixed interest rate of 5.50% per annum payable half yearly and thereafter 1.5% plus CBO rate. The loan is unsecured, however, contains certain restrictive covenants.

(g) ONTC's US Dollar senior term loan, which previously carried interest at 3-month SOFR plus 2.45% per annum (payable at the end of each three-month interest period), was converted into an OMR-denominated loan with a fixed interest rate of 4.75% per annum, effective 1 October 2025. The loan is repayable in 36 equal quarterly instalments.

(h) AP's subsidiary Khazaen Dry Port Company LLC (KDP) has obtained long term loan at fixed interest rate of 6.50% (2024 – 6.50%) from commercial bank for construction of dry port facilities at Khazaen Economic City (KEC) for a period of 10 years. The term loan will be repayable in 40 quarterly installments commencing from 2023 onwards. The installments will be inclusive of profit payable on reducing facility balance. The loan is secured on the lease land, commercial charge over the asset of KDP and corporate guarantees from members.

(i) The Group's loan agreements include a number of financial and operational covenants that the Group is required to comply with throughout the tenure of the borrowings. These covenants include, among others, maintaining specified thresholds for net debt, current ratio, tangible net worth, net bank borrowings to tangible net worth ratio, net debt to EBITDA ratio, minimum margin deposits, total outstanding liabilities to tangible net worth ratio, debt service coverage, and debt-to-equity ratio. In addition, the agreements require the Group to maintain a minimum cash balance of RO 20 million in bank accounts. The loan agreements also contain certain restrictive covenants relating to corporate actions, including restrictions on the payment of dividends, disposal of vessels, amendments to time charter party agreements, and the creation of charges over authorized security, unless the prior consent of the lenders is obtained. The Group monitors compliance with these covenants on an ongoing basis. During the year ended 31 December 2025, the Group was in compliance with all loan covenants.

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2025

19 Interest bearing loans and borrowings (continued) 19.2 Lease liabilities(continued)

(i) On adoption of IFRS 16, the Group recognised lease liabilities in relation to leases which had previously been classified as 'operating leases' under the principles of IAS 17 Leases. These liabilities were measured at the present value of the remaining lease payments, discounted using the lessee's incremental borrowing rate as of 1 January 2018.

20 Government grants and subsidies

The operational subsidy and deferred government grant recognised in the consolidated statement of profit or loss comprise the following:

	2025 ₹	2024 ₹
Operational subsidy	23,882,611	23,984,492
Deferred government grant transferred to statement of profit or loss	902,819	997,205
	<u>24,785,430</u>	<u>24,981,697</u>

The Group received subsidies to cover the excess of expenses over the income relating to public service operations. Where the amounts received are greater or lesser than the actual excess of expenses over income they are treated as subsidy received in advance or a subsidy receivable respectively.

The government grant includes the reimbursement of amounts paid to the civil service pension employees of OPC by MOF.

A Government tariff subsidy is given on certain sectors for NFC. The amount of the subsidy is recognised in profit or loss.

The movements in deferred government grants as shown in the statement of financial position are as follows:

	2025 ₹	2024 ₹
As at 1 January	7,869,287	8,866,492
Received during the year	-	-
Amortised during the period	(902,819)	(997,205)
As at 31 December	<u>6,966,468</u>	<u>7,869,287</u>

The current and non-current portions of the deferred government grant are as follows:

	2025 ₹	2024 ₹
Non-current portion of deferred government grant	6,111,968	6,935,233
Current portion of deferred government grant	854,500	934,054
	<u>6,966,468</u>	<u>7,869,287</u>

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2025

20 Government grants and subsidies (continued)

Operational subsidies are recognised in the statement of financial position as follows:

	2025 ₹	2024 ₹
Subsidy receivable (note 13(d))	788,223	6,851,440
Subsidy received in advance (note 25)	<u>1,227,886</u>	<u>-</u>

21 Contingencies and commitments

The following table provides details of Group's contingencies and commitments and are primarily related to Asyad, ASC, ADC, ONTC and SFZ:

	2025 ₹	2024 ₹
Vessel	350,620,000	184,729,440
Letter of credit, bank guarantees and bonds	<u>129,254,588</u>	<u>1,264,545</u>
Other capital and purchase commitments	<u>306,702</u>	<u>483,960</u>

22 Derivative financial instruments

In accordance with the requirements of loan agreements with certain commercial banks and with a view to cap exposure to fluctuating interest rates, ASYAD and certain subsidiaries of the ASC group has entered into interest rate hedging agreements with commercial banks.

