

**DHAFRAH PV2 ENERGY
COMPANY LLC**

**Reports and financial
statements for the year
ended 31 December 2025**

DHAFRAH PV2 ENERGY COMPANY LLC

Reports and financial statements for the year ended 31 December 2025

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**Directors' report
for the year ended 31 December 2025**

The Directors have the pleasure of presenting the Directors' report and the audited financial statements of Dhafrah PV2 Energy Company LLC (the "Company") for the year ended 31 December 2025.

Principal activities

The Company started its operations on 15 October 2020. The Company was formed to develop, finance, design, engineer, procure, construct, own, operate and maintain electricity production and generation projects. The Company achieved PCOD on 30 June 2023.

Background

In preparation of financial statements, the Company had considered the following facts agreed upon in the Memorandum of Understandings with EWEC and the EPC Contractor.

On 22 March 2022, the Company signed a Memorandum of Understanding ("EWEC MOU") with the Off-taker ("EWEC"). In the EWEC MOU, certain aspects of PPA provisions are envisaged to be updated, mainly to increase the PPA term to 35 years and to increase the capacity of maximum power export from 1500MW AC to 1640MW AC for certain months as specified in the EWEC MOU.

Subsequent to the execution of EWEC MOU, in June 2022, the Company also entered into a Memorandum of Understanding ("EPC MOU") with the EPC Contractor. The EPC MOU provides for a compensation amount of USD80 million (AED 293.8 million) in addition to what was already agreed under the EPC Agreement subject to various conditions and work scope to be completed by EPC Contractor. The EPC MOU also provides some revision to the originally agreed project timelines which would lead to difference in liquidated damages that could have been recovered under the original EPC Contract.

In order to translate the EPC MOU into a legally binding arrangement, in 2024, the Company and EPC Contractor entered into further discussions to finalize the framework for EPC Amendment Agreement. This was achieved by agreeing to final settlement terms with the EPC Contractor which further reinforced the principles agreed in the EPC MOU. In addition, some new aspects were agreed such as Provisional Acceptance Date of 30 April 2024 and withholding of US\$80m from payments due to EPC Contractor after the execution of EPC Amendment Agreement against equipment warranties (to be released to EPC once the warranties are provided). Settlement terms also provided for a Cash Release Agreement (CRA) to be entered into between the Company and the EPC Contractor to allow release of US\$ 35M in installments of US\$ 5M to allow EPC Contractor to make payments to its vendors. This amount was to be released from the liquidated damages already withheld by the Company from payments due to EPC Contractor. The CRA was entered in December 2024 and the first installment under the CRA released in 2024 second in March 2025 and third in April 2025.

Material Matters during the year

A final round of negotiations was held with EPC Contractor in 4Q 2025 which led to, among other things, a realignment in Liquidated Damages amounts as well as warranty withholding. Based on all above principles, a formally binding EPC Amendment Agreement was executed on 4 January 2026. A PPA Amendment Agreement was also signed effective from 15 January 2026.

DHAFRAH PV2 ENERGY COMPANY LLC

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**Directors' report (continued)
for the year ended 31 December 2025****Material Matters during the year (continued)**

The refinancing facility obtained in October 2024 was settled via Green Bond Financing obtained in January 2026.

Operational Performance

The Company generated 4,606 GwH of energy (2024: 4,551 GwH) which translated into 7,228 GwH of weighted energy (2024: 7,139 GwH). Company maintained excellent Plant availability of 99.71%.

Results

Revenue for the year was AED 227,747 thousand (2024: AED 240,510 thousand). Loss for the year was AED 66,008 thousand (2024: Loss AED 37,666 thousand).

Transactions with related parties

The financial statements disclose related party transactions and balances in note 24. All transactions are carried out as part of our normal course of business and in compliance with applicable laws and regulations.

Directors

The Directors of the Company during the year were:

- 1) Andreas Collor (Chairman)
- 2) Badour Salem Rashed Matar Alqubaisi (Director)
- 3) Olivier Chazalmartin (Director)
- 4) Quentin Des Cressonnières (Director)
- 5) Luc Koechlin (Director) appointed with effect from 23 June 2025
- 6) Khaleefa Akmheiri (Director) appointed with effect from 26 May 2025
- 7) Mir Masood Ali (Director) appointed with effect from 1 August 2025
- 8) Abdulaziz Alobaidly resigned with effect from 26 May 2025
- 9) Francois Dao resigned with effect from 21 July 2025
- 10) Mothana Qteishat resigned with effect from 1 August 2025

Auditor

The Directors release from liabilities the external auditor, Deloitte & Touche (M.E.), in connection with their duties for the year ended 31 December 2025.

On behalf of the Board

Executive Managing Director

Chairman

INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF DHAFRAH PV2 ENERGY COMPANY LLC

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Opinion

We have audited the financial statements of Dhafrah PV2 Energy Company LLC (the "Company"), which comprise the statement of financial position as at 31 December 2025, and the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including material accounting policy information.

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

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and the applicable requirements of Abu Dhabi Accountability Authority (ADAA) Chairman Resolution No. 88 of 2021 Regarding financial statements Audit Standards for the Subject Entities. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the International Ethics Standard Board for Accountants' Code of Ethics for Professional Accountants (including International Independence Standards) (the "IESBA Code") together with the other ethical requirements that are relevant to our audit of the financial statements in the United Arab Emirates, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are the matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

**INDEPENDENT AUDITOR’S REPORT
TO THE SHAREHOLDERS OF DHAFRAH PV2 ENERGY COMPANY LLC
(continued)**

Key Audit Matters (continued)

Key audit matter	How our audit addressed the key audit matter
Impairment of property, plant and equipment	
<p>As at 31 December 2025, the total carrying of property, plant and equipment was AED 3.64 billion. This comprises 80% of the total assets at this date.</p> <p>The Company has entered into Power Purchase Agreements (“PPA”) for periods which are shorter than the useful life of the related assets, which is considered to be an indicator of impairment.</p> <p>IFRS Accounting Standards require that an entity tests assets, with a finite useful life, for impairment whenever an impairment indicator has been identified. An impairment charge is recognised in the statement of profit or loss and other comprehensive income when the recoverable amount is less than the carrying amount. The recoverable amount of an asset is the higher of its value in use and fair value less costs to sell.</p> <p>The determination of value in use requires management to apply significant judgements and make significant estimates. These include cash flow projections, long-term growth rates and the selection of an appropriate discount rate.</p> <p>Management determined the value in use based on discounted future cash flows and did not recognize an impairment loss as a result of this determination.</p> <p>We considered the impairment of property, plant and equipment to be a key audit matter, given the method for determining the recoverable amount and the quantitative significance of the amount to the financial statements.</p> <p>Refer to note 3 in the financial statements for the accounting policy related to property and equipment and impairment, note 4 for critical accounting judgements and note 5 for more details on these amounts.</p>	<p>We have performed the following procedures, inter alia, in response to the key audit matter:</p> <ul style="list-style-type: none"> • Obtained an understanding of the process adopted by management to determine the recoverable amount of property, plant and equipment and identified the key controls in the process; • Assessed the abovementioned key controls to determine if they had been appropriately designed and implemented. These controls included, inter alia, controls over the accuracy and completeness of the impairment assessment model and controls over management’s annual preparation of the impairment assessment, including calculations performed and estimates applied; • Evaluated whether the impairment model used by management to calculate the value in use of each cash-generating unit complies with the requirements stipulated in IFRS Accounting Standards; • Assessed the inputs into the impairment assessment models to determine whether they are reasonable and supportable; • Challenged the growth rates and other key cash flow assumptions used in the impairment models; • Reviewed management’s sensitivity analysis in relation to key inputs used in the model in addition to performing our own sensitivity analysis over the key estimates applied by management to ascertain the extent of change in those assumptions that either individually or collectively would be required for an impairment charge; • Reperformed the mathematical accuracy of the impairment models; • Agreed the results of the impairment models to the amounts reported in the financial statements; and • Assessed the disclosures in the financial statements relating to this matter against the requirements of IFRS Accounting Standards.



**INDEPENDENT AUDITOR'S REPORT
TO THE SHAREHOLDERS OF DHAFRAH PV2 ENERGY COMPANY LLC
(continued)**

Other Information

Management is responsible for the other information. The other information comprises the Directors' report, which we obtained prior to the date of this auditor's report. The other information does not include the financial statements and our auditor's report thereon.

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

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements, or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed on the other information that we obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

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

Management is responsible for the preparation and fair presentation of the financial statements in accordance with IFRS Accounting Standards as issued by the IASB and their preparation in compliance with the applicable provisions of the Company's Articles of Association and the UAE Federal Law No. 32 of 2021, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

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

Auditor's Responsibility for the Audit of Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs and the applicable requirements of ADAA Chairman's Resolution No. 88 of 2021 Regarding financial statements Audit Standards for the Subject Entities will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.



**INDEPENDENT AUDITOR'S REPORT
TO THE SHAREHOLDERS OF DHAFRAH PV2 ENERGY COMPANY LLC
(continued)**

Auditor's Responsibility for the Audit of Financial Statements (continued)

As part of an audit in accordance with ISAs and the applicable requirements of ADAA Chairman's Resolution No. 88 of 2021 Regarding financial statements Audit Standards for the Subject Entities, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law and regulations preclude public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

**INDEPENDENT AUDITOR'S REPORT
TO THE SHAREHOLDERS OF DHAFRAH PV2 ENERGY COMPANY LLC
(continued)**

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

As required by the UAE Federal Law No. 32 of 2021, we report that for the year ended 31 December 2025:

- We have obtained all the information and explanations we considered necessary for the purposes of our audit;
- The financial statements have been prepared and comply, in all material respects, with the applicable provisions of the UAE Federal Law No. 32 of 2021;
- The Company has maintained proper books of account;
- The financial information included in the Directors' report is consistent with the books of account and records of the Company;
- As disclosed in note 1 to the financial statements, the Company has not purchased or invested in any shares or stocks during the financial year ended 31 December 2025;
- Note 22 reflects the disclosures relating to related party transactions, balances and the terms under which they were conducted;
- The Company's accumulated losses are more than 50% of its share capital. As per Article 308 of the UAE Federal Decree Law No. (32) of 2021, under such circumstances, the Shareholders of the Company are required to refer dissolution of the Company to the General Assembly. The Shareholders have not referred the dissolution of the Company as mentioned in note 3; and
- Based on the information that has been made available to us nothing has come to our attention, except above, which causes us to believe that the Company has contravened, during the financial year ended 31 December 2025, any of the applicable provisions of the UAE Federal Law No. 32 of 2021 or of its Articles of Association which would materially affect its activities or its financial position as at 31 December 2025.

