

بريد عُمان

OMAN POST

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ANNUAL REPORT
2025

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OMAN POST

“ IN LIGHT OF RAPID GLOBAL ADVANCEMENTS IN FRONTIER TECHNOLOGIES AND THEIR APPLICATIONS, INCLUDING ARTIFICIAL INTELLIGENCE (AI) AND ITS POTENTIAL TO AMPLIFY PRODUCTIVITY AND EFFICIENCY ACROSS MYRIAD SECTORS, AND WITH OUR PROFOUND RECOGNITION OF THE NECESSITY TO DIVERSIFY SOURCES OF INCOME THROUGH KNOWLEDGE, TECHNOLOGY AND INNOVATION, WE ARE RESOLUTELY INTENT ON POSITIONING THE DIGITAL ECONOMY AS A PIVOTAL AND CENTRAL PILLAR OF OUR NATIONAL ECONOMY. ”

His Majesty
Sultan Haitham bin Tarik

— May the Almighty Protect and Preserve Him —



About Oman Post

Oman Post is Oman's national postal operator and the leading postal arm of the Sultanate's integrated global logistics provider Asyad Group. Oman Post has been connecting the Sultanate to the world for over 150 years.

A Journey of Growth

From its modest beginnings, Oman Post has evolved into a modern, efficient postal service provider, marked by significant milestones:

1856: Commencement of postal services in Oman

1966: Issuance of the first Omani stamps

1970: Establishment of post offices across the Sultanate

1971: Joining the Universal Postal Union

2005: Establishment of Oman Post

2016: Joining Asyad Group

Leveraging its membership in the Universal Postal Union (UPU) and PRIME, Oman Post continues to facilitate international trade, foster cultural exchange, and empower individuals and businesses.

By embracing innovation and prioritizing customer satisfaction, Oman Post is shaping the future of postal services in Oman.



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Chairman's Message



Badar Mohamed Al Nadabi
Chairman

The global postal and logistics sector is experiencing a phase of accelerated transformation, driven by successive technological developments and the growing expansion of e-commerce. This requires organizations in this sector to adopt more flexible and innovative operational models capable of keeping pace with these changes and responding to the demands of evolving markets. In this dynamic landscape, Oman Post continues to solidify its position as a leading national operator. The company contributes to the logistics services ecosystem in the Sultanate of Oman through a clear strategic vision. This vision focuses on innovation, digital transformation, enhanced operational efficiency, and the development of an integrated services system that meets customer aspirations and keeps pace with sector developments.

2025 marked a year of significant progress for Oman Post. The company continued its efforts to enhance digital transformation, improve operational efficiency, expand the scope of postal and logistics services, and elevate customer experience. It also strengthened partnerships with various government entities and the private sector. These efforts have contributed to supporting the growth of the logistics and e-commerce sector and solidifying the company's role as a key partner in the national economic ecosystem.

The Board of Directors remains firmly committed to guiding the company with a long-term vision aligned with the objectives of Oman Vision 2040. This vision is designed to ensure Oman Post's ability to achieve sustainable growth, create added value for the national economy, and enhance long-term sustainable value for all shareholders. This includes supporting strategic partnerships that contribute to expanding Oman Post's international presence. Among the year's notable milestones was the signing of a Memorandum of Understanding with Russian Post to enhance cooperation in postal and logistics fields, alongside launching a number of strategic initiatives aimed at modernizing postal and logistics infrastructure and services that support institutional integration with government entities and embassies. The company also continues to invest in developing its assets and maximizing their utilization to diversify revenue streams and ensure revenue sustainability.

Oman Post also achieved accomplishments in performance and quality, culminating in receiving a number of international awards and recognitions, including excellence in express delivery services and the Universal Postal Union Gold Category Award of Express Mail Service (EMS) for the third consecutive year, as well as EMS Customer Care Awards for the second consecutive year. These achievements reflect the company's ongoing commitment to providing reliable and high-quality services, as well as the professionalism and dedication of the Oman Post team.

The Board of Directors continues to uphold the highest standards of corporate governance, transparency, and compliance with adopted best practices, in line with the Governance Charter issued by the Oman Investment Authority. Accordingly, the Board continues to fulfill its responsibilities in overseeing the company's strategy and monitoring its financial and operational performance through periodic reports, ensuring the achievement of strategic objectives and enhancing shareholder value. An Audit and Risk Committee has also been formed, playing a key role in monitoring the effectiveness of internal control systems and reviewing institutional policies and procedures.



Oman Post also continues to integrate Environmental, Social, and Governance (ESG) principles into its strategy and implement community initiatives that support local development and enhance the company's role as a responsible national institution.

As we look to the next phase, Oman Post remains focused on enhancing solutions offered to the e-commerce sector. The company will continue to diversify its retail services, expand partnerships with both the public and private sectors. It will also strengthen the shift toward digital services. Oman Post aims to enhance its position as a leading regional provider of integrated logistics and postal services. This will help keep pace with rapid transformations in the global postal and logistics services sector, and support the Sultanate of Oman's aspirations in economic diversification and enhancing the competitiveness of the national economy, in line with the objectives of Oman Vision 2040.

In conclusion, on behalf of the Board of Directors, I extend sincere thanks and appreciation to our partners in the public and private sectors and to all stakeholders for their continued support, and to our valued customers for their ongoing trust. Special appreciation goes to the ASYAD Group for its continuous support and strategic guidance, which has played an important role in enabling Oman Post and enhancing its contributions to the logistics and postal services sector in the Sultanate of Oman. We commend the great efforts exerted by the Oman Post team's in achieving these accomplishments. We look forward to working together to further develop the company's journey and progress and to build upon these successes in the years ahead.