The table below shows the fair values of the derivative financial instruments, which are equivalent to the market values, together with the notional amounts analysed by the term to maturities. The notional amounts are the amounts of derivatives' underlying assets, reference rates or indices and are the basis upon which changes in the values of derivatives are measured.

	2025 ₹	2024 ₹
Loan balances covered by hedging arrangements (note 4.1(a)(ii))	<u>8,923,080</u>	<u>57,280,813</u>
Negative fair value of derivatives - current portion	-	-
Negative fair value of derivatives – non-current portion	-	17,899
Positive fair value of derivatives – current portion	(244,395)	(1,215,913)
Positive fair value of derivatives – non-current portion	<u>(157,700)</u>	<u>(648,400)</u>
	<u>(402,095)</u>	<u>(1,846,414)</u>
Change in fair value of derivatives	<u>1,369,180</u>	<u>2,614,274</u>
Notional amounts by term to maturity (note 4.1(a)(ii))		
1 - 12 months	2,215,384	21,611,422
More than 1 up to 5 years	<u>6,707,696</u>	<u>35,669,391</u>
Over 5 years	-	-
	<u>8,923,080</u>	<u>57,280,813</u>

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2025

23 Provision for employees' end of service benefits

	2025	2024
1 January	5,023,147	4,284,897
Addition from acquisition	-	491,162
Provision during the year	1,042,156	1,040,313
Paid during the year	(964,518)	(777,687)
Adjustment during the year	(14,857)	(15,538)
31 December	5,085,928	5,023,147

24 Provisions

Non-current provisions

Unfavourable leases

Included in a number of subsidiaries are leases where the future economic benefits of the lease are less than the market value of the related asset based on observable market data. The table below shows the carrying value of unfavorable leases at the date of share transfer and at year-end.

	As at 1 January 2024	Released during 2024	As at 31 December 2024	Released during 2025	As at 31 December 2025
ASC	2,283,932	(912,463)	1,371,469	(865,844)	505,625

Current provisions

	2025	2024
Provision for staff legal claims (i)	233,532	255,000
Provision for acting allowance (ii)	-	80,537
Provision for settlement of JV claims (iii)	24,189	24,189
Provision for concession fee (iv)	1,406,241	1,135,649
31 December	1,663,962	1,495,375

- (i) Staff legal claims provision relates to lawsuits filed by the current and ex-employees against OPC for which judgements have been awarded in favour of the employees by the primary courts. All the cases have been appealed by OPC in higher courts and are pending with the higher courts at various stages.
- (ii) In accordance with OPC policy, staff are entitled for an acting allowance, the current provision covers expected claims up to 31 December 2024.
- (iii) AP is expected to settle certain claims relating to its joint venture for which a provision has been made.
- (iv) In 2020, AP verbally agreed on a concession fee charge mechanism with the port owners, and a provision was recognized annually based on that understanding. The provision recorded for Port Suwaiq relates to the period prior to the formal execution of the port agreement in 2025. Following the finalization of the agreement, the concession fee charge mechanism for Asyad Port Suwaiq LLC is applied in accordance with the terms of the executed contract. No changes have occurred to the previously recorded PSQ provision or to the underlying mechanism related to it.

25 Trade and other payables

	2025	2024
Trade accounts payable	24,920,399	26,770,246
Accrued expenses	36,827,059	29,851,953
Advance from customers	2,831,074	1,582,387
Contract liabilities (unearned income) (note 12.2)	9,351,455	11,962,965
Amount due to a related party	4,992,287	4,855,680
Other payables	10,602,789	13,950,881
Subsidy received in advance	1,227,886	-
	90,752,949	88,974,112

Trade payables are non-interest bearing and are generally settled within 30-day credit terms.

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2025

26 Related parties

Related parties represent associate companies (notes 6 and 11), joint ventures (notes 6 and 11), subsidiary companies (note 6), Parent Company (note 1), directors and key management personnel of the Company and its shareholders and entities controlled, jointly controlled or significantly influenced by such parties (other related parties).

Transactions with related parties represent transactions with shareholders, directors and senior management of the Parent Company, and entities jointly controlled or significantly influenced by such parties. Pricing policies and terms of these transactions are approved by the Group's management and are based on mutually agreed terms and conditions.