Further, as required by the ADAA Chairman Resolution No. 88 of 2021 Regarding financial statements Audit Standards for the Subject Entities, we report, in connection with our audit of the financial statements for the year ended 31 December 2025, that nothing has come to our attention that causes us to believe that the Company has not complied, in all material respects, with any of the provisions of the following laws, regulations and circulars as applicable, which would materially affect its activities or the financial statements as at 31 December 2025:

(i) its Articles of Association which would materially affect its activities or its financial position as at 31 December 2025; and

(iii) relevant provisions of the applicable laws, resolutions and circulars that have an impact on the Subject Entity's financial statements.

Deloitte & Touche (M.E.)



Obada Alkowitz
Registration No. 1056
5 May 2026
Abu Dhabi
United Arab Emirates

DHAFRAH PV2 ENERGY COMPANY LLC

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**Statement of financial position
at 31 December 2025**

	Notes	2025 AED	2024 AED
ASSETS			
Non-current assets			
Plant and equipment	5	3,642,695,839	3,754,402,293
Intangible assets	6	199,838,143	205,966,727
Deferred tax assets	21	-	4,669,071
Total non-current assets		3,842,533,982	3,965,038,091
Current assets			
Due from a related party	22	24,529,964	25,428,860
Prepayments and other receivables	7	133,253,488	82,861,661
Cash and bank balances	8	551,412,736	578,777,211
Total current assets		709,196,188	687,067,732
Total assets		4,551,730,170	4,652,105,823
EQUITY AND LIABILITIES			
Equity			
Share capital	9.1	500,000	500,000
Statutory reserve	9.2	453,997	453,997
(Accumulated losses)/ retained earnings		(16,559,980)	49,448,500
Net/ total equity		(15,605,983)	50,402,497
Liabilities			
Non-current liabilities			
Shareholders' loan – local	10	403,885,388	403,885,388
Shareholders' loan – international	11	269,256,925	269,256,925
Employees' end of service benefits	14	212,868	106,913
Asset retirement obligation	15	64,146,798	60,209,121
Total non-current liabilities		737,501,979	733,458,347
Current liabilities			
Syndicated commercial loan	12	2,852,634,613	2,897,731,133
Trade payables, accruals and other liabilities	13	974,662,467	969,606,409
Current tax liability	21	2,537,094	907,438
Total current liabilities		3,829,834,174	3,868,244,980
Total liabilities		4,567,336,153	4,601,703,327
Total equity and liabilities		4,551,730,170	4,652,105,823



Executive Managing Director


Chairman

The accompanying notes form an integral part of these financial statements.



**Statement of profit or loss and other comprehensive income
for the year ended 31 December 2025**

	Notes	2025 AED	2024 AED
Revenue	16	227,747,159	240,510,042
Cost of sales	17	(149,609,124)	(160,411,009)
Gross profit		78,138,035	80,099,033
General and administrative expenses	18	(8,396,898)	(8,504,542)
Finance costs	19	(191,661,554)	(148,490,477)
Finance income	19	23,856,008	23,811,676
Other income	20	39,261,759	11,656,137
Loss before tax for the year		(58,802,650)	(41,428,173)
Income tax (benefit)/ expense	21	(7,205,830)	3,761,633
Loss after tax for the year		(66,008,480)	(37,666,540)
Other comprehensive loss			
<i>Items that may be reclassified subsequently to profit or loss:</i>			
Fair value loss arising on cash flow hedging instruments during the year		-	(9,366,361)
Reclassification of cashflow hedge to profit or loss upon settlement		-	(94,277,834)
Other comprehensive loss		-	(103,644,195)
Total comprehensive (loss)for the year		(66,008,480)	(141,310,735)

The accompanying notes form an integral part of these financial statements.

**Statement of changes in equity
for the year ended 31 December 2025**

	Share capital AED	Statutory reserve AED	Cash flow hedge reserve AED	Retained earnings / (accumulated losses) AED	Net/ total equity AED
Balance at 1 January 2024	500,000	453,997	103,644,195	87,115,040	191,713,232
Loss for the year	-	-	-	(37,666,540)	(37,666,540)
Other comprehensive loss for the year	-	-	(103,644,195)	-	(103,644,195)
Total comprehensive loss for the year	-	-	(103,644,195)	(37,666,540)	(141,310,735)
Balance at 31 December 2024	500,000	453,997	-	49,448,500	50,402,497
Balance at 1 January 2025	500,000	453,997	-	49,448,500	50,402,497
Loss for the year	-	-	-	(66,008,480)	(66,008,480)
Balance at 31 December 2025	500,000	453,997	-	(16,559,980)	(15,605,983)

The accompanying notes form an integral part of these financial statements.

**Statement of cash flows
for the year ended 31 December 2025**

	Notes	2025 AED	2024 AED
Operating activities			
Loss before tax for the year		(58,802,650)	(41,428,173)
<i>Adjustments:</i>			
Depreciation and amortisation	5 & 6	117,856,229	118,597,456
Finance cost	19.1	190,367,621	147,732,371
Finance income	19.2	(23,856,008)	(23,811,676)
Employees' end of service charge	14	105,955	167,747
Loss on disposal of plant and equipment		-	836
		<hr/>	<hr/>
Operating cash flows before movements in working capital		225,671,147	201,258,561
		<hr/>	<hr/>
<i>Movement in working capital</i>			
VAT payables	13	(12,812)	542,444
Prepayments and other receivables	7	(50,391,827)	3,382,157
Due from a related party	22	898,896	(1,790,661)
Trade payables, accruals and other liabilities		22,121,367	(6,244,673)
		<hr/>	<hr/>
Cash generated from operating activities		198,286,771	197,147,828
Payment for employees' end of service benefits	14	-	(506,526)
Income tax paid	21	(907,103)	-
		<hr/>	<hr/>
Net cash generated from operating activities		197,379,668	196,641,302
		<hr/>	<hr/>
Investing activities			
Payment for additions to plant and equipment	5	(36,746,190)	(155,095)
Finance income received	19	23,856,008	23,811,676
		<hr/>	<hr/>
Net cash (used in)/ generated from investing activities		(12,890,182)	23,656,581
		<hr/>	<hr/>
Financing activities			
Payment for syndicated commercial loan	12	(45,096,520)	(112,123,476)
Interest payments and fees		(166,757,441)	(208,104,249)
Receipt on settlement of interest rate swaps agreement		-	94,277,833
		<hr/>	<hr/>
Net cash used in financing activities		(211,853,961)	(225,949,892)
		<hr/>	<hr/>
Net decrease in cash and cash equivalents		(27,364,475)	(5,652,009)
Cash and cash equivalents at the beginning of the year		578,777,211	584,429,220
		<hr/>	<hr/>
Cash and cash equivalents at the end of the year	8	551,412,736	578,777,211
		<hr/> <hr/>	<hr/> <hr/>

The accompanying notes form an integral part of these financial statements.

**Notes to the financial statements
for the year ended 31 December 2025****1 General information**

Dhafrah PV2 Energy Company LLC (“the Company”) is a private joint stock company registered and incorporated in the United Arab Emirates (UAE) under registration number CN-3788754 on 15 October 2020 and industrial license number IN-2004373 on 21 January 2021. The Company is owned 60% by Dhafrah Solar Energy Holding Company LLC, a subsidiary of Abu Dhabi National Energy Company PJSC (“TAQA”), itself a subsidiary of Abu Dhabi Power Corporation PJSC (“ADPC”), and 40% by EDFR and Jinko Holding Co. Ltd., both incorporated in the United Arab Emirates. ADPC is owned by Abu Dhabi Development Holding Company PJSC (“ADQ”), ultimately owned by the Government of Abu Dhabi.

The objectives of the Company are:

- a. to develop, finance, design, engineer, procure, construct, own, operate and maintain electrical production and generation projects and include engaging in all supporting activities or ancillary thereto; and
- b. to have an interest in, or may participate, in any manner, with other firms or companies engaged in a business which is similar to the business of the Company or that might assist the Company in achieving its objects within the UAE or abroad. The Company may merge with or acquire such firms or companies.

On 23 July 2020, the Company entered into a 30-year power purchase agreement (“PPA”) with Emirates Water and Electricity Company (“EWEC”) to develop and construct PV2 Plant (“the Project”) with a maximum power export of 1,500 MW(AC). The PPA term was increased to 35 years and the capacity to 1,640 MW(AC) in 2022. Subsequent to the year end, an amendment PPA Amendment Agreement was signed confirming the aforementioned changes as more fully described in note 26. On 30 June 2023, the Company achieved the Project Commercial Operation Date (PCOD) for the PV2 Plant.

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

2 Application of new and revised IFRS Accounting Standards (IFRSs)**2.1 New and revised IFRSs applied with no material effect on the financial statements**

The following new and revised IFRSs, which became effective for annual periods beginning on or after 1 January 2025, have been adopted in these financial statements. The application of these revised IFRSs has not had any material impact on the amounts reported for the current and prior periods but may affect the accounting for future transactions or arrangements.

Amendment to IAS 21— Lack of Exchangeability

The amendments to IAS 21 The Effects of Changes in Foreign Exchange Rates specify how an entity should assess whether a currency is exchangeable and how it should determine a spot exchange rate when exchangeability is lacking. The amendments also require disclosure of information that enables users of its financial statements to understand how the currency not being exchangeable into the other currency affects, or is expected to affect, the entity’s financial performance, financial position and cash flows.

**Notes to the financial statements
for the year ended 31 December 2025 (continued)**

2 Application of new and revised IFRS Accounting Standards (IFRSs)

2.2 New and revised IFRS in issue but not yet effective

New and revised IFRSs

**Effective for
annual periods
beginning on or after**

IFRS 18 Presentation and Disclosures in Financial Statements

1 January 2027

IFRS 18 replaces IAS 1, carrying forward many of the requirements in IAS 1 unchanged and complementing them with new requirements. In addition, some IAS 1 paragraphs have been moved to IAS 8 and IFRS 7. Furthermore, the IASB has made minor amendments to IAS 7 and IAS 33 Earnings per Share.

