MAZOON ASSETS COMPANY SAOC

REPORT AND FINANCIAL STATEMENTS

31 DECEMBER 2024

Registered address
P.O. Box: 1229, P.C. 131
Al-Hamriya
Sultanate of Oman

MAZOON ASSETS COMPANY SAOC

REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2024

Contents

Director's Report

The Directors submit their report and the audited financial statements for the year ended 31 December 2024.

Principal activities

The Company is established as a Special Purpose Vehicle (SPV) for the purpose of raising finance including issuing of Sukuk Certificates (the Certificates) in the international market, for financing the capital expenditure of Mazoon Electricity Company SAOC (the Parent Company).

Basis of preparation of accounts

The accompanying audited financial statements have been prepared in accordance with International Financial Reporting Standards, and the Commercial Companies Law of 2019.

Results and appropriation

The results of the Company for the year ended 31 December 2024 are set out on page 5 and 6 of the financial statements.

Auditors

The financial statements have been audited by ERNST & YOUNG LLC.

On behalf of the Board of Directors

Ala Hassan Moosa Chairman	Yousuf Mohammed Al Mahrooqi Director	Majid Nasser Al Busaidi Director

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Ernst & Young LLC
P.O. Box 1750, Ruwi 112
5th Floor, Landmark Building
Opposite Al Ameen Mosque
Bowsher, Muscat
Sultanate of Oman

Tax Card No. 8218320

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

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

INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF MAZOON ASSETS COMPANY SAOC

Report on the audit of the financial statements

Opinion

We have audited the financial statements of Mazoon Assets Company SAOC (the "Company"), which comprise the statement of financial position as at 31 December 2024, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including material accounting policy information.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at 31 December 2024 and its financial performance and cash flows for the year then ended in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board (IASB).

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the financial statements* section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' *International Code of Ethics for Professional Accountants (including International Independence Standards)* (IESBA Code) together with the ethical requirements that are relevant to our audit of the financial statements in Sultanate of Oman, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other information

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

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

Responsibilities of management and audit committee for the financial statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with IFRS Accounting Standards and their preparation in compliance with the relevant requirements of the Commercial Companies Law of 2019 of the Sultanate of Oman, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF MAZOON ASSETS COMPANY SAOC (CONTINUED)

Report on the audit of the financial statements (continued)

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

Audit committee is responsible for overseeing the Company's financial reporting process.

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

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

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

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INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF MAZOON ASSETS COMPANY SAOC (CONTINUED)

Report on the audit of the financial statements (continued)

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

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

Report on other legal and regulatory requirements

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

- we have obtained all the information and explanations we considered necessary for the purposes of our audit;
- the Company has maintained accounting records and the financial statements are in agreement therewith;
- the financial information included in the Board of Directors' report is consistent with the books of accounts of the Company; and
- based on the information that has been made available to us, nothing has come to our attention, which causes us to believe that the Company has contravened, during the year ended 31 December 2024, any of the applicable provisions of the Commercial Companies Law of 2019 or its Articles of Association, which would materially affect the financial performance of the Company for the year ended 31 December 2024 or its financial position as at 31 December 2024.

Ernst & Young

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

Mohamed Al Qurashi
24 March 2025
Muscat

MAZOON ASSETS COMPANY SAOC

STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2024

	Notes	*2024* *RO'000*	*2023* *RO'000*
ASSETS			
Non-current assets			
Islamic financing asset	5	**673,750**	192,500
Long term deposits	7	**500**	515
Total non-current assets		**674,250**	193,015
Current assets			
Due from Parent Company	6	**9,176**	1,506
Interest receivable		**6**	6
Prepayments		**1**	-
Bank balances		**51**	38
Total current assets		**9,234**	1,550
TOTAL ASSETS		**683,484**	194,565
EQUITY AND LIABILITIES			
Capital and reserves			
Share capital	8	**500**	500
Legal reserve	8	**6**	5
Retained earnings		**58**	46
Total equity		**564**	551
LIABILITIES			
Non-current liabilities			
Sukuk issued	9	**673,750**	192,500
Total non-current liabilities		**673,750**	192,500
Current liabilities			
Other payables	10	**9,167**	1,512
Tax payable	12	**3**	2
Total current liabilities		**9,170**	1,514
Total liabilities		**682,920**	194,014
TOTAL EQUITY AND LIABILITIES		**683,484**	194,565

The financial statements were authorised for issue and approved by the Board of Directors on ______________ and were signed on their behalf by:

Ala Hassan Moosa Chairman	Yousuf Mohammed Al Mahrooqi Director	Majid Nasser Al Busaidi Director

The attached note from 1 to 15 form part of these financial statements.

STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2024

	Notes	***2024 RO'000***	*2023 RO'000*
Income from Islamic financing activities		**22,958**	10,010
Cost of Sukuk funding		**(22,958)**	(10,010)
GROSS PROFIT		**-**	-
General and administrative expenses	11	**(9)**	(10)
Finance income		**25**	22
PROFIT BEFORE TAX		**16**	12
Tax expense	12	**(3)**	(2)
NET PROFIT AND OTHER COMPREHENSIVE INCOME FOR THE YEAR		**13**	10

The attached note from 1 to 15 form part of these financial statements.