The Group has applied the exemptions as allowed for 'Government entities' under IAS 24 - 'Related party disclosures', for disclosure of transactions and balances with another entity that is a related party because of the Government having control or jointly control of, or significant influence over, both the Group and the other entity, except for transactions and balances material to the Group.

Transactions with related parties included in the consolidated statement of comprehensive income are as follows:

Compensation of key management personnel

The details regarding remuneration of members of key management throughout the Group and directors' sitting fees during the year are as follows:

	2025	2024
Key management remuneration	3,752,860	4,274,023
Directors' sitting fees	357,505	305,024
	4,110,365	4,579,047

At 31 December 2024 the related party balances are as follows:

	Loans and other receivables		Other payables and loans	
	2025	2024	2025	2024
Other related parties	9,074,738	12,129,093	402,124	265,517
Ultimate Parent Company	788,223	6,851,440	4,590,163	4,590,163
	9,862,961	18,980,533	4,992,287	4,855,680

Outstanding balances at the year-end arise in the normal course of business. For the year ended 31 December 2025, the Group has not recorded any impairment provision against amounts due from related parties (2024 - Nil).

During the year, the nature of transactions with related parties are as follows:

	2025	2024
Share of results of joint ventures and associate (note 11)	14,132,913	11,735,520
Government subsidies and grants (note 20)	24,785,430	24,981,697
Dividends to shareholders	27,900,858	21,613,723

27 Revenue

	2025	2024
Charter hire income	265,316,314	242,663,301
Freight and lease income	71,884,213	123,342,746
Ship conversion and repair	66,220,835	57,661,437
Freight Forwarding & Customs Clearance	49,801,053	35,216,193
Bus related services	8,365,955	8,062,689
Port services	8,023,670	6,966,330
Free zone fees	8,664,401	6,526,730
Postal related services	6,069,879	4,612,870
Express services	9,003,268	4,348,175
Project management services	920,199	1,252,247
Ferry related services	1,198,865	1,231,141
Warehouse & value-added Services	1,122,685	1,070,989
	496,591,337	492,954,848

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2025

27 Revenue (continued)

Revenue has been recognised under IFRS 15 and IFRS 16 as follows:

	2025 Rp	2024 Rp
Revenue from contracts with customers (IFRS 15)	216,278,268	234,173,697
Operating lease and Finance lease income (IFRS 16) *	280,313,069	258,781,151
	<u>496,591,337</u>	<u>492,954,848</u>

*During the year ended 31 December 2025 and 31 December 2024, the management presented charter hire income in the revenue from contracts with customers instead of operating lease income. During the current year, the management has reclassified appropriately charter hire income from revenue from contracts with customers to operating lease income. There is no impact on the gross profit and profit before tax on account of such reclassification.

Maturity analysis for lease payments from vessel chargers to be received under operating lease

	2025 Rp	2024 Rp
1 year	129,885,000	159,619,906
2 years	42,119,000	32,878,066
3 years	27,042,000	15,026,069
4 years	10,302,000	8,766,450
5 years	658,000	1,524,600
> 5 years	-	-
	<u>210,006,000</u>	<u>217,815,091</u>

Lease payments from lease of other assets are not considered to be material to the Group, therefore have not been included in the above analysis.

28 Other income

	2025 Rp	2024 Rp
Gain on sale of vessels	49,899	80,389
Building rental	239,912	57,521
Dividends income	-	1,364,048
Subleasing income	882,885	808,197
Income from sewage treatment and others	-	1,161,304
Provision of living facilities to subcontractors	2,496,401	316,187
Bus leasing income	249,518	11,482
Others	2,165,952	147,120
	<u>6,084,567</u>	<u>3,946,248</u>

29 Operating costs

	2025 Rp	2024 Rp
Labour cost	75,540,586	71,746,354
Freight and Custom cost	48,761,656	33,229,981
Other shipping cost	25,951,449	31,466,755
Fuel cost	17,276,265	28,846,455
Charter hire charges	23,411,790	24,805,317
Materials cost	18,276,083	16,491,506
Repair and maintenance	12,048,468	12,479,399
Insurance	5,092,635	5,605,337
Sub-contractor cost	8,882,466	4,361,606
Postal related cost	2,451,753	1,326,041
Royalty charges to TRA	325,077	330,612
Warehousing cost	236,743	29,173
Provision for obsolete inventory	170,071	21,999
Other operating cost	10,244,981	9,472,233
	<u>248,670,023</u>	<u>240,212,768</u>