IFRS 18 introduces new requirements to:

- present specified categories and defined subtotals in the statement of profit or loss
- provide disclosures on management-defined performance measures (MPMs) in the Notes to the condensed interim financial statements
- improve aggregation and disaggregation.

IFRS 19 Subsidiaries without Public Accountability: Disclosures

1 January 2027

IFRS 19 permits an eligible subsidiary to provide reduced disclosures when applying IFRS Accounting Standards in its financial statements.

A subsidiary is eligible for the reduced disclosures if it does not have public accountability and its ultimate or any intermediate parent produces financial statements available for public use that comply with IFRS Accounting Standards.

IFRS 19 is optional for subsidiaries that are eligible and sets out the disclosure requirements for subsidiaries that elect to apply it.

An entity is only permitted to apply IFRS 19 if, at the end of the reporting period:

- it is a subsidiary (this includes an intermediate parent)
- it does not have public accountability, and
- its ultimate or any intermediate parent produces financial statements available for public use that comply with IFRS Accounting Standards.

**Notes to the financial statements
for the year ended 31 December 2025 (continued)**

2 Application of new and revised IFRS Accounting Standards (IFRSs) (continued)

2.2 New and revised IFRSs in issue but not yet effective (continued)

<u>New and revised IFRSs</u>	<u>Effective for annual periods beginning on or after</u>
<p><i>IFRS 19 Subsidiaries without Public Accountability: Disclosures (continued)</i></p> <p>A subsidiary has public accountability if:</p> <ul style="list-style-type: none"> • its debt or equity instruments are traded in a public market or it is in the process of issuing such instruments for trading in a public market (a domestic or foreign stock exchange or an over-the-counter market, including local and regional markets), or • it holds assets in a fiduciary capacity for a broad Company of outsiders as one of its primary businesses (for example, banks, credit unions, insurance entities, securities brokers/dealers, mutual funds and investment banks often meet this second criterion). <p>Eligible entities can apply IFRS 19 in their consolidated, separate or individual financial statements. An eligible intermediate parent that does not apply IFRS 19 in its consolidated financial statement may do so in its separate financial statements.</p>	<p>1 January 2027</p>
<p><i>Amendments IFRS 9 and IFRS 7 regarding the classification and measurement of financial instruments</i></p> <p>The amendments address matters identified during the post-implementation review of the classification and measurement requirements of IFRS 9 <i>Financial Instruments</i>.</p>	<p>1 January 2026</p>
<p><i>Amendments IFRS 9 and IFRS 7 - Contracts Referencing Nature-dependent Electricity</i></p> <p>The amendments aim at enabling entities to include information in their financial statements that in the IASB's view more faithfully represents contracts referencing nature-dependent electricity.</p>	<p>1 January 2026</p>
<p><i>Translation to a Hyperinflationary Presentation Currency (Amendments to IAS 21)</i></p> <p>The amendments clarify how companies should translate financial statements from a non-hyperinflationary currency into a hyperinflationary one.</p>	<p>1 January 2027</p>

**Notes to the financial statements
for the year ended 31 December 2025 (continued)**

2 Application of new and revised IFRS Accounting Standards (IFRSs) (continued)

2.2 New and revised IFRSs in issue but not yet effective (continued)

<u>New and revised IFRSs</u>	<u>Effective for annual periods beginning on or after</u>
<i>Annual improvements to IFRS Accounting Standards — Volume 11</i>	1 January 2026
The pronouncement comprises the following amendments:	
<ul style="list-style-type: none"> • IFRS 1: Hedge accounting by a first-time adopter • IFRS 7: Gain or loss on derecognition • IFRS 7: Disclosure of deferred difference between fair value and transaction price • IFRS 7: Introduction and credit risk disclosures • IFRS 9: Lessee derecognition of lease liabilities • IFRS 9: Transaction price • IFRS 10: Determination of a ‘de facto agent’ • IAS 7: Cost method 	
<i>IFRS Sustainability Disclosure Standards</i>	
<i>IFRS S1 General Requirements for Disclosure of Sustainability-related Financial Information</i>	Effective date not yet decided by the regulator in the United Arab Emirates
IFRS S1 sets out overall requirements for sustainability-related financial disclosures with the objective to require an entity to disclose information about its sustainability-related risks and opportunities that is useful to primary users of general-purpose financial reports in making decisions relating to providing resources to the entity.	
<i>IFRS S2 Climate-related Disclosures</i>	Effective date not yet decided by the regulator in the United Arab Emirates
IFRS S2 sets out the requirements for identifying, measuring and disclosing information about climate-related risks and opportunities that is useful to primary users of general-purpose financial reports in making decisions relating to providing resources to the entity.	
The above stated new standards and amendments are not expected to have any significant impact, other than IFRS 18, will have a material impact on the financial statements. The Company is currently working to identify the impacts IFRS 18 will have on the financial statements and its notes.	
There are no other applicable new standards and amendments to published standards or IFRIC interpretations that have been issued that would be expected to have a material impact on the financial statements of the Company.	

**Notes to the financial statements
for the year ended 31 December 2025 (continued)****3 Material accounting policy information****Statement of compliance**

These financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS Accounting Standards) as issued by IASB and comply where appropriate, with the articles of association of the Company, the UAE Federal No. 32 of 2021 and the applicable provisions of Law No (2) of 1998 concerning the regulation of Water and Electricity Sector in the Emirate of Abu Dhabi.

These financial statements are presented in United Arab Emirates Dirham ('AED'), which is the functional and presentational currency of the Company.

Going concern

At 31 December 2025, the accumulated losses of the Company exceeded the share capital by AED 16,059,980 (2024: AED Nil) and its current liabilities exceeded its current assets by AED 3,120,637,986 (2024: AED 3,181,177,248) as of that date. The financial statements of the Company have been prepared on a going concern basis as the Shareholders did not resolve to dissolve the Company.

The syndicated commercial loan amount is currently presented as current liabilities, however, in line with the requirements of financing arrangements, the syndicated commercial loan was successfully refinanced in January 2026. Moreover, the Company has a 30-year power purchase agreement with the off-taker, ensuring sufficient operating cash flows to meet the future operational liquidity requirements. Subsequent to year end, the Company signed an amended and restated power purchase agreement with the Offtaker thereby extending the life of the PPA to 35 years expiring in June 2058.

Hard mini perm loan ("HMP") matured in October 2024 and in line with requirements of PPA, the Company entered into a syndicated commercial loan with maturity in October 2025. The maturity date of this loan was extended to January 2026. Subsequent to year end, senior secured bonds ("Bonds") were issued on 15 January 2026 and the proceeds from the bonds were utilized to settle the syndicated commercial loan .

The Company's shareholders are committed to continuing to provide support to the Company to enable it to meet its liabilities as they fall due, in line with their obligations under the Shareholders' Agreement. With long term financing in place, there is no uncertainty on the Company's ability to continue as a Going Concern.

**Notes to the financial statements
for the year ended 31 December 2025 (continued)****3 Material accounting policy information (continued)****Basis of preparation**

The financial statements have been prepared on the historical cost basis except for certain financial assets and financial liabilities (including derivative instruments) which are measured at fair value. The summary of significant accounting policies are set out below:

Revenue recognition (including liquidity damages)*Operating lease revenue*

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

Other income

Other income is income generated outside the normal course of business and recognised when it is probable that future economic benefits will flow to the Company and it can be measured reliably.

Early generation revenue

Early generation revenue in respect of revenue generated prior to Project Commercial Operational Date (“PCOD”) is recognised when the control is transferred to the customer.

Leases

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

Company as a lessee

The Company applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Company recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

Right-of-use assets

The Company recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the asset.

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

**Notes to the financial statements
for the year ended 31 December 2025 (continued)****3 Material accounting policy information (continued)****Leases (continued)***Lease liabilities*

At the commencement date of the lease, the Company recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Company and payments of penalties for terminating the lease, if the lease term reflects the Company exercising the option to terminate. Variable lease payments that do not depend on an index or a rate, are recognised as expenses (unless they are incurred to produce inventories) in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Company uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

Short-term leases and leases of low-value assets

The Company applies the short-term lease recognition exemption to its short-term leases (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases that are considered to be low value. Lease payments on short-term leases and leases of low-value assets are recognised as expense on a straight-line basis over the lease term.

Foreign currencies

For the purpose of these financial statements, UAE Dirhams (AED) is the functional and the presentation currency of the Company. Transactions in currencies other than AED (foreign currencies) are recorded at the rates of exchange prevailing at the dates of the transactions. At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at the end of reporting period. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing at the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences are recognised in statement of comprehensive income in the period in which they arise.

Inventories

Inventories are valued at the lower of cost and net realisable value. Cost is determined on a weighted average basis and comprises invoice cost, related freight charges and import duties. Net realisable value represents the estimated selling price less all estimated costs to be incurred in marketing, selling and distribution.

**Notes to the financial statements
for the year ended 31 December 2025 (continued)**

3 Material accounting policy information (continued)

Asset retirement obligation

The Company records a provision for asset retirement obligation of the Plant and to restore the site on which it is located. asset retirement obligation are provided for at the present value of expected costs to settle the obligation using estimated cash flows and are recognised as part of the cost of the relevant asset. The cash flows are discounted at a current pre-tax rate that reflects the risks specific to the asset retirement obligation. The unwinding of the discount is expensed as incurred and recognised in the statement of comprehensive income as a finance cost. The estimated future costs of asset retirement obligation are reviewed annually and adjusted as appropriate. Changes in the estimated future costs, or in the discount rate applied, are added to or deducted from the cost of the asset.

Plant and equipment

Plant and equipment are stated at cost less accumulated depreciation and accumulated impairment losses, if any. Such cost includes the cost of replacing part of the plant and equipment when that cost is incurred, if the recognition criteria are met. Likewise, when a major inspection is performed, its cost is recognised as a separate asset (major inspection cost) if the recognition criteria are satisfied. All other repair and maintenance costs are recognised in the statement of profit or loss as incurred. The present value of the expected cost for the asset retirement obligation of the asset after its use is included in the cost of the respective asset if the recognition criteria for a provision are met.

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

Description	Years
Plant and machinery	35
Equipment	3

The carrying amounts are reviewed at each reporting date to assess whether they are recorded in excess of their recoverable amounts, and where carrying values exceed this estimated recoverable amount, assets are written down to their recoverable amount, being the higher of their fair value less costs to sell and their value in use.