MAZOON ASSETS COMPANY SAOC

STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 DECEMBER 2024

	Share capital RO'000	*Legal reserve RO'000*	*Retained earnings RO'000*	*Total RO'000*
1 January 2023	500	4	37	541
Profit and total comprehensive income for the year	-	-	10	10
Transfer to legal reserve	-	1	(1)	-
31 December 2023	500	5	46	551
1 January 2024	500	5	46	551
Profit and total comprehensive income for the year	-	-	13	13
Transfer to legal reserve	-	1	(1)	-
31 December 2024	500	6	58	564

The attached note from 1 to 15 form part of these financial statements.

CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2024

	2024 RO'000	2023 RO'000
Operating activities		
Profit before tax	**16**	12
Adjustments for:		
Finance income	**(25)**	(22)
	(9)	(10)
Changes in:		
Due from Parent Company	**(7,670)**	-
Prepayment	**(1)**	-
Other payables	**7,655**	(2)
Net cash used in operating activities	**(25)**	(12)
Tax paid	**(2)**	-
Net cash flows used in operating activities	**(27)**	(12)
Investing activities		
Interest received	**25**	22
Islamic financing assets	**(481,250)**	-
Long term deposits matured	**15**	-
Net cash (used in) / generated from investing activities	**(481,210)**	22
Financing activities		
Sukuk issuance	**478,274**	-
Issuance cost	**2,976**	-
Net cash from financing activities	**481,250**	-
Net increase in bank balances	**13**	10
Bank balances at 1 January	**38**	28
Bank balances at 31 December (note 8)	**51**	38

The attached note from 1 to 15 form part of these financial statements.

1 General

Mazoon Assets Company SAOC (the “Company”) is a closely held Omani joint stock Company registered under the Commercial Companies Law of Oman, having its registered office in Al Hamryah, PO Box 1229, Postal Code 131, Muscat, Sultanate of Oman.

The Company is established on 17 October 2017 as a Special Purpose Vehicle (SPV) for the purpose of raising finance including issuing of Sukuk Certificates (the Certificates) in the international market, for financing the capital expenditure of Nama Electricity Distribution Company SAOC (formerly known as Mazoon Electricity Company SAOC) (the Parent Company).

The Parent Company is obliged to bear all the initial issue costs as well as all incurred costs of operations of the SPV, to transfer funds to the SPV to make payment of the profits to Sukuk holders and settle the Sukuk liability. The Company is a 99.99% subsidiary of Nama Electricity Distribution Company SAOC (formerly known as Mazoon Electricity Company SAOC); a Company registered in the Sultanate of Oman, and the remaining shares of 0.01% are held equally by Numo Institute for Competency Development LLC (NICD) and Nama Shared Services LLC (NSS). NICD, NSS and the Parent Company are ultimately wholly owned by Electricity Holding Company. The Ultimate Parent is the Government of Sultanate of Oman, as it holds 100% shareholding in the Holding Company through the Oman Investment Authority (OIA) which was formed during the year 2020 pursuant to the Royal Decree 61/2020 under which all the shareholdings owned by Ministry of Finance (MoF) in the Holding Company have been transferred to OIA. Before the formation of OIA 100% shares of the Holding Company were held by MoF.

On November 1, 2017, Mazoon Assets Company SAOC successfully priced its debut Reg S/144A US$500 million 10-year Sukuk offering. The Shari’a compliant Ijara Structure was adopted for issue of the Sukuk Certificates and the profit rate was set at 5.20 % per annum. The profit rate payments are due on 8 May and 8 November every year during the tenure of the Certificate and the Certificates are due for payment in full on 8 November 2027. The Certificates are listed on the Irish Stock Exchange.

During the year 2024, Nama Electricity Distribution Company SAOC (the Parent Company) decided to refinance its short-term bridge facilities and fund its capital expenditure by issuing asset-backed Sukuk under a trust certificate issuance program listed on the London Stock Exchange through Mazoon Assets Company SAOC, the Special Purpose Vehicle (SPV) established purely for the purpose of raising finance. The following issuances were made in 2024 under the program:

A.On 12 February 2024, Mazoon Assets Company SAOC successfully priced its Reg S/144A US$ 500 million (RO 192.5 million) 5-year Sukuk offering, structured under the Shari’a-compliant Ijara structure, with a profit rate set at 5.50%. Profit payments are due on 14 February and 14 August each year during the Sukuk’s tenure, and the certificates are due for full repayment on 14 February 2029.

B.On 7 October 2024, Mazoon Assets Company SAOC successfully priced its Reg S/144A US$ 750 million (RO 288.75 million) 7-year Sukuk offering, structured under the Shari’a-compliant Ijara structure, with a profit rate set at 5.25%. Profit payments are due on 9 April and 9 October each year during the Sukuk’s tenure, and the certificates are due for full repayment on 9 October 2031.

As part of the issue of Sukuk and transfer of the proceeds to the Parent Company, the Company has entered into the following agreements with the Parent Company and Citi Bank N.A., London Branch (the Delegate and the Principal Paying Agent), where applicable:

- Purchase Agreement
- Lease
- Purchase Undertaking
- Sale and Substitution Undertaking
- Declaration of Trust
- Servicing
- Agency Agreement

2 Basis of preparation

Statement of compliance

The financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") Accounting Standards and the applicable provision of the Commercial Companies Law of 2019.