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2025

30 Administrative expenses

	2025 Rp	2024 Rp
Staff costs (note 31)	38,378,217	37,407,579
IPO Cost	4,549,011	-
Office expenses and maintenance	3,271,603	3,639,969
Marketing and communication	2,533,670	2,698,873
IT related expenses	3,363,601	2,208,600
Professional fees	4,050,308	1,911,826
Travel related expenses	1,944,692	1,646,221
Training course expense	2,300,871	1,618,228
Short-term leases	181,023	448,718
Directors' sitting fees	357,505	305,024
Loss on disposal of vessels	523,605	-
Other expenses	3,703,786	3,568,130
	<u>65,157,892</u>	<u>55,453,168</u>

31 Staff costs

	2025 Rp	2024 Rp
Salaries and allowances	27,980,133	25,094,928
End of service benefits	690,656	705,403
Others	9,707,428	11,607,248
	<u>38,378,217</u>	<u>37,407,579</u>

32 Finance costs

	2025 Rp	2024 Rp
Interest on loans and borrowings	26,805,556	35,371,986
Finance charges - lease liabilities	9,840,985	9,181,998
Amortisation of deferred finance cost	884,135	603,017
Bank charges	373,657	755,256
Exchange gain/loss	176,708	251,533
	<u>38,081,041</u>	<u>46,163,790</u>

33 Finance income

	2025 Rp	2024 Rp
Bank interest income	12,336,356	11,061,224
Interest income on interest rate swap	1,110,294	2,960,149
	<u>13,446,650</u>	<u>14,021,373</u>

34 Taxation

	2025 Rp	2024 Rp
Income tax expense	-	-
- Current year	211,291	705,584
- Prior year	-	-
	<u>211,291</u>	<u>705,584</u>
Deferred tax expense	-	-
- Change in recognised deductible temporary difference	207,405	17,719
- Prior year	(1,177,531)	6,185,757
	<u>(758,835)</u>	<u>6,909,060</u>
Non-current assets		
Deferred tax asset	1,985,522	807,991

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2025

34 Taxation (continued)

Taxation represents the aggregate of the Omani income tax applicable to Group companies in accordance with Omani fiscal regulations. The tax authorities in the Sultanate of Oman follow the legal entity concept. There is no concept of group taxation in Oman. Accordingly, each legal entity is taxable separately.

The majority of subsidiaries of ASC are not subject to Omani income tax law as they are not incorporated in Oman. The following subsidiaries are subject to various exemptions from the Omani income tax law and have not, therefore, provided for any tax liability.

Company	Exemption
NFC	Exempt from tax per Ministerial Decision 278/2010 on revenue arising from its main activity of marine transportation.
SFZ	Exempt from tax for 30 years per Article 3 of Royal Decree 56/2002
ODC	Exempt due to head office being in a free zone

In the remaining majority of the subsidiaries no provision for taxation has been made in the current year in view of carried forward tax losses from prior years. Tax losses are available for set off against future profits earned within a period of five years from the respective year in which the loss was incurred.

The Group's subsidiaries registered in the republic of Marshall Islands, are exempt from tax on their income arising from owning, chartering and operating Marshall Islands registered vessels as per Marshall Islands fiscal regulations. However, some of the Group's subsidiaries are subject to tax tonnage on vessel and other than payment of registry fee, the subsidiaries are not bound to pay any further tax.

	2025	2024
Unused tax credits on which no deferred tax asset has been recognised	<u>98,930,000</u>	<u>190,774,832</u>
Potential tax benefit @15%	<u>1,484,000</u>	<u>28,616,225</u>

The reconciliation of tax on the accounting profit to tax charge in the consolidated statement of profit or loss is given below. The applicable rate of tax is 15% (2024 - 15%).

	2025	2024
Profit before tax	<u>59,877,383</u>	<u>59,777,952</u>
Tax on accounting profit before tax @ 15% (2024 - 15%)	<u>8,981,607</u>	<u>8,966,693</u>
Less: tax effect of:		
Tax disallowances	<u>(11,057,794)</u>	<u>(3,747,313)</u>
Tax effect of subsidiaries' results not subject to taxation	<u>1,317,352</u>	<u>1,689,680</u>
	<u>(758,835)</u>	<u>6,909,060</u>

As at 31 December 2025, the BEPS Pillar Two rules were not considered to be substantively enacted for the purposes of IAS 12 – Income Taxes, as the related regulations and implementation guidance had not yet been prescribed. Accordingly, no current or deferred tax impacts arising from Pillar Two have been recognised in the financial statements as at the reporting date. In addition, a major portion of the Group's income relates to international shipping activities, which are exempt from income tax under the applicable tax laws. Management has therefore assessed that, even upon enactment, the impact of the BEPS Pillar Two rules on the Group is not expected to be material.