An item of plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in statement of profit or loss in the year the asset is derecognised.

The asset’s residual values, useful lives and methods of depreciation are reviewed at each financial year end, and adjusted prospectively if appropriate.

The cost of spare parts (if any) held as essential for the continuity of operations and which are designated as strategic plant spares are depreciated on a straight line basis over their estimated operating life. Spare parts used for normal repairs and maintenance are expensed when issued.

**Notes to the financial statements
for the year ended 31 December 2025 (continued)**

3 Material accounting policy information (continued)

Intangible assets

Intangible assets having definite useful life are stated at cost less accumulated amortization and impairment, if any. Amortisation is calculated on a straight line basis over the earlier of the useful life of the asset and the Company's connection rights term which is 35 years, as explained in more detail in note 6. Intangible assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable.

Value added tax (VAT)

Expenses and assets are recognised net of the amount of value added tax, except:

- When the value added tax incurred on a purchase of assets or services is not recoverable from the taxation authority, in which case, the value added tax is recognised as part of the cost of acquisition of the asset or as part of the expense item, as applicable
- When receivables and payables are stated with the amount of value added tax included,

The net amount of value added tax recoverable from, or payable to, the taxation authority is included as part of assets or liabilities in the financial statements.

Contingencies

Contingent liabilities are not recognised in the financial statements. They are disclosed unless the possibility of an outflow of resources embodying economic benefits is remote. Contingent assets are not recognised in the financial statements but disclosed when an inflow of economic benefits is probable.

**Notes to the financial statements
for the year ended 31 December 2025 (continued)****3 Material accounting policy information (continued)****Borrowing costs**

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

Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the financial charges eligible for capitalization. Front-end fees, debt acquisition and arrangement fees that relate to the origination of the long-term loans and facilities and commitment fee are amortized over the year of the loans using the effective interest rate (“EIR”).

The amortization on the effective interest basis is capitalized as part of the projects under construction up to the date of commencement of commercial production of the Project and subsequently charged to the profit or loss.

Impairment of non-financial assets

The Company assesses, at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's (CGUs) fair value less costs to sell and its value in use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs to sell, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded entities or other available fair value indicators.

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

Employees' end of service benefits

The provision for staff terminal benefits for non-national employees is calculated at the year-end in accordance with the UAE Federal Labour Law and is based on the current salaries and accumulated periods of service at the reporting date.

Trade and other payables

Liabilities under standard payment terms are recognised for amounts to be paid in the future for goods or services received, whether billed by the supplier or not. For liabilities under non-standard payment terms, accounts payable are initially recognised at fair value then subsequently measured at amortised cost using the effective interest method. Gains and losses are recognised as finance costs in the profit or loss of the year when the liabilities are derecognised as well as through the amortisation process.

**Notes to the financial statements
for the year ended 31 December 2025 (continued)****3 Material accounting policy information (continued)****Provisions**

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Where the Company expects some or all of a provision to be reimbursed, the reimbursement is recognized as a separate asset but only when the reimbursement is virtually certain. The expense relating to any provision is presented in the profit or loss net of any reimbursement.

Fair value measurement

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

- In the principal market for the asset or liability; or
- In the absence of a principal market, in the most advantageous market for the asset or liability.

The principal or the most advantageous market must be accessible to by the Company. The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

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

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

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

- Level 1 - Quoted (unadjusted) market prices in active markets for identical assets or liabilities;
- Level 2 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable; and
- Level 3 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

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

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

Notes to the financial statements for the year ended 31 December 2025 (continued)

3 Material accounting policy information (continued)

Financial assets

Initial recognition and subsequent measurement

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

The financial assets of the Company comprise of accounts receivable and prepayments (excluding prepayments) and cash and bank balances.

Initial measurement

All financial assets are initially measured at their fair value plus transaction costs, except for those financial assets measured at fair value through profit or loss.

Subsequent measurement

The subsequent measurement of financial assets depends on the Company's business model for managing those financial assets and their contractual cash flow characteristics. For purposes of subsequent measurement, financial assets are classified in four categories:

- Financial assets at amortised cost (debt instruments)
- Financial assets at fair value through OCI with recycling of cumulative gains and losses (debt instruments)
- Financial assets designated at fair value through OCI with no recycling of cumulative gains and losses upon derecognition (equity instruments)
- Financial assets at fair value through profit or loss

Trade receivables

Trade receivable are stated at original invoice amount less provision for expected credit losses. An estimate for doubtful debts is made in line with provision rates as per the ECL model. Bad debts are written-off when there is no possibility of recovery.

Cash and cash equivalents

Cash and cash equivalents include cash on hand, bank balances and deposits held with financial institutions with original maturities of three months or less.

Impairment of financial assets

The Company recognises an allowance for expected credit losses (ECLs) for all debt instruments not held at fair value through profit or loss. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Company expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

For trade receivables and accrued income, the Company applies a simplified approach in calculating ECLs. Therefore, the Company does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. The Company has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

**Notes to the financial statements
for the year ended 31 December 2025 (continued)****3 Material accounting policy information (continued)****Financial assets (continued)**Derecognition of financial assets

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

- The rights to receive cash flows from the asset have expired; or
- The Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a ‘pass-through’ arrangement; and either (a) the Company has transferred substantially all the risks and rewards of the asset, or (b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

Financial liabilitiesClassification as debt or equity

Debt and equity instruments are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangement.

Financial liabilities and equity instruments issued by the Company are classified according to the substance of the contractual arrangements entered into and the definitions of a financial liability and an equity instrument.

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

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

Initial recognition and measurement (continued)

The financial liabilities of Company includes a certain portion of trade and other payables, interest bearing loans, loans from shareholders, due to related parties and derivative financial liability.

Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss. Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. This category also includes derivative financial instruments entered into by the Company that are not designated as hedging instruments in hedge relationships as defined by IFRS 9. Separated embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments.

**Notes to the financial statements
for the year ended 31 December 2025 (continued)****3 Material accounting policy information (continued)****Financial liabilities (continued)**Accounts payable and accruals

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

Loans and borrowings

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the statement of comprehensive income.

Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of comprehensive income.

Derivative financial instruments and hedge accountingInitial recognition and subsequent measurement

The Company uses derivative financial instruments such as interest rate swaps to hedge risks associated with interest rate. Such derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently re-measured at fair value. Derivatives are carried as assets when the fair value is positive and as liabilities when the fair value is negative.

Any gains or losses arising from changes in fair value on derivatives during the year that do not qualify for hedge accounting are taken directly to income statement.

For the purpose of hedge accounting, hedges are classified as:

- cash flow hedges when hedging exposure to variability in cash flows that is either attributable to a particular risk associated with a recognised asset or liability or a firm commitment; or
- fair value hedges when hedging the exposure to changes in the fair value of an unrecognised firm commitment.
- Hedges of a net investment in a foreign operation.

At the inception of a hedge relationship, the Company formally designates and documents the hedge relationship to which the Company wishes to apply hedge accounting and the risk management objective and strategy for undertaking the hedge.

**Notes to the financial statements
for the year ended 31 December 2025 (continued)****3 Material accounting policy information (continued)****Derivative financial instruments and hedge accounting (continued)**Initial recognition and subsequent measurement (continued)

The documentation includes identification of the hedging instrument, the hedged item or transaction, the nature of the risk being hedged and how the entity will assess the hedging instrument's effectiveness in offsetting the exposure to changes in the hedged item's cash flows or fair values, as applicable, attributable to the hedged risk. Such hedges are expected to be highly effective in achieving offsetting changes in cash flows or fair values, as applicable, and are assessed on an ongoing basis to determine that they actually have been highly effective throughout the financial reporting periods for which they were designated.

Hedges that meet the strict criteria for hedge accounting are accounted for, as described below:

Cash flow hedges

The effective portion of the gain or loss on the hedging instrument is recognised directly in the statement of comprehensive income under the heading of "fair value gain/ (loss) arising on cash flow hedging instruments", while any ineffective portion is recognised immediately in the income statement.

Amounts recognised in the statement of comprehensive income are transferred to the income statement when the hedged transaction affects the income statement, such as when the hedged interest expense is recognised or when a forecast sale occurs.

On restructuring of the hedged item and revocation of hedging relationship, for an effective cash flow hedge, fair value of the hedging instrument as of the date of restructuring is recognised to income statement over the shorter of remaining life of the original hedged item or hedging instrument.

Where the hedged item is the cost of a non-financial asset or non-financial liability, the cumulative amounts recognised in the statement of changes in equity are transferred to the initial carrying amount of the non-financial asset or liability. If the hedging instrument expires or is sold, terminated or exercised without replacement or rollover (as part of the hedging strategy), or if its designation as a hedge is revoked, or when the hedge no longer meets the criteria for hedge accounting, any cumulative gain or loss previously recognised in OCI remains separately in equity until the forecast transaction occurs or the foreign currency firm commitment is met.

Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount reported in the statement of financial position if, and only if, there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, or to realise the assets and settle the liabilities simultaneously. Income and expenses are offset in the statement of comprehensive income when it reflects the substance of the transaction or other event.

**Notes to the financial statements
for the year ended 31 December 2025 (continued)****3 Material accounting policy information (continued)****Taxation**

Income tax expense represents the sum of the tax currently payable and deferred income tax expense.

Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from profit as reported in the statement of profit or loss because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The Company's liability for current tax is calculated using tax rates enacted or substantively enacted by the end of the reporting period.

A provision is recognised for those matters for which the tax determination is uncertain but it is considered probable that there will be a future outflow of funds to a tax authority. The provisions are measured at the best estimate of the amount expected to become payable. The assessment is based on the judgement of tax professionals within the parent company supported by previous experience in respect of such activities and in certain cases based on specialist independent tax advice.

Deferred tax

Deferred tax is the tax expected to be payable or recoverable on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit, and is accounted for using the liability method. Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised. Such assets and liabilities are not recognised if the temporary difference arises from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit. In addition, a deferred tax liability is not recognised if the temporary difference arises from the initial recognition of goodwill.

Deferred tax liabilities are recognised for taxable temporary differences arising on investments in subsidiaries and associates, and interests in joint ventures, except where the Company is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax assets arising from deductible temporary differences associated with such investments and interests are only recognised to the extent that it is probable that there will be sufficient taxable profits against which to utilise the benefits of the temporary differences and they are expected to reverse in the foreseeable future.

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

Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised based on tax laws and rates that have been enacted or substantively enacted at the reporting date.