Basis of measurement

These financial statements are prepared on the historical cost basis except for certain financial assets and financial liabilities which are valued at amortised cost. Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

Functional and presentation currency

These financial statements are presented in Rial Omani, which is the Company's functional currency. All amounts have been rounded to the nearest thousand, unless other wise indicated.

The preparation of financial statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the Company's accounting policies. The areas involving a higher degree of judgement or complexity or areas where assumptions and estimates are significant to the financial statements are disclosed in note 4.

3 NEW IFRS ACCOUNTING STANDARDS

a) New and amended standards and interpretations

The Companu applied for the first-time certain standards and amendments, which are effective for annual periods beginning on or after 1 January 2024 (unless otherwise stated). The Group has not early adopted any other standard, interpretation or amendment that has been issued but is not yet effective.

Amendments to IFRS 16 - Lease Liability in a Sale and Leaseback

The amendments in IFRS 16 specify the requirements that a seller-lessee uses in measuring the lease liability arising in a sale and leaseback transaction, to ensure the seller-lessee does not recognise any amount of the gain or loss that relates to the right of use it retains.

The amendments had no impact on the Company's financial statements.

Amendments to IAS 1 - Classification of Liabilities as Current or Non-current

The amendments to IAS 1 specify the requirements for classifying liabilities as current or non-current. The
- What is meant by a right to defer settlement
- That a right to defer must exist at the end of the reporting period
- That classification is unaffected by the likelihood that an entity will exercise its deferral right
- That only if an embedded derivative in a convertible liability is itself an equity instrument would the terms of a liability not impact its classification

In addition, an entity is required to disclose when a liability arising from a loan agreement is classified as non-current and the entity's right to defer settlement is contingent on compliance with future covenants within twelve months.

The amendments had no impact on the Company's financial statements.

Supplier Finance Arrangements - Amendments to IAS 7 and IFRS 7

The amendments to IAS 7 Statement of Cash Flows and IFRS 7 Financial Instruments: Disclosures clarify the characteristics of supplier finance arrangements and require additional disclosure of such arrangements. The disclosure requirements in the amendments are intended to assist users of financial statements in understanding the effects of supplier finance arrangements on an entity's liabilities, cash flows and exposure to liquidity risk.

The amendments had no impact on the Company's financial statements.

3 NEW IFRS ACCOUNTING STANDARDS (CONTINUED)

b) Standards issued but not yet effective

Lack of exchangeability – Amendments to IAS 21

In August 2023, the IASB issued amendments to IAS 21 The Effects of Changes in Foreign Exchange Rates to 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.

The amendments will be effective for annual reporting periods beginning on or after 1 January 2025. Early adoption is permitted, but will need to be disclosed. When applying the amendments, an entity cannot restate comparative information.

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

IFRS 18 Presentation and Disclosure in Financial Statements

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

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

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

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

The Company is currently working to identify all impacts the amendments will have on the primary financial statements and notes to the financial statements.

IFRS 19 Subsidiaries without Public Accountability: Disclosures

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

IFRS 19 will become effective for reporting periods beginning on or after 1 January 2027, with early application permitted.

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

4 MATERIAL ACCOUNTING POLICY INFORMATION

Accounting policies

The accounting policies applied in these separate financial statements are the same as those applied in the Company's separate financial statements as at and for the year ended 31 December 2024.

a. Financial Instruments

i Classification and measurement of financial assets and financial liabilities

IFRS 9 requires all financial assets to be classified and subsequently measured at either amortised cost or fair value on the basis of the entity's business model for managing the financial assets and the contractual cash flow characteristics of the financial asset.

Initial measurement of financial instruments

All financial assets and liabilities are initially recognised on the trade date, i.e., the date that the Company becomes a party to the contractual provisions of the instrument. On this date, financial assets are classified at amortised cost or fair value.

Subsequent measurement of financial assets

IFRS 9 divides all financial assets that were in the scope of IAS 39 into two classifications - those measured at amortised cost and those measured at fair value. Where the Company measures financial assets at fair value, gains and losses are either recognised entirely in profit or loss (fair value through profit or loss, "FVTPL"), or recognised in other comprehensive income (fair value through other comprehensive income, "FVTOCI"). The Company does not have FVTPL and FVTOCI financial assets.

Debt instruments

The Company measures a debt instrument that meets the following two conditions at amortised cost (net of any write down for impairment):

Business model test : The objective of the entity's business model is to hold the financial asset to collect the contractual cash flows (rather than to sell the instrument prior to its contractual maturity to realise its fair value changes).

Cash flow characteristics test: The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Business model assessment

The business model reflects how the Company manages the assets in order to generate cash flows. This is whether the Company objective is solely to collect contractual cash flows from the assets or is it to collect both the contractual cash flows and cash flows arising from the sale of the assets. If neither of these are applicable then the financial assets are classified as other business model. Factors considered by the Company in determining the business model for a group of assets includes the past experience on how the cash flows for the asset were collected, how the assets performance was evaluated by the key management personnel, how risks are assessed and managed and how managers are compensated.