–Deferred income tax is calculated on all temporary differences under the liability method using a principal tax rate of 15%. The deferred tax asset in the statement of financial position and net deferred tax credit in the consolidated statement of comprehensive income are attributable to the following items:

	At 1 January 2025	Charged / (reversed) for the year	At 31 December 2025
Tax effect of accelerated depreciation	<u>182,894</u>	<u>(57,894)</u>	<u>125,000</u>
Provision for investment in an associate	<u>(116,243)</u>	<u>243</u>	<u>(116,000)</u>
Provision for investment in joint ventures	<u>(432,250)</u>	<u>250</u>	<u>(432,000)</u>
Provision for settlement of JV claims	<u>(3,628)</u>	<u>3,628</u>	<u>-</u>
Other provisions	<u>(360,311)</u>	<u>(87,709)</u>	<u>(448,020)</u>
Loss allowance for financial assets	<u>(52,057)</u>	<u>36,057</u>	<u>(16,000)</u>
Carried forward tax losses	<u>(26,396)</u>	<u>(1,072,106)</u>	<u>(1,098,502)</u>
Net deferred tax asset	<u>(807,991)</u>	<u>(1,177,531)</u>	<u>(1,985,522)</u>

34 Taxation (continued)

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2025

	At 1 January 2024	Charged / (reversed) for the year	At 31 December 2024
31 December 2024	<u>–</u>	<u>–</u>	<u>–</u>
Tax effect of accelerated depreciation	171,064	11,830	182,894
Provision for investment in an associate	(116,243)	-	(116,243)
Provision for investment in joint ventures	(391,403)	(40,847)	(432,250)
Provision for settlement of JV claims	(3,628)	-	(3,628)
Other provisions	(439,973)	79,662	(360,311)
Loss allowance for financial assets	(15,772)	(36,285)	(52,057)
Carried forward tax losses	<u>(6,197,793)</u>	<u>6,171,397</u>	<u>(26,396)</u>
Net deferred tax asset	<u>(6,993,748)</u>	<u>6,185,757</u>	<u>(807,991)</u>

35 Fair value of assets and liabilities

Fair value versus carrying amounts

The fair values of other financial assets at amortised costs is close to the carrying value because of the short term nature of the financial assets; except for finance lease receivables, which are long term in nature and are exposed to fair valuation risk due to variability in underlying interest rate. The fair value of loans receivable approximates to their carrying value due to no significant difference between the current market interest rates when compared with the interest rates on which the loans were extended.

(a) Fair value measurements recognised in the statement of financial position

Recurring fair value measurements At 31 December 2025

Fair value Level 3

Financial assets

- Financial assets at fair value through other comprehensive income (FVOCI)
- Derivative financial instruments

101
402,095
402,196

Financial liabilities

- Derivative financial instruments
- Interest bearing loans and borrowings

-
858,259,112
858,259,112

Total financial liabilities

Recurring fair value measurements At 31 December 2024

Fair value Level 3

Financial assets

- Financial assets at fair value through other comprehensive income (FVOCI)
- Derivative financial instruments

101
1,864,313
1,864,414

Financial liabilities

- Derivative financial instruments
- Interest bearing loans and borrowings

17,899
717,923,900
717,941,799

Total financial liabilities

(b) Fair value hierarchy

Type	Valuation technique	Significant unobservable inputs
Derivative financial instruments (Interest rate swaps)	Market comparison technique: fair value is calculated by the respective financial institutions.	Not applicable
Other financial liabilities	Discounted cash flows	Not applicable

There were no transfers between the levels during the current year as well as the previous year.

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2025

36 Proposed and paid dividends

The Board of Directors has proposed a cash dividend of ~~€~~ 0.044 (2024 – ~~€~~ 0.036) per share totalling to amount of approximately ~~€~~ 20,000,000 (2024 – ~~€~~ 16,449,740) for the year ended 31 December 2025, which is subject to approval by the shareholders at the forthcoming Annual General Meeting.