**Notes to the financial statements
for the year ended 31 December 2025 (continued)****3 Material accounting policy information (continued)****Taxation (continued)***Deferred tax (continued)*

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Company expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Company intends to settle its current tax assets and liabilities on a net basis.

Current tax and deferred tax for the year

Current and deferred tax are recognised in profit or loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively. Where current tax or deferred tax arises from the initial accounting for a business combination, the tax effect is included in the accounting for the business combination.

4 Critical accounting judgements and key sources of estimation uncertainty

The preparation of the Company's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

Critical judgments

Significant judgments made by management that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are:

Service concession agreement

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

**Notes to the financial statements
for the year ended 31 December 2025 (continued)****4 Critical accounting judgements and key sources of estimation uncertainty (continued)****Critical judgments (continued)***Operating lease – the Company as a lessor*

At inception, the Company has assessed the PPA is a lease arrangement as it conveys the right to control the use of an identified asset for a period of time in exchange for consideration. The Company has determined the PPA is operating lease arrangement as management considers that the Company retains the principal risks and rewards of ownership of the Project, based on management's estimate of the useful life and residual value of the assets, and so accounts for the PPA as operating lease.

An estimate of the useful life of the asset and residual value is made and reviewed annually. The effects of changes in useful life are recognised prospectively, over the remaining life of the asset. When there are amendments to the PPA, management reconsiders whether the Company continues to retain the principal risks and rewards of ownership of the Project.

Evaluation of costs to be capitalised as part of capital work in progress

The Company's management determines if an expense incurred is eligible for capitalisation in line with IAS 16 requirements. All eligible costs are capitalised as part of capital work in progress and all ineligible costs are written off to the profit or loss.

Material estimates and assumptions

The key assumptions concerning the future, and other key sources of estimation uncertainty at the end of the reporting period, 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:

Useful lives and residual values of plant and equipment

The useful life of the plant and equipment is estimated based on the period over which the asset is expected to be available for use. The Company has entered into the power purchase agreement and lease agreement for 30 years and 35 years respectively (subsequent to year end amended to 35 years and 40 years as per amended and restated PPA and first amendment to the Land Lease Agreement respectively, refer note 26). Based on a collective assessment of industry practice, expectation of renewal of power purchase and lease agreements, external technical evaluation and experience with similar assets, management estimates that the economic benefits embodied in the plant and equipment will be available over the useful life of 35 years and therefore are being depreciated accordingly. The estimated useful life of each asset is reviewed periodically and updated if expectations differ from previous estimates due to physical wear and tear, technical or commercial obsolescence and legal or other limits on the use of the asset. It is possible, however, that future results of operations could be materially affected by changes in the amounts and timing of recorded expenses brought about by the changes in the factors mentioned above. A reduction in the estimated useful life of any plant and equipment would increase the recorded operating expenses and decrease non-current assets. Management reviews the estimated useful lives and residual values of plant and equipment at the end of each annual reporting period in accordance with IAS 16 *Property, Plant and Equipment*.

**Notes to the financial statements
for the year ended 31 December 2025 (continued)**

4 Critical accounting judgements and key sources of estimation uncertainty (continued)

Material estimates and assumptions (continued)

Impairment of plant and equipment and intangible assets

Plant and equipment and intangible assets are assessed for impairment based on an assessment of cash flows on individual cash generating units when there is indication of impairment. Cash flows are determined based on contractual agreements and estimations over the useful life of the assets and discounted using a range of discounting rates representing the rate of return on such cash generating units. The net present values are compared to the carrying amounts to assess any probable impairment. Management is satisfied that no impairment provision is necessary on plant and equipment and intangible assets.

Estimate of penalties levied under contracts

The Company may be liable for late penalties levied in terms of the conditions of the contract with the off taker. Based on discussions held with the off taker and review of the underlying contractual terms, management has estimated their expected exposure in respect of the late penalties is AED nil as at 31 December 2025.

Fair value of derivative financial instruments

The fair value of derivative financial instruments is based on their quoted price, if available. Where the fair value of such instruments cannot be derived from active markets, it is determined using valuation techniques including the discounted cash flow model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgment is required in establishing fair values. The judgments include consideration of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of derivative financial instruments.

Asset retirement obligation

The provision for asset retirement obligation is based on current legal and constructive requirements, technology, price levels and expected plans for remediation. Management bases these estimates on its best knowledge and reports from independent experts. Actual costs and cash outflows can differ from estimates because of changes in laws and regulations, public expectations, market conditions, discovery and analysis of site conditions and changes in technology. The estimated cash flows are discounted at a current pre-tax rate that reflects the risks specific to the liability based on management's estimate. The calculation of provision related to asset retirement obligation is most sensitive to following judgements and assumptions:

- Discount rate is assumed at 6.54%; and
- Inflation rate (2%) used to extrapolate cash flows.

**Notes to the financial statements
for the year ended 31 December 2025 (continued)**

5 Plant and equipment

	Plant and machinery AED	Equipment AED	Total AED
Cost			
At 1 January 2024	3,923,471,666	83,681	3,923,555,347
Additions	146,902	8,193	155,095
Disposals	-	(24,633)	(24,633)
	<hr/>	<hr/>	<hr/>
At 1 January 2025	3,923,618,568	67,241	3,923,685,809
Additions	-	21,190	21,190
	<hr/>	<hr/>	<hr/>
At 31 December 2025	3,923,618,568	88,431	3,923,706,999
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>
Accumulated depreciation			
At 1 January 2024	56,817,398	59,332	56,876,730
Depreciation	112,412,644	17,939	112,430,583
Disposals	-	(23,797)	(23,797)
	<hr/>	<hr/>	<hr/>
At 1 January 2025	169,230,042	53,474	169,283,516
Depreciation	111,712,541	15,103	111,727,644
	<hr/>	<hr/>	<hr/>
At 31 December 2025	280,942,583	68,577	281,011,160
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>
Carrying amount at 31 December 2025	3,642,675,985	19,854	3,642,695,839
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>
31 December 2024	3,754,388,526	13,767	3,754,402,293
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

Plant and equipment has been pledged as security against Company's borrowings (note 12).

The Company determined that there are no impairment indicators. This is based on following assumptions:

- Cashflows from 2026-2058; and
- Discount rate of 6.76%.

During the year the Company has paid AED 36,746,190 (2024:155,095) which was already accrued under cost of Plant & machinery and represents payment made under CRA as described in note 26.

**Notes to the financial statements
for the year ended 31 December 2025 (continued)**

6 Intangible assets

	2025	2024
	AED	AED
Cost		
At 1 January	215,250,734	215,250,734
At 31 December	215,250,734	215,250,734
Accumulated amortisation		
At 1 January	9,284,007	3,117,134
Charge for the year	6,128,584	6,166,873
At 31 December	15,412,591	9,284,007
Carrying amount at 31 December	199,838,143	205,966,727

The intangible asset arose from the transfer of the assets built for Electrical Special Facilities (ESF) to a related party in accordance with the Power Purchase Agreement dated 23 July 2020 novated to Dhafrah PV2 Energy Company LLC dated 23 October 2020. The legal formalities related to asset transfer agreement were completed in June 2024.

7 Prepayments and other receivables

	2025	2024
	AED	AED
Prepayments and deposits	15,211,688	4,082,682
Liquidated damages receivables (Note i)	113,969,041	77,244,040
Other receivables (Note ii)	4,072,759	1,534,939
	133,253,488	82,861,661

Note i - This represents the amount receivable by the Company from the Engineering, Procurement, and Construction contractor ("EPC") on account of liquidated damages due to delays in the project's commercial operation date and provisional acceptance date as mentioned in note 26.

Note ii – This includes current tax recoverable from EWEC under PPA amounting to AED 3,444,198 (2024: 907,438).

**Notes to the financial statements
for the year ended 31 December 2025 (continued)**

8 Cash and bank balances

	2025	2024
	AED	AED
Cash in hand	9,050	9,555
Cash at banks	551,403,686	578,767,656
	551,412,736	578,777,211

9 Capital

9.1 Share capital

	2025	2024
	AED	AED
<i>Authorised, issued and fully paid share capital:</i>		
50,000 shares of AED 10 each	500,000	500,000

9.2 Statutory reserve

As required by UAE Federal Decree Law No. (32) of 2021, and the Articles of Association of the Company, the Company is required to transfer at least 5% of its net profit for the year to a non-distributable statutory reserve until the amount of the statutory reserve is equal to 50% of the Company's issued share capital. The reserve is not available for distribution. There was no transfer during the year ended 31 December 2025 as the statutory reserve is equal to minimum 50% of the Company's issued share capital.

10 Shareholders' loan - local

	2025	2024
	AED	AED
At 1 January/31 December	403,885,388	403,885,388
<i>Presented as in the statement of financial position.</i>		
	2025	2024
	AED	AED
Non-current	403,885,388	403,885,388
At 31 December	403,885,388	403,885,388

The Company executed a Subordinated Loan Agreement with Dhafrah Solar Energy Holding Company LLC in February 2024 for an amount of AED 403,885,388. The shareholder subordinated loan carries fixed interest rate i.e. 4.5% which is also an effective rate of interest of this loan. The repayment of loan is due when the Company has available cash for distribution subject to repayments of other financing arrangements.

**Notes to the financial statements
for the year ended 31 December 2025 (continued)**

12 Syndicated commercial loan (continued)

b) Short Term Refinancing (continued)

Disclosed in the statement of financial position as follows:

	2025	2024
	AED	AED
Current portion	2,852,634,613	2,897,731,133
	2,852,634,613	2,897,731,133
<i>Movement is as follows:</i>		
1 January	2,897,731,133	-
Refinancing under short term refinance syndicated commercial facility (i)	-	2,897,731,133
Repayments during the year	(45,096,520)	-
At 31 December	2,852,634,613	2,897,731,133

- i. The Company availed a short term refinancing in 2024 to settle the Hard Mini Perm loan which had matured in Oct 2024. The short-term refinancing syndicated commercial facility availed consisting of 2 tranches out of which Tranche 1 amounting to AED 2,897 million was utilized under the Commercial Facility Agreement (CFA) dated 17 October 2024, which was used to repay previous Commercial Facility under the Agreement dated 09 December 2020. The interest rate on this facility is SOFR plus 1.06% margin per annum. The short term refinancing facility was originally repayable by 24 October 2025, however, the company agreed an extension in the maturity date of this facility by 23 January 2026.