Contractual cash flows comprise of solely payment of principal and interest

Where the Company has a business model to collect contractual cash flows, the Company assesses whether the financial instrument cash flows represents solely payments of principal and interest (SPPI). 'Principal' for the purpose of this test is defined as the fair value of the financial asset at initial recognition and may change over the life of the financial asset. Interest is defined as consideration for time value of money and for the credit risk associated with the principal and for other basic lending risks and costs as well as a profit margin.

4 MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

a. Financial Instruments (continued)

i Classification and measurement of financial assets and financial liabilities (continued)

In making this assessment, the Company considers whether the contractual cash flows are consistent with the basic lending agreement which means the interest paid only includes the consideration for time value of money and credit risk. Financial instruments whose cash flows characteristics include elements other than time value of money and credit risk do not pass the test and are classified and measured at fair value through profit or loss.

The Company's financial assets includes Islamic financing asset, due from parent company, short term deposits and cash and cash equivalents. These financial assets qualify for and are classified as debt instruments measured at amortised cost.

Reclassification of financial asset

The Company reclassifies a financial asset when and only when its business model for managing those assets changes. The reclassification takes place from the start of the first reporting period following the change. Such changes are expected to be very infrequent.

Subsequent measurement of financial liabilities

The Company categorises its financial liabilities into two measurement categories: FVTPL and amortised cost. The Company's financial liabilities include trade and other payables, amounts due to related parties, loan from shareholders and senior facility loan. All financial liabilities of the Company are measured at amortised cost.

The Company does not have any FVTPL financial liability.

Derecognition of financial assets

The Company determines if the asset under consideration for derecognition is:

- an asset in its entirety; or
- specifically identified cash flows from an asset (or a Company of similar financial assets); or
- a fully proportionate (pro rata) share of the cash flows from an asset (or a Company of similar financial assets); or
- a fully proportionate (pro rata) share of specifically identified cash flows from a financial asset (or a Company of similar financial assets);

Once the asset under consideration for derecognition has been determined, the Company performs an assessment as to whether the asset has been transferred, and if so, whether the transfer of that asset is subsequently eligible for derecognition. An asset is transferred if either the Company has transferred the contractual rights to receive the cash flows, or the Company has retained the contractual rights to receive the cash flows from the asset, but has assumed a contractual obligation to pass those cash flows on under an arrangement that meets the following three conditions:

- the Company has no obligation to pay amounts to the eventual recipient unless it collects equivalent amounts on the original asset;
- the Company is prohibited from selling or pledging the original asset; and
- the Company has an obligation to remit those cash flows without material delay.

Once the Company has determined that the asset has been transferred, it then determines whether or not it has transferred substantially all of the risks and rewards of ownership of the asset. If substantially all the risks and rewards have been transferred, the asset is derecognised. If substantially all the risks and rewards have been retained, derecognition of the asset is precluded.

4 MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

a. Financial Instruments (continued)

i Classification and measurement of financial assets and financial liabilities (continued)

Offsetting of financial instruments

Due from Parent Company is recognised initially at the amount of consideration that is unconditional unless they contain significant financing components, in which case they are recognised at fair value. The Company holds this balance with the objective to collect the contractual cash flows and therefore measures them subsequently at amortised cost using the effective interest method.

Other payables

Trade and other payables are initially measured at their fair value and subsequently measured at amortised cost, using the effective interest method.

Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and demand deposits. Cash equivalents are short term, highly liquid investments that are readily convertible to known amount of cash, which are subject to an insignificant risk of changes in value and have maturity of three months or less at the date of placement.

ii Impairment of financial assets

IFRS 9 replaces the ‘incurred loss’ model in IAS 39 with an ‘expected loss’ (ECL) model. The new impairment model applies to financial assets measured at amortised cost, contract assets receivables, lease receivables and debt investments at FVOCI, but not on investments in equity instruments. The financial assets at amortised cost consist of trade receivables and cash and cash equivalents.

Under IFRS 9, loss allowance are measured on either of the following bases:

- *12 month ECL*: these are ECLs that result from possible default events within 12 months after the reporting date; and
- *Lifetime ECL:* these are ECLs that result from all possible default events over the expected life of a financial instrument.

The Company measures loss allowance at an amount equal to lifetime ECLs, except for the following, which are measured as 12- month ECLs:

- Financial assets that are determined to have low credit risk at the reporting date; and
- Finance assets for which credit risk (i.e. the risk of default occurring over the expected life of the financial instrument) has not increased significantly since initial recognition.

General approach

The Company applies three-stage approach to measuring ECL. Assets migrate through the three stages based on the change in credit quality since initial recognition. Financial assets with significant increase in credit risk since initial recognition, but not credit impaired, are transitioned to stage 2 from stage 1 and ECL is recognized based on the probability of default (PD) of the counter party occurring over the life of the asset. All other financial assets are considered to be in stage 1 unless it is credit impaired and an ECL is recognized based on the PD of the customer within next 12 months. Financial assets are assessed as credit impaired when there is a detrimental impact on the estimated future cash flows of the financial asset. The Company applies general approach to all financial assets except trade receivable without significant financing component.

Simplified approach

The Company applies simplified approach to measuring credit losses, which mandates recognition of lifetime expected loss allowance for trade receivables without significant financing component. Under simplified approach, there is no need to monitor for significant increases in credit risk and the Company will be required to measure lifetime expected credit losses at all times. Since, the Company do not have any trade receivables under IFRS 15, therefore, no impairment loss has been calculated under this approach.