37 Non-current assets held for sale

Management committed to plan to sell 1 VLCC and 4 LNG vessels in October and December 2025 respectively as part of the replacement plan within the Crude and Gas segments. Accordingly, vessels within the property, vessel and equipment for these is considered as non-current assets held for sale. The planned disposals relate to individual vessels sale and do not represent the disposal of a separate major line of business or geographical area of operations and closure of the operations. Accordingly, the disposals do not meet the criteria for discontinued operations. Efforts to sell the disposal have started and Memorandum of Agreement is signed in 2025 with the customers and sale is expected by first quarter of 2026.

37.1 Impairment losses relating to the vessels held for sale

Impairment losses of ~~€~~ 29.95 million for write-downs of the assets to the lower of its carrying amount and its fair value less costs to sell have been included in the impairment losses (note 8). The impairment losses have been applied to reduce the carrying amount of property, vessel and equipment.

37.2 Carrying value of vessels held for sale

At 31 December 2025, vessels were stated at fair value less costs to sell and comprised the following assets.

	Consolidated 2025	Consolidated 2024
Balance as at 1 January	-	-
Reclassified from property, vessel and equipment (note 8)	83,707,217	-
Impairment charge during the year (note 8)	<u>(19,794,390)</u>	-
Balance as at 31 December	<u>63,912,827</u>	-

37.3 Measurement of fair values

The fair value of each vessel has been determined with reference to the agreed selling price with the customer as set out in the Memorandum of Agreement. The agreed price is considered representative of prevailing market conditions for similar vessels, as observable market data is available. Accordingly, the fair value measurement is classified as Level 2 within the fair value hierarchy under IFRS 13.

38 Other reserves

	2025 €	2024 €
Sale of Asyad Shipping shares Qty 1,041,748,856 (5,208,744,280 * 20%)		
Sale proceed from IPO issue (123 Baiza per share)	127,912,831	-
Cost of Investment in ASC (nominal value) (46 Baiza per share)	<u>(48,181,031)</u>	-
Gain on Sale of shares (Other reserves)	<u>79,731,800</u>	-

Asyad Shipping Company SAOG:

During the year, the Group completed the sale of 20% of its shareholding in ASC through an initial public offering (“IPO”). In connection with the IPO, the Company appointed a stabilisation agent “Ubhar Capital SAOC” to undertake market price-stabilisation activities in accordance with the regulatory framework. As part of this process, a portion of the ASC’s shares were acquired in the open market for stabilisation purposes.

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2025

38 Other reserves (Continued)

As part of the IPO price-stabilisation activities, the Parent Company recognised certain fair value movements and/or gains or losses on stabilisation shares in its standalone financial statements. In accordance with the requirements of IFRS 10, these shares represent the Group’s own equity instruments from a consolidation perspective. Consequently, both the carrying amount of the stabilisation shares and the related profit or loss impacts recognised by the Parent have been eliminated in full on consolidation.

The net effect of these eliminations has been recognised directly in equity (within ‘Other reserves’ / ‘Equity adjustments arising on consolidation’) as this represents a transaction between owners in their capacity as owners, consistent with IAS 1 and IFRS 10. No amounts relating to these transactions have been included in the Group’s consolidated statement of profit or loss.

Movement in Other reserve due to price stabilization:

	2025 €	2024 €
Closing balance (Qty – 7,500,000 * 179 Baiza as of 31 Dec 2025 as per MSX)	1,342,500	-
Elimination of Gain on Sale of shares	<u>(533,547)</u>	-
Adjustment in NCI (Qty – 7,500,000 * 46 Baiza per share – Nominal value)	<u>(346,876)</u>	-
Adjusted to Other reserves	<u>(462,077)</u>	-

39 Subsequent Event

The Company has initiated the liquidation process for its investment in Oman Road and Transport Management Company LLC. The liquidation is expected to be completed in Q1 2026, and the financial impact, including any gains or losses, will be recognized in the next reporting period. Management does not anticipate a material impact on the Company’s financial position.

As disclosed in note 37 above, subsequent to 31 December 2025, the Group completed the sale and delivery of the 4 LNG vessels that were classified as non-current assets held for sale at the reporting date. The transactions were completed in accordance with the signed memoranda of agreement, and the vessels were delivered to the respective buyers during the period after year end.

The Group has signed the agreements on 14 January 2026 for the purchase of three VLCC vessels for a total consideration of ~~€~~ 149.57 million which would be delivered in 2028/2029.

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