Subsequent to reporting date, the Company settled the short term financing facility through the proceeds of a Green Bond which carries coupon rate of 5.794% and is rated A3/A.

13 Trade payables, accruals and other liabilities

	2025	2024
	AED	AED
Trade payable	6,984,516	4,276,250
Project liabilities	446,162,593	446,162,593
Liquidated damages (Note i)	347,504,601	384,229,601
Accrued interests on loans (Note ii)	125,321,538	108,203,846
Accrued expenses	46,417,272	24,501,776
VAT payable	1,479,221	1,492,033
Employee related accruals	792,726	740,310
	974,662,467	969,606,409

**Notes to the financial statements
for the year ended 31 December 2025 (continued)**

13 Trade payables, accruals and other liabilities (continued)

Note i – This represents the amount retained by the Company from the Engineering, Procurement, and Construction contractor (“EPC”) milestone invoices on account of liquidated damages due to delays in the project’s commercial operation date and provisional acceptance date, as outlined in the original agreement with the EPC (refer note 7 and 26). The reduction is on account of amounts released under Cash Release Agreement as explained in note 5 and note 26.

Note ii – The interest is accrued on syndicate commercial loan and shareholders’ loan amount.

14 Employees’ end of service benefits

	2025	2024
	AED	AED
At 1 January	106,913	445,692
Charge for the year	105,955	167,747
Payments	-	(506,526)
At 31 December	212,868	106,913

15 Asset retirement obligation

As part of the land lease agreement between Abu Dhabi Power Corporation PJSC (“ADPC”) and the Company, the Company has a legal obligation to remove the Plant at the earlier of the expiry of the land lease agreement or earlier termination date and restore the land. The Company shall at its sole cost and expense dismantle, demobilise, safeguard and transport the assets, eliminate soil and ground water contamination, fill all excavation and return the surface to grade of the designated areas.

The fair value of asset retirement obligation has been calculated using an expected present value technique. The estimated cost of dismantling, assessed by an independent third-party valuer (“the valuer”), amounted to AED 250,056,852 (USD 69,089,000) as of PCOD. This assessment was based on certain assumptions such as costs, the useful life of the plant, inflation, and profit margin, which third parties would consider when assuming the settlement of the obligation. The Company has determined that the valuation included in the valuation report remains valid as of 31 December 2025. The fair value is calculated using an expected present value technique.

	2025	2024
	AED	AED
At 1 January	60,209,121	56,513,161
Accretion of interest (note 19.1)	3,937,677	3,695,960
At 31 December	64,146,798	60,209,121

**Notes to the financial statements
for the year ended 31 December 2025 (continued)**

16 Revenue

	2025	2024
	AED	AED
Operating lease revenue	227,747,159	224,450,771
Other reimbursements under PPA	-	16,059,271
	<u>227,747,159</u>	<u>240,510,042</u>

All revenue is recognised at point in time and generated in the United Arab Emirates.

17 Cost of sales

	2025	2024
	AED	AED
Depreciation PV2 plant	111,712,541	112,412,644
Transco connection and O&M charges (note i)	-	16,059,271
Operation and maintenance charges	22,371,210	14,914,143
Insurance operational period	6,577,032	6,951,674
Amortization – ESF building	6,128,584	6,166,873
Energy import	2,421,617	2,201,886
Professional services	398,140	1,704,518
	<u>149,609,124</u>	<u>160,411,009</u>

Note i: This includes the connection and O&M charges to Abu Dhabi Transmission and Despatch Company (Transco) amounting to AED Nil (2024: AED 16,059,271). This amount was recovered from the off-taker as disclosed in Revenue.

18 General and administrative expenses

	2025	2024
	AED	AED
Staff cost	5,358,362	5,316,060
Professional fees	1,607,349	1,949,984
Legal and regulatory fees	1,278,610	1,003,500
Accounting and bookkeeping fee	52,295	209,807
Depreciation	15,104	17,939
Other expense	85,178	7,252
	<u>8,396,898</u>	<u>8,504,542</u>

An audit fee of AED 115,600 (2024: 113,800) and non-audit fees amounting to AED 62,200 (2024: AED 61,200) incurred during the year ended 31 December 2025.

**Notes to the financial statements
for the year ended 31 December 2025 (continued)**

19 Finance costs and finance income

19.1 Finance costs

	2025	2024
	AED	AED
Interest expense on syndicated commercial loan	155,465,398	207,686,270
Hedge income	-	(94,277,834)
Interest expense on shareholders' borrowings	30,964,546	30,627,975
Interest expense on assets retirement obligation (note 15)	3,937,677	3,695,960
Working capital – commitment fee	-	219,314
Bank fees	321,382	215,893
Commitment fees on commercial loan	898,751	227,581
Others	73,800	95,318
	191,661,554	148,490,477

19.2 Finance income

	2025	2024
	AED	AED
Interest income on bank balances	23,856,008	23,811,676
Total finance income	23,856,008	23,811,676

20 Other income

	2025	2024
	AED	AED
Liquidated damages (Note i)	36,725,000	10,747,697
Tax reimbursement (Note ii)	2,536,759	907,438
Income from disposal of assets	-	1,002
	39,261,759	11,656,137

Note i – This represents liquidated damages agreed with EPC Contractor in accordance with latest round of negotiations. These amounts were duly agreed via an EPC Amendment Agreement entered into in January 2026.

Note ii - The current tax charge will be reimbursed by EWEC under the power purchase agreement.

**Notes to the financial statements
for the year ended 31 December 2025 (continued)**

21 Income tax

On 9 December 2022, the United Arab Emirates (“UAE”) Ministry of Finance (“MoF”) issued Federal Decree - Law No. 47 of 2022 on the Taxation of Corporations and Businesses, Corporate Tax (“CT”) Law to implement a new CT regime in the UAE. The new CT regime became applicable for accounting periods beginning on or after 1 June 2023. Generally, UAE businesses will be subject to a 9% CT rate, however a rate of 0% will be applied to taxable income not exceeding AED 375 thousand or to certain types of entities, as prescribed by way of a Cabinet Decision. With the publication of this Decision, the UAE CT Law is considered to have been substantively enacted for the reporting period to 31 December 2023 and for the purposes of accounting for Income Taxes.

On 6 February 2025, the UAE released the legislation introducing a Domestic Minimum Top-up Tax (“DMTT”) for multinational enterprises (“MNEs”), through the publication of Cases, Provisions, Conditions, Rules, Controls, and Procedures on the Imposition of Top-up Tax on Multinational Enterprises which is applicable from 1 January 2025. It is not currently foreseen that the Company’s UAE operations will be subject to the application of the Global Minimum Tax rate of 15% in FY2025. The application is dependent on the implementation of Base Erosion Profit Shifting (BEPS 2) - Pillar Two rules by the countries where the Company operates and the enactment of Pillar Two rules by the UAE MoF.

	2025 AED	2024 AED
<i>Statement of profit or loss:</i>		
Current income tax charge	2,536,759	907,438
Deferred tax expense on interest disallowed on local shareholder and short-term loan	4,669,071	(4,669,071)
Income tax expense / (benefit) reported in the statement of profit or loss	7,205,830	(3,761,633)

The charge for the year can be reconciled to the profit before tax as follows:

	2025 AED	2024 AED
Accounting loss before tax	(58,802,651)	(41,428,173)
UAE corporate income tax rate of 9% (2024: 9%)	(5,292,239)	(3,728,536)
Exempt income up to AED 375,000 at 9% tax rate	(33,750)	(33,750)
Tax impact of interest disallowed on which no deferred tax has been recognized	7,862,364	-
Prior year deferred tax reversed during the year	4,669,071	-
Others	384	653
Income tax expense / (benefit)	7,205,830	(3,761,633)

**Notes to the financial statements
for the year ended 31 December 2025 (continued)**

21 Income tax (continued)

Statement of financial position:

	2025	2024
	AED	AED
<i>Current tax liabilities</i>		
Balance as at 1 January	907,438	-
Charge for the year	2,536,759	907,438
Payment made during the year	(907,103)	-
	2,537,094	907,438
<i>Deferred tax assets</i>		
Balance as at 1 January	4,669,071	-
Charge for the year (note i)	(4,669,071)	4,669,071
	-	4,669,071

Note i - During the year ended 31 December 2025, the Company reversed a Deferred Tax Asset (DTA) amounting to AED 4.67 million in respect of disallowed net interest expenses, arising under the General Interest Deduction Limitation Rule ("GIDLR"). The recognition was based on management's then-assessment that the disallowed interest could be utilized against future taxable profits within the statutory 10-year carry-forward period as per FTA tax laws.

Following a detailed reassessment of the Company's future EBITDA projections and financing structure, management has determined that the 30% EBITDA limitation under the GIDLR is expected to remain below the adjusted net interest expenditure for the forecasted period 2026–2035. Management assessed that there is no reasonable certainty that the disallowed interest amount will be utilized within the 10-year carry-forward period and accordingly, the entire deferred tax asset amount of AED 4.7 million is derecognized during the year ended 31 December 2025.

In addition to above, interest of AED 87,359,604 was disallowed during the year. No deferred tax was recognized in this respect as it is not foreseen that there is no reasonable certainty that the disallowed interest amount will be utilized within the 10-year carry-forward period.

Deferred tax

Deferred income tax at 31 December relates to the following:

	Statement of financial position		Statement of profit or loss and other comprehensive income	
	2025	2024	2025	2024
	AED	AED	AED	AED
<i>Deferred tax assets:</i>				
Temporary difference on interest disallowed on local shareholder and short-term loan	-	4,669,071	-	4,669,071

**Notes to the financial statements
for the year ended 31 December 2025 (continued)**

22 Related party transactions and balances

In accordance with IAS 24 “Related Party Disclosures”, the Company has elected to disclose only individually significant transactions and a qualitative description of collectively significant transactions and balances with the Government of Abu Dhabi and other entities over which the Government of Abu Dhabi exerts control, joint control or significant influence. Other related parties comprise shareholders and their affiliates, directors and business entities in which they have the ability to control or exercise significant influence in financial and operating decisions.