4 MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

a. Financial Instruments (continued)

ii Impairment of financial assets (continued)

Significant increase in credit risk

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECLs, the Company considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Company's historical experience and informed credit assessment and including forward- looking information.

The Company assumes that the credit risk on a financial asset has increased significantly based on the certain delinquency period (days past due) or if exposure has moved from investment grade to non-investment grade on credit rating scale of independent credit rating agency in case of low credit risk instrument.

To determine whether a financial instrument has low credit risk, the Company uses external credit rating agencies such as Moody's etc. The Company considers that the rating within the investment grade, (the Company considers this to be Baa3 or higher per Moody's), are considered a low risk and have less likelihood of default. Where the external rating of a financial instrument is not available, the Company reviews the ability of the counterparty by reviewing their financial statements and other publicly available information.

The Company considers a financial asset to be in default when the borrower is unlikely to pay its credit obligations to the Company in full, without recourse by the Company to actions such as realising security (if any is held) or based on the certain delinquency period (days past due).

Measurement of ECLs

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

Credit- impaired financial assets

At each reporting date, the Company assesses whether financial assets carried at amortised cost are credit-impaired. A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

Presentation of impairment

Loss allowance for financial assets measured at amortised cost are deducted from the gross carrying amount of the assets.

Impairment losses related to financial assets are presented separately in the statement of profit or loss.

b. Provisions

Provisions are recognised in the statement of financial position when the Company has a legal or constructive obligation as a result of a past event and it is probable that it will result in an outflow of economic benefit that can be reliably estimated.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at reporting date, taking into account the risks and uncertainties surrounding the obligation. Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows. Where some or all of the economic benefits required to settle a provision are expected to be recovered from third party, the receivable is recognised as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

The amount are recognised in the statement of financial position when the Company has a legal or constructive obligation as a result of a past event and it is probable that it will result in an outflow of economic benefit that can be reliably estimated.

4 MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

c. Taxation

Current tax is the expected tax payable on the taxable income for the year, using the tax rates enacted or substantially at the reporting date, and any adjustment to income tax payable in respect of previous period.

Deferred tax is provided using the liability method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for income tax purposes. Deferred tax is calculated on the basis of the tax rates that are expected to apply to the year when the asset is realised or the liability is settled based on tax rates (and tax laws) that have been enacted or substantially enacted by the reporting date. The tax effects on the temporary differences are disclosed under non-current liabilities as deferred tax.

A deferred tax asset is recognised only to the extent that it is probable that future taxable profits will be available against which the unused tax losses and credits can be utilised. The carrying amount of deferred tax assets is reviewed at reporting date and reduced to the extent that it is no longer probable that the related tax benefit will be realised.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off 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 and deferred tax is recognised as an expense or benefit in profit or loss except when they relate to items credited or debited directly to equity, in which case the tax is also recognised directly in equity.

d. Income from Islamic financing activities

Income from Islamic financing activities represents amount receivable from Nama Electricity Distribution Company SAOC (formerly known as Mazoon Electricity Company SAOC) towards recovery of the fixed profit rate payable to the Sukuk Certificate holders. The income is recognized on the below mentioned basis:

General approach (based on effective rate of interest)

- *No objective evidence of impairment exists:* Based on carrying amount of Islamic financing asset at the beginning of the year, before allowance for ECL;
- *Objective evidence of impairment:* Based on carrying value of the Islamic financing asset at the beginning of the year, after allowance for ECLs; and

Credit adjusted approach (based on credit adjusted effective rate of interest)

- Based on carrying value of the Islamic financing asset at the beginning of the year, after allowance for ECLs

e. Cost of sukuk funding

Cost of sukuk funding represent the fixed profit rate payable to the Sukuk Certificate holders. The cost of sukuk funding is recognized when it becomes payable to sukuk holders, on accrual basis.

f. Foreign currency

Items included in the Company's financial statements are measured using Rials Omani, which is the currency of the Sultanate of Oman, being the economic environment in which the Company operates (the functional currency). The financial statements are prepared in Rials Omani, rounded to the nearest thousand.

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the transaction date. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the profit or loss as they arise.

4 MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

g. **Use of of judgments and estimation**

The preparation of financial statements in conformity with IFRS requires the use of certain critical accounting estimates (i.e. judgements and assumptions that affect the application of the Company's accounting policies and the reported amounts of assets, liabilities, income and expenses). It also requires management to exercise its judgment in the process of applying the Company's accounting policies. The Company makes estimates and assumptions concerning the future. Actual results may differ from these estimates.

Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Revisions to estimates are recognized prospectively.The areas requiring a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the financial statements are set out below:

Impairment of financial assets

Loss allowances for financial assets are based on assumptions about risk of default and expected loss rates. The Company uses judgement in making these assumptions and selecting the inputs to the impairment calculation, based on the Company's past history, existing market conditions as well as forward looking estimates at the end of each reporting year. Details of the key assumptions and inputs used are disclosed in the accounting policy above.

5 ISLAMIC FINANCING ASSET

(a) During the year 2017, Nama Electricity Distribution Company SAOC (formerly known as Mazoon Electricity Company SAOC) (the Parent Company) decided to fund their capital expenditure by issuing assets backed Sukuk. In order to facilitate the funding, the Parent company formed Mazoon Assets Company SAOC, a pass through Special Purpose Vehicle (SPV) purely for the purpose of raising the finance.