Transactions with related parties entered into during the year are as follows:

Shareholders	Nature of transactions	2025 AED	2024 AED
Dhafrah Solar energy Holding Company LLC	Finance cost	18,578,727	18,376,785
EDFR and Jinko Holding	Finance cost	12,385,819	12,251,190
Abu Dhabi Future Energy Company (Masdar)	Reimbursement of expenses	-	14,690
Abu Dhabi National Energy Company PJSC (TAQA)	Reimbursement of expenses	-	11,006
Affiliates of shareholders			
Emirates Water and Electricity Company	Revenue in ordinary course	227,747,159	224,450,771
Emirates Water and Electricity Company	Tax Reimbursement	3,444,198	907,438
Emirates Water and Electricity Company	Transco Connection, Operation and maintenance charges reimbursement	-	16,059,271
Abu Dhabi Transmission & Despatch Company PJSC (TRANSCO)	Connection, Operation and maintenance charges	-	16,059,271
Taqa Distribution (ADDC)	Energy Import Charges	2,421,617	2,201,886

Note 1 – On 8 December 2020, the Company entered into Land Lease Agreement for a period of thirty five years (40 years as per first amendment to the Land Lease Agreement) with Abu Dhabi Power Corporation in relation to the Project in the Emirates of Abu Dhabi on which Plant will be built, owned and operated by the Company. Under the Land Lease Agreement, the Company is required to pay basic rent amounting to one Dirham per annum payable in advance.

**Notes to the financial statements
for the year ended 31 December 2025 (continued)**

22 Related party transactions and balances (continued)

Note 2 – The transfer of assets built for Electrical Special Facilities (ESF) to TAQA Transmission/TRANSCO led to the recognition of intangible asset. The intangible represents the cost of the Company's right of connection to the transmission system at the connection site for a period of 35 years as described in note 6.

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

Related party	Nature of balance	2025 AED	2024 AED
Dhafrah Solar Energy Holding Company LLC	Shareholders' loan – local	(403,885,388)	(403,885,388)
EDFR And Jinko Holding Co. Ltd	Shareholders' loan – International	(269,256,925)	(269,256,925)
Emirates Water and Electricity Company	Revenue in ordinary course	24,529,964	25,428,860
Emirates Water and Electricity Company	Tax Reimbursement	2,537,094	907,438
Emirates Water and Electricity Company (fellow subsidiary)		27,067,058	26,336,298
TAQA Distribution (ADDC)	Energy Import Charges	(167,845)	(1,721,173)
Compensation of key management personnel			
		2025 AED	2024 AED
Short term		2,679,800	3,585,943
Long term		190,752	222,562
		2,870,552	3,808,505

**Notes to the financial statements
for the year ended 31 December 2025 (continued)**

23 Financial instruments

Details of the accounting policies and methods applied, including the criteria for recognition, the basis of measurement and the basis on which income and expenses are recognised, in respect of each class of financial asset, financial liability and equity instrument, are disclosed in note 3 to the financial statements.

Categories of financial instruments

	2025	2024
	AED	AED
Financial assets		
Cash and bank balances (note 8)	551,412,736	578,777,211
Liquidated damages and other receivables	118,041,801	78,778,979
Due from a related party (note 22)	27,067,392	26,336,298
	<hr/> 696,521,929 <hr/>	<hr/> 683,892,488 <hr/>
Financial liabilities		
Shareholders' borrowings – local (note 10)	403,885,388	403,885,388
Shareholders' borrowings – international (note 11)	269,256,925	269,256,925
Syndicated commercial loan (note 12)	2,852,634,612	2,897,731,133
Trade payables, accruals and other liabilities (note 13)	973,183,247	968,099,135
	<hr/> 4,498,960,172 <hr/>	<hr/> 4,538,972,581 <hr/>

The Company's financial assets comprise of amount due from a related party and cash and bank balances. The Company's principal financial liabilities comprise of bank borrowings – syndicated commercial loan, shareholders' loans, and trade payable and accrued expenses.

The Company's management reviews and agrees policies for managing interest rate risk, credit risk, liquidity risk and foreign currency risk which are summarized below.

Financial risk management

The Company is exposed to the following risks related to financial instruments – market risk, credit risk, and liquidity risk. The Company does not enter into or trade in financial instruments and investments in securities, for speculative or risk management purposes.

Market risk

Market risk is the risk that the fair value or future cash flows of a financial asset or liability will fluctuate because of changes in market prices. The Company's activities lead to a very minimal financial risks of changes in foreign currency exchange rates and interest rates.

**Notes to the financial statements
for the year ended 31 December 2025 (continued)**

23 Financial instruments (continued)

Financial risk management (continued)

Currency risk

Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. Management considers that the Company is not exposed to significant foreign currency risk. The majority of transactions and balances are in either UAE Dirhams or US Dollars. As the UAE Dirham is pegged to the US Dollar, balances in UAE Dirham are not considered to represent significant currency risk, so far as the functional and presentation currency of the company is UAE Dirham, while UAE Dirham is pegged to the US Dollar for the long-term.

Interest rate risk

The Company is exposed to variability in future interest cash flows on term loans which bear interest at a variable rate.

The interest rate profile of the Company's interest-bearing financial instruments is as follows:

	2025	2024
	AED	AED
Fixed rate instruments		
Shareholders' borrowings – local	403,885,388	403,885,388
Shareholders' borrowings – international	269,256,925	269,256,925
Variable rate instruments		
Syndicated commercial loan	2,991,147,265	2,897,731,133
	3,664,289,578	3,570,873,446

At 31 December 2025, the Company has fixed rate of interest of 4.50% per annum for Shareholders' subordinated loans. Whereas syndicated commercial loan is at floating rate of interest. A reasonably possible change of 100 basis points in interest rates at the reporting date would have increased (decreased). This analysis assumes that all other variables, in particular foreign currency exchange rates, remain constant.

	2025	2024
	AED	AED
<i>An increase of 100 basis points in interest rate at the reporting date</i>		
Cost on variable rate instruments	29,911,472	28,977,311
Income on interest rate swaps	-	-
<i>A decrease of 100 basis points in interest rate at the reporting date</i>		
Cost on variable rate instruments	29,911,472	28,977,311
Income on interest rate swaps	-	-

**Notes to the financial statements
for the year ended 31 December 2025 (continued)****23 Financial instruments (continued)****Financial risk management (continued)***Interest rate risk (continued)*

The sensitivity analyses below have been determined based on the exposure to interest rates for both derivatives and non-derivative instruments at the end of the reporting period. For floating rate assets and liabilities, the analysis is prepared assuming the amount of asset or liability outstanding at the end of the reporting period was outstanding for the whole period.

If interest rates had been 100 basis points higher/lower and all other variables were held constant, the Company's profit for the year ended 31 December 2025 would decrease/increase by AED 29,911,472 (2024: AED 28,977,311).

Under interest rate swap contracts, the Company agrees to exchange the difference between floating and fixed rate interest amounts calculated on agreed notional principal amounts. Such contracts enable the Company to mitigate the risk of cash flow exposures on the issued variable rate debt.

During 2023, the Company designated the interest rate swap contract as a hedge to reduce its exposure to interest rates fluctuations on the term loan. The floating interest rate is SOFR. As per the Loan Facility Agreement, the total notional principal amounts of the interest rate swap contracts shall not be less than 95% prior to the PCOD, 75% from PCOD up to October 2024 i.e. the final maturity date.

As at 31 December 2025, the Company has not entered into hedge transaction for the syndicated commercial loan as the refinanced commercial facility agreement dated 17 October 2024 allows the Company to keep the loan unhedged.

The interest rate swap contracts exchanging floating rate interest for fixed rate interest are designated as cash flow hedge in order to reduce the Company's cash flow exposure resulting from variable interest rate on borrowing. The interest rate swaps and interest payments on the loan occurs simultaneously, and the amount accumulated in equity is reclassified to statement of comprehensive income over the period that the floating interest payments on debt affect profit or loss.

Credit risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations and arises principally from the Company's financial assets such as due from a related party, accrued income and bank balances.

The Company's exposure to credit risks is limited maintain its cash at bank with the MUFG bank and Standard Chartered bank, which are reputable banks, and to invest in high-rating investment vehicles.

**Notes to the financial statements
for the year ended 31 December 2025 (continued)**

23 Financial instruments (continued)

Financial risk management (continued)

Credit risk (continued)

Concentration of credit risk

Concentration of credit risk arises when a number of counterparties 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. Concentration of credit risk indicates the relative sensitivity of the Company's performance to developments affecting a particular industry or geographic location.

Management believes that the concentration of credit risk is mitigated by high credit worthiness of its sole customer i.e. EWEC. The Company limits its exposure to credit risk with respect to bank balances by only dealing with reputable banks with suitable credit rating. Given the profile of its bankers, the Company does not expect the counterparty to fail to meet its obligations. The Company credit risk on the amount due from related party are minimal as the amount is receivable from the EWEC is ultimately owned by the Government of Abu Dhabi. Balances with banks are assessed to have low credit risk of default since the banks are highly regulated by the central bank in the country of operations.

Due from a related party, other receivables (excluding Liquidated damages from EPC Contractor) and balances with banks are not secured by any collateral. The amount that best represents the maximum credit risk exposure on financial assets at the end of the reporting period, in the event counterparties fail to perform their obligations generally approximates their carrying value.

The carrying amount of financial assets represents the maximum credit exposure. The Company is exposed to credit risk on its financial assets as follows:

	2025	2024
	AED	AED
Bank balances (note 8)	551,403,686	578,767,656
Liquidated damages receivables (note 7)	113,969,041	77,244,041
Other receivables (note 7)	4,072,760	1,534,939
Due from a related party (note 22)	27,067,390	26,336,298
	<hr/>	<hr/>
	696,512,877	683,882,934
	<hr/> <hr/>	<hr/> <hr/>

A performance bond has been provided as collateral against liquidated damages receivables.

**Notes to the financial statements
for the year ended 31 December 2025 (continued)**

23 Financial instruments (continued)

Financial risk management (continued)

Cash and cash equivalents

The Company has cash and bank balances as at 31 December 2025 of AED 551,412,736 (2024: AED 578,777,211). The cash and bank balances are held with bank and financial institution counterparties, which are rated A- to A+, based on ratings published by Fitch Ratings. Balances with banks are assessed to have low credit risk of default since both the onshore and offshore banks are highly regulated by the Central Bank of United Arab Emirates and The Bank of England, respectively. Accordingly, management of the Company estimates the loss allowance on balances with banks at the end of the reporting year at an amount equal to 12-month ECL. None of the balances with banks at the end of the reporting year are past due, and taking into account the historical default experience and the current credit ratings of the banks, the management of the Company have assessed that there is no impairment, and hence have not recorded any loss allowances on these balances.

Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its funding requirements. The Company manages liquidity risk by maintaining banking facilities and reserve borrowing facilities, by continuously monitoring forecast and actual cash flows, and by matching the maturity profiles of financial assets and liabilities.

The table below summarises the maturities of the Company's undiscounted financial liabilities as at 31 December 2025, based on contractual payment dates and current market interest rates:

	Carrying amount AED	Contractual cash flows AED	Less than 12 months AED	More than 12 months AED
31 December 2025				
Financial liabilities				
Shareholders' borrowings – local	403,885,388	403,885,388	-	403,885,388
Shareholders' borrowings – International	269,256,925	269,256,925	-	269,256,925
Syndicated commercial loan	2,852,634,612	2,852,634,612	2,852,634,612	-
Trade payable and accrued expenses	973,183,246	973,167,761	972,390,520	777,241
Total	4,498,960,171	4,498,944,686	3,825,025,132	673,919,554
31 December 2024				
Financial liabilities				
Shareholders' borrowings – local	403,885,388	403,885,388	-	403,885,388
Shareholders' borrowings – international	269,256,925	269,256,925	-	269,256,925
Syndicated commercial loan	2,897,731,133	3,021,378,585	3,021,378,585	-
Trade payable and accrued expenses	968,099,135	968,114,376	968,114,376	-
Total	4,538,972,581	4,662,635,274	3,989,492,961	673,142,313

**Notes to the financial statements
for the year ended 31 December 2025 (continued)****23 Financial instruments (continued)****Fair value of financial instruments**

The Company uses the following hierarchy for determining and disclosing the fair value of financial instruments by valuation technique:

Level 1: quoted (unadjusted) prices in active markets for identical assets or liabilities.

Level 2: other techniques for which all inputs which have a significant effect on the recorded fair value are observable, either directly or indirectly.

Level 3: techniques which use inputs which have a significant effect on the recorded fair value that are not based on observable market data.

Fair value of the Company's financial liability that is measured at fair value on a recurring basis.

The Company has financial liability that is measured at fair value at the end of each reporting period. The following table gives information about how the fair value of this financial liability is determined (in particular, the valuation technique(s) and inputs used).

Fair values of financial assets and liabilities

Management considers that the carrying amounts of financial assets and financial liabilities in the financial statements approximate their fair values.

Capital management

The primary objective of the Company's capital management is to ensure that it maintains healthy capital ratios in order to support its business and maximize shareholder value. The Company aims at managing its capital structure in line with the requirements of the financing agreements. As at 31 December 2025, capital comprises share capital and retained earnings and is measured as negative AED 16,559,980 (2024: AED 49,448,500).

The Company manages its capital to ensure that it will be able to continue as going concern while maximizing the return to stakeholders through optimization of the debt and equity balance. The Company's overall strategy remains unchanged from 2024.

Debt is defined by the Company as long-term and short-term borrowings and lease liabilities (excluding derivatives, contingent consideration, and financial guarantee contracts). Net debt is defined as debt after deducting cash and cash equivalents.

The Company monitors capital using a gearing ratio, which is net debt divided by total capital plus net debt. The Company includes within net debt, interest bearing loans and borrowings, accounts payable and amounts due to related parties less cash and cash equivalents. For calculating capital, the impact of the fair value of derivatives is excluded from equity.

**Notes to the financial statements
for the year ended 31 December 2025 (continued)**

23 Financial instruments (continued)

Fair value of financial instruments (continued)

Capital management (continued)

	2025 AED	2024 AED
Shareholders' borrowings – local	403,885,388	403,885,388
Shareholders' borrowings – international	269,256,925	269,256,925
Syndicated commercial loan	2,852,634,612	2,897,731,133
Trade payables, accruals and other liabilities	974,662,468	969,606,409
Less: Cash and bank balances	(551,412,736)	(578,777,211)
Net debt	<u>3,949,026,657</u>	<u>3,961,702,644</u>
Equity	<u>(15,605,983)</u>	<u>50,402,497</u>
Total capital	<u>(15,605,983)</u>	<u>50,402,497</u>
Capital and net debt	<u>3,933,420,674</u>	<u>4,012,105,141</u>
Gearing ratio	<u>100.4%</u>	<u>99%</u>

The finance documents designate Shareholder Loans as Equity for the purpose of arriving at debt to equity ratio. Had the Shareholder Loans been treated as equity for the purpose of above computation, the gearing ratio would be 83.28% (2024: 81.97%).

24 Changes in liabilities arising from financing activities

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

	Shareholders' borrowings – local AED	Shareholders' borrowings – international AED	Syndicated commercial loan AED	Total AED
As at 1 January 2024	403,885,388	269,256,925	2,991,147,265	3,664,289,578
Financing cashflows	-	-	(112,123,476)	(112,123,476)
Non-cash changes	-	-	18,707,344	18,707,344
As at 1 January 2025	<u>403,885,388</u>	<u>269,256,925</u>	<u>2,897,731,133</u>	<u>3,570,873,446</u>
Financing cashflows	-	-	(45,096,520)	(45,096,520)
As at 31 December 2025	<u>403,885,388</u>	<u>269,256,925</u>	<u>2,852,634,613</u>	<u>3,525,776,926</u>

**Notes to the financial statements
for the year ended 31 December 2025 (continued)****25 Contingencies and commitments****Commitments**

Capital expenditure contracted for at the reporting date but not recognised in the financial statements amounted to AED Nil (2024: AED Nil).

26 Amendment Agreements and MOUs

In preparation of these financial statements, the Company has taken into account the following facts agreed upon in the Memorandum of Understandings with EWEC and the EPC Contractor.

On 22 March 2022, the Company signed a Memorandum of Understanding (“EWEC MOU”) with the off-taker (“EWEC”). In the EWEC MOU, the basis of certain PPA optimization measures was set out, mainly to increase the PPA term to 35 years and align the minimum design life of all components and structures of PV2 Plant to be at least 35 years, and to increase the capacity of maximum power export from 1500MW AC to 1640MW AC. These measures form the basis of an amendment to the PPA. Following the amendment to the PPA, the PPA term was extended to coincided with the technical life of the plant, which is 35 years.

In June 2022, the Company entered into another Memorandum of Understanding (“EPC MOU”) with the EPC Contractor (“EPC MOU”), agreeing to execute the EPC Amendment Agreement. The EPC MOU included a compensation amount of USD 80 million (AED 293.8 million) subject to various conditions and work scope to be completed by EPC Contractor. The EPC Amendment Agreement will encompass a binding agreement for installation of additional PV modules, finalisation of optimisation measures contemplated in the EWEC MOU, finalization of the amendments to the PPA, revision in the basis of liquidated damages, and seeking the required approval from financing parties and shareholders.

In 2024, the Company agreed to a final settlement with the EPC Contractor, further reinforcing the principles agreed in the EPC MOU. These terms were largely consistent with the terms of the EPC MOU, additionally the Provisional Acceptance Date (“PAD”) was agreed as 30 April 2024, and the amount of liquidated damages from the EPC were restricted up to 30 April 2024, with the withholding of USD 80 million from payments due to the EPC Contractor after the execution of the EPC amendment agreement against equipment warranties (to be released to the EPC once the warranties are provided). The settlement terms also provided for a Cash Release Agreement (CRA) to be entered into between the Company and the EPC

Contractor to allow the release of USD 35 million in instalments of USD 5 million to the EPC Contractor. This amount is to be released from the liquidated damages already withheld by the Company from payments due to the EPC Contractor. The CRA was entered into in December 2024, and the first instalment under the CRA was released in 2024, followed by two more payments in 2025.

A final round of negotiations was held with EPC Contractor in 4Q 2025 which led to, among other things, a realignment in Liquidated Damages amounts as well as warranty withholding.

Based on all above principles, a formally binding EPC Amendment Agreement was executed on 4 January 2026. A corresponding PPA Amendment Agreement confirming the change in life and capacity of the plant as explained above was also signed effective from 15 January 2026.

**Notes to the financial statements
for the year ended 31 December 2025 (continued)****27 Segment reporting**

The Company is primarily engaged in a single segment to develop, finance, design, construct, and operate a solar photovoltaic power generation plant (the “Plant”). The Company is managed as one unit, and therefore the Management is of the opinion that the Company has only one reportable segment. The Company is managed as a single business unit and the financial performance is reported in the internal reporting provided to the Chief Operating Decision-maker (“CODM”). The Board of Directors, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the CODM that makes strategic decisions. The financial information reviewed by the CODM is based on the financial information prepared in accordance with IFRS Accounting Standards for the Company.

28 Subsequent Events

On 21 October 2025, the Company signed an agreement with the commercial facility agent for the extension of the final repayment date of syndicated commercial loan to 23 January 2026 and the loan was settled on 15 January 2026.

On 15 January 2026, the Company issued offering memorandum to issue Senior Secured Bonds (“Bonds”) amounting to USD 870,750,000 of 5.794% due 30 June 2053 (issue price 100.000%), with closing on 15 January 2026. The Bonds bear interest at 5.794% per annum, payable semi-annually on 30 June and 31 December commencing 30 June 2026, and principal will be repaid in semi-annual instalments beginning 30 June 2026. The Bonds will constitute secured, direct and unconditional obligations of the Company, secured by specified collateral, rank pari passu with the Company’s other unsubordinated obligations, and are not guaranteed by the Sponsors or Shareholders mentioned in the offering memorandum. The offering was applied for admission to trading on London Stock Exchange’s International Securities Market, and the Bonds were rated A3 by Moody’s and A by S&P.

Further, subsequent to the reporting date, geopolitical tensions in the Middle East have escalated following a conflict involving the United States, Israel and Iran. As at the date of authorisation of these financial statements, management is actively monitoring the situation. The evolving geopolitical conditions present heightened risks related to regional security, logistics, energy supply, and insurance coverage, which may potentially affect operational continuity. However, as of the approval and issuance date, no disruptions to Company’s operations have been identified by management.

In addition, this could also lead to volatility in energy prices. However, the extent and duration of any such effects remain uncertain and dependent on future developments.

Given the rapidly changing circumstances, it is currently not possible to reliably estimate any potential financial impact. Management will continue to closely monitor the situation and assess any implications for the Company’s operations, financial position, and financial performance.

29 Approval of the financial statements

The financial statements were approved and authorised for issue on 31 March 2026.