On November 1, 2017, the Company issued its first US$500 million 10-year Sukuk instrument, offering a Shari'a compliant Ijara Structure with the profit rate set at 5.20% percent per annum, listed on the Irish Stock Exchange.

The Company will pay the distribution amount to the Sukuk holders on semiannual basis due on 8th of every May and November till the maturity of Sukuk certificate. The Sukuk certificates shall be matured and due for payment on 8 November 2027.

The scheme was executed on 8th November 2017.

(b) During the year 2024, Nama Electricity Distribution Company SAOC (the Parent Company) decided to refinance its short-term bridge facilities and fund its capital expenditure by issuing asset-backed Sukuk under a trust certificate issuance program listed on the London Stock Exchange through Mazoon Assets Company SAOC, the Special Purpose Vehicle (SPV) established purely for the purpose of raising finance. The following issuances were made in 2024 under the program:

A. On 12 February 2024, Mazoon Assets Company SAOC successfully priced its Reg S/144A US$ 500 million (RO 192.5 million) 5-year Sukuk offering, structured under the Shari'a-compliant Ijara structure, with a profit rate set at 5.50%. Profit payments are due on 14 February and 14 August each year during the Sukuk's tenure, and the certificates are due for full repayment on 14 February 2029.

B. On 7 October 2024, Mazoon Assets Company SAOC successfully priced its Reg S/144A US$ 750 million (RO 288.75 million) 7-year Sukuk offering, structured under the Shari'a-compliant Ijara structure, with a profit rate set at 5.25%. Profit payments are due on 9 April and 9 October each year during the Sukuk's tenure, and the certificates are due for full repayment on 9 October 2031.

5 ISLAMIC FINANCING ASSET (CONTINUED)

The legal form of contracts entered for the above transactions for the purpose of raising, servicing and repayment of the Sukuk finance are:

a. Purchase Agreement for sale by the Parent Company and purchase by the Company of assets for value representing the Islamic financing asset.

b. Lease back of these assets by the Parent Company from the Company under a Lease Agreement, Servicing Agency Agreement and Service Agreement.

c. Subscription Agreement.

d. Declaration of Trust agreement.

e. Purchase Undertaking agreement and Sale and Substitution agreement were executed.

The Company has no economic purpose to serve other than to act as a ‘pass-through’ vehicle in raising the finance for the Parent Company. As per agreement, the Parent Company is obliged to bear all the initial issue costs as well as all properly incurred costs of operation.

The Parent Company recognizes the financial liability in respect of the Sukuk obligation while retaining the plant and equipment on its statement of financial position.

6 Due from the Parent Company

	2024	*2023*
	RO'000	*RO'000*
Income receivable under Islamic financing activities	**9,156**	1,502
Other receivable	**20**	4
	9,176	1,506

Income receivable under Islamic financing activities includes the amount accrued on the certification issued at profit rate of 5.20% in 2017 and the new sukuk issuances in February and October 2024 issued at a profit rate of 5.50% & 5.25% rescpectively (2023: 2017 sukuk issuance @ 5.20%).

Other receivable includes recovery of general and administrative expenses charged to Nama Electricity Distribution Company SAOC.

7 Long term deposits

	2024	*2023*
	RO'000	*RO'000*
Long term deposits with bank	**500**	515
	500	515

Short term deposits held with a local bank and carries interest rate of 5% per annum.(2023: 4.5% per annum).

Interest receivable is the amount of interest accrued on long term deposits placed with a commercial bank.

8 (a) SHARE CAPITAL

The Company's authorised, issued and paid-up capital consists of 500,000 shares of RO 1 each. The details of the shareholders are as follows:

	Percentage of Shareholding		**Number of shares issued**	
	2024 **%**	*2023* %	***2024***	*2023*
Nama Electricity Distribution Company SAOC	**99.990**	99.990	**499,950**	499,950
Nama Shared Services Group LLC	**0.005**	0.005	**25**	25
Numo Institute for Competency Development LLC	**0.005**	0.005	**25**	25
	100.000	100.000	**500,000**	500,000

(b) LEGAL RESERVE

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

9 Sukuk issued

(a) On November 1, 2017, the Company issued its first US$500 million 10-year Sukuk instrument, offering a Shari'a compliant Ijara Structure with the profit rate set at 5.20% percent per annum, listed on the Irish Stock Exchange.

The issuance was managed by Nama Electricity Distribution Company SAOC (formerly known as Mazoon Electricity Company SAOC) and Nama Holding along with J.P. Morgan Securities plc, Bank Muscat SAOG, KFH Capital Investment Company KSCC, and First Abu Dhabi Bank PJSC acting as Joint Lead Managers and Noor Bank PJSC and Warba Bank (K.S.C.) acting as co- managers.

The Company pays the profit to the Sukuk holders on semiannual basis due on 8th of every May and November of the year till the maturity of Sukuk certificate. The Sukuk certificates shall be matured and due for payment on 8 November 2027.

(b) During February 2024, the Company issued its second US$500 million 5-year Sukuk instrument, offering a Shari'a compliant Ijara Structure with the profit rate set at 5.50% percent per annum, listed on the London Stock Exchange.

The issuance was managed by Nama Electricity Distribution Company SAOC and the Holding Company along with J.P. Morgan Securities plc, Abu Dhabi Commercial Bank PJSC, Citi Global Markets Limited, and Standard Chartered Bank acting as global cordinators.

The Company pays the profit to the Sukuk holders on semiannual basis due on 14th of every February and August of the year till the maturity of Sukuk certificate. The Sukuk certificates shall be matured and due for payment on 14 February 2029.

(c) During October 2024, the Company issued its third US$750 million 7-year Sukuk instrument, offering a Shari'a compliant Ijara Structure with the profit rate set at 5.25% percent per annum, listed on the London Stock Exchange.

The issuance was managed by Nama Electricity Distribution Company SAOC and the Holding Company along with J.P. Morgan Securities plc, Citi Global Markets Limited as global cordinators.

The Company pays the profit to the Sukuk holders on semiannual basis due on 9th of every April and October of the year till the maturity of Sukuk certificate. The Sukuk certificates shall be matured and due for payment on 9 October 2031.

10 Other payables

	2024	*2023*
	RO'000	*RO'000*
Profit payable on Sukuk certificate	**9,156**	1,502
Others	**11**	10
	9,167	1,512

Sukuk periodic distribution cost payable as at 31 December 2024 is the amount payable on 2017 Sukuk certificates from the date of last Sukuk payment on 8 November 2024 and for new suku issuances made in February 2024 and October 2024 from 14 August 2024 and 9 October 2024 respectively.

Sukuk periodic distribution cost payable as at 31 December 2023 is the amount payable on Sukuk certificates from the date of last Sukuk payment on 8 November 2023.

11 General and administrative expenses

General and Administrative expenses properly incurred by the Company are recoverable from the Parent Company as per the transaction documents executed between the companies.

	2024	*2023*
	RO'000	*RO'000*
Other expenses	**9**	10
	9	10

12 Taxation

	2024	*2023*
	RO'000	*RO'000*
Profit before tax	**16**	12
Tax @ 15%	**3**	2

Income tax is provided as per the provisions of the "Income Tax Law" in the Sultanate of Oman after adjusting for items which are non-assessable or disallowed. The tax rate applicable to the Company is 15%. The deferred tax on all temporary differences are calculated and dealt with in the statement of profit or loss and other comprehensive income.

Tax assessments for the years upto 2020 was completed and for the years from 2021 to 2023 are pending for assessment by Oman taxation authorities. Management estimates that the liabilities related to the open tax years will not be significantly different from the liabilities recognized in the statement of financial position.

13 RELATED PARTY TRANSACTIONS AND BALANCES

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

The Government is a related party of the entity as it is the ultimate controlling party. The entity in the ordinary course of business transacts with other government owned entities. However, in view of the exemption from disclosure requirements set out in IFRS in relation to related party transactions and outstanding balances with the government, that has control or joint control of, or significant influence over the Company and an entity that is a related party of the same government, the Company has applied the exemptions in IAS 24, related to government entities and only disclosed certain information to meet the disclosure requirements of IAS 24.

The Company entered into transactions in the ordinary course of business on mutually agreed terms with related parties. Outstanding balances at year-end are unsecured and settlement occurs in cash.

(i) Transactions with related parties

The Group had the following transactions with related parties during the year:

	2024	*2023*
	RO'000	*RO'000*
Nama Electricity Distribution Company SAOC		
Income from Islamic financing activities	**22,958**	10,010
	22,958	10,010

(ii) The year ended related party balances are as under:

	2024	*2023*
	RO'000	*RO'000*
Nama Electricity Distribution Company SAOC		
Due from Parent Company (note 6)	**9,176**	1,506
Islamic financing asset (note 5)	**673,750**	192,500

14 Financial risk management

Overview

The Company's activities expose it to a variety of financial risks: market risk (including price risk, foreign currency risk and profit rate risk), liquidity risk and credit risk. However, the Company's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Company's financial performance.

Credit risk management is carried out by the Company and liquidity risk and market risk by the Holding Company's treasury department under policies approved by the Board of Directors. The Board provides written principles for overall risk management, as well as written policies covering specific areas, such as foreign exchange risk, profit rate risk, use of derivative financial instruments and non-derivative financial instruments, and investment of excess liquidity.

Market risk

Foreign currency risk

Foreign exchange risk arises when future commercial transactions or recognised assets or liabilities are denominated in a currency that is not the entity's functional currency. The Company is exposed to foreign exchange risk arising from currency exposures primarily with respect to the US Dollar. The Rial Omani is pegged to the US Dollar. Since most of the Company's foreign currency transactions are in US Dollars or other currencies linked to the US Dollar management believes that exchange rate fluctuations would have an insignificant impact on the Company's pre-tax profit.

The Company does not account for any fixed rate financial instrument at fair value, therefore a change in profit rate at the reporting date will not affect the profit or loss and other comprehensive income.

Profit rate risk management

The Company is not exposed to profit rate risk because the issued Sukuk Certificate are at fixed rate of 5.20% per annum, 5.50% per annum and 5.25% per annum.

Prudent liquidity risk management implies maintaining sufficient cash and the availability of funding from an adequate amount of committed credit facilities.

The table below analyses the Company's financial liabilities that will be settled on a basis into relevant maturity grouping based on the remaining period at the reporting date to the contractual maturities date. The amounts disclosed in the table are the contractual undiscounted cash flows.

Balances due within twelve months equal their carrying balances, as the impact of discounting is not significant.

			Contractual cash flow		
31 December, 2024	***Carrying amount RO'000***	***Contractual cash flow RO'000***	***Less than 3 months RO'000***	***3 months to 1 year RO'000***	***More than 1 year RO'000***
Other payables	**11**	**11**	**11**	**-**	**-**
Sukuk issued 2017	**192,500**	**222,530**	**-**	**10,010**	**212,520**
Sukuk issued 2024-2029	**192,500**	**240,144**	**5,294**	**5,294**	**229,556**
Sukuk issued 2024-2031	**288,750**	**394,865**	**-**	**15,159**	**379,706**
	673,761	**857,550**	**5,305**	**30,463**	**821,782**

			Contractual cash flow		
31 December 2023	*Carrying amount RO'000*	*Contractual cash flow RO'000*	*Less than 3 months RO'000*	*3 months to 1 year RO'000*	*More than 1 year RO'000*
Other payables	10	10	10	-	-
Sukuk issued 2017	192,500	232,540	-	10,010	222,530
	192,510	232,550	10	10,010	222,530

14 Financial risk management (continued)

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. The credit risk of the Company is primarily attributable to Islamic financing assets, due from Parent Company and bank balances.

Islamic financing assets

Since, there is no history of default from Parent Company, management classifies its exposure related to Islamic Financing Asset under Stage 1 of General Approach for ascertaining the ECL impact on its Islamic Financing Asset.

The management has determined that the impact on aforementioned financial asset is immaterial, accordingly, no impairment loss has been recorded in these financial statements.

The Islamic financing asset is due to be received from the Parent Company in a bullet payment on the maturity of the Sukuk Certificates. The Parent Company intends to settle its obligation through internally generated cashflows and obtaining further financing facilities, which the Management believes, would be sufficient to settle its current obligation.

The Company uses external credit risk grading (based on Moodys' rating) that reflect its assessment of the probability of default for its Islamic Financing Asset. The Moodys' have give the a rating of Ba1 (Stable) to Nama Electricity Distribution Company SAOC.

Due from Parent Company

Since, there is no history of default from Parent Company, management classifies its exposure related to Islamic Financing Asset under Stage 1 of General Approach for ascertaining the ECL impact on aforementioned financial asset.

The management has determined that the impact on aforementioned financial asset is immaterial, accordingly, no impairment loss has been recorded in these financial statements.

Short term deposit and cash at bank

The Company's short term deposits and bank balances are are placed with reputed financial institutions (Ahli Bank SAOG) with a minimum credit rating of BB as per Fitch's Investors Service ratings.

Since, there is no history of default or a significant increase in credit risk health of bank as evident from externally available credit ratings, management classifies its exposure related to Ahli bank SAOG under Stage 1 of General Approach for ascertaining the ECL impact on aforementioned financial asset.

The management has determined that the impact on aforementioned financial asset is immaterial, accordingly, no impairment loss has been recorded in these financial statements.

The credit exposure of the Company as on 31 December 2024 is as follows:

31 December, 2024	*Credit risk grading*	*Stage 1 RO'000*	*Stage 2 RO'000*	*Stage 3 RO'000*	*Total RO'000*
Islamic financing asset	**Ba1**	**673,750**	**-**	**-**	**673,750**
Due from Parent Company	**Ba1**	**9,176**	**-**	**-**	**9,176**
Interest receivable	**Ba2***	**6**	**-**	**-**	**6**
Long term deposits	**Ba2***	**500**	**-**	**-**	**500**
Cash at bank	**Ba2***	**51**	**-**	**-**	**51**
Gross carrying amount		**683,483**	**-**	**-**	**683,483**
Impairment allowance		**-**	**-**	**-**	**-**
		683,483	**-**	**-**	**683,483**

14 Financial risk management (continued)

31 December, 2023	*Credit risk grading*	*Stage 1 RO'000*	*Stage 2 RO'000*	*Stage 3 RO'000*	*Total RO'000*
Islamic financing asset	Ba1	192,500	-	-	192,500
Due from Parent Company	Ba1	1,506	-	-	1,506
Interest receivable	Ba2*	6	-	-	6
Long term deposits	Ba2*	515	-	-	515
Cash at bank	Ba2*	38	-	-	38
Gross carrying amount		194,565	-	-	194,565
Impairment allowance		-	-	-	-
		194,565	-	-	194,565

*Moody's equivalent of Fitch's rating BB.

Categories of financial instruments

	2024	*2023*
	RO'000	*RO'000*
Financial assets held at amortised costs		
Cash at bank	**51**	38
Long term deposits	**500**	515
Interest receivable	**6**	6
Islamic financing asset	**673,750**	192,500
Due from Parent Company	**9,176**	1,506
	683,483	194,565
Financial liabilities held at amortised costs		
Sukuk issued	**673,750**	192,500
Other payables	**9,167**	1,512
	682,917	194,012

15 Capital management

The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern and to provide an adequate return to shareholders.

In order to maintain or adjust the capital structure, the company may issue new shares or obtain debt financing.

At 31 December 2024, the Company's capital structure was limited to shareholders' financing, with no external debt financing.