Badar Mohamed Al Nadabi
Chairman
Oman Post Company

Board of Directors



Badar Mohamed Al Nadabi
Chairman



Ahmed Khamis Al Shukaili
Deputy Chairman



Ali Hamed Al Daraei
Member

Executive Management's Message



Introduction

The year 2025 marked an important chapter in Oman Post's transformation journey, as we continued to strengthening operational efficiency, broadening our service offering, and delivering a more seamless and responsive customer experience. The results achieved reflect the strength of our execution, the dedication of our people, and our continued commitment to reinforcing Oman Post's role as a trusted national provider of postal and logistics services in the Sultanate of Oman.

During the year, Oman Post continued to strengthen its operational ecosystem through the modernisation of postal infrastructure, the expansion of logistics capabilities, and the deployment of innovative technological solutions that enhanced speed, efficiency, and service quality. We further advanced our express delivery offering, improved operational performance across key functions, and expanded our range of services to meet the evolving needs of both individuals and institutions, including local and international attestation services in cooperation with the Ministry of Foreign Affairs, reliable parcel delivery solutions, and the issuance of commemorative stamps and coins. The company also introduced seasonal initiatives such as a dedicated shipping service during the Khareef Dhofar season, supporting tourism activity and contributing to an enhanced visitor experience.

Regarding corporate performance, Oman Post successfully attained high service quality standards, maintaining an on-time mail delivery rate of 99%, while customer satisfaction stood at 96%. Oman Post also secured first place globally in express mail service for the third consecutive year and ranked second worldwide in customer service according to the Universal Postal Union. These achievements are a strong endorsement of our commitment to reliability, service excellence, and the consistent delivery of value to our customers.

We also maintained a strong focus on quality, health, safety, security, and environmental performance. Compliance across these indicators reached 98%. This reflects a deeply embedded institutional culture defined by accountability, discipline, and a steadfast commitment to maintaining a safe and sustainable working environment.

Our people remain central to Oman Post's continued progress. By the end of 2025, Omanisation reached 99.2%, supported by the delivery of 134 training programs designed to strengthen technical and managerial capabilities while fostering a culture of innovation and institutional excellence.

At the same time, we continued to strengthen financial sustainability by diversifying revenue streams and improving the utilisation of our assets. During the year, Oman Post progressed initiatives to invest in its real estate portfolio and offer a number of unused land parcels and branch locations for investment, with the aim of maximising returns and reinforcing the company's financial position. The company also continued to support small and medium enterprises, awarding 45% of its business to SMEs with a total value of approximately OMR 850,000, while providing integrated logistics solutions that facilitate access to local and regional markets and contribute to strengthening local content. In addition, Oman Post received financial support from ASYAD Group amounting to OMR 2.65 million to support universal service obligations, ensuring the efficient and reliable delivery of essential postal services.



Oman Post continues to operate in a sector undergoing significant structural change, shaped by declining traditional mail volumes, rising operating costs, and intensifying competition across e-commerce and logistics. We have continued to act decisively, accelerating digital transformation, expanding automation across operational processes, developing innovative first- and last-mile solutions, supporting small and medium enterprises, and broadening our partnerships and distribution network.

In the period ahead, Oman Post will continue to strengthen performance across e-commerce and digital services, deepen partnerships with public and private sector entities, expand its logistics network, and attract greater shipment volumes linked to global e-commerce platforms. Through these priorities, we will continue to reinforce our position as a key provider of postal, commerce solutions, and logistics services in the Sultanate and across the region.

In closing, I extend my sincere appreciation to the Board of Directors for their guidance and continued support. I also express my deep gratitude to all Oman Post employees for their dedication, and commitment to excellence. I would also like to thank our partners and customers for their continued trust. Together, we will continue to build on this progress, advance sustainable growth, and strengthen Oman Post's contribution to the national economy in line with Oman Vision 2040.

Branches Network

Muscat

Airport Heights

Ruwi

Hai Al Mina + Muscat

Mina al Fahal

Wadi Al Kabir

Al Amarat

Qurayyat

Seeb

Maabilah

SQU

Rusail

Al Athaiba

Al Khoud

Al Khuwair

Jawharat Al Shati

Al Mouj

Al Batinah North & South

Suhar

Muladdah

Al Suwaiq

Al Bidayah

Saham

Barka

Falaj Al Qabail

Shinas

Liwa

Al Khaboura

Burj Al Radah

Al Sharqiyah North & South

Ibra

Sur

Al Kamil Wal Wafi

Masirah

Jalan Bani Bu Hassan

Jalan Bani Bu Ali

Sinaw

Al Mudhaibi

Samad Al Shan

Dhofar

Salalah CPO

Dahariz

Al Awqdayn

Thumrait

Al Dakhiliya

Bidbid

Nizwa

Bahla

Izki

Al Hamra

Adam

Manah

Samail

Al Dhahira

Yanqul

Al Ainain

Al Akhdar & Ibri

Musnadam

Daba

Khasab

Madha

Al Wusta

Duqm

Al Buraimi

Al Buraimi

◦ Awards & Achievements ◦



Gold Category Award

for International Express Mail Service (EMS)
Performance for the third consecutive year



Second Place

in EMS Customer Care



100% On-Time

Mail Delivery Performance



Customer Satisfaction
Reached 96%



◦ Attestation Service ◦



212,000
Document Attestation
Transactions Completed



Attestation Service
Available in
9 Post Offices



International Attestation
Coverage Expanded to
33 Countries

◦ QHSSE ◦



98%
QHSSE Compliance
Achieved



1,047,208
Safe Working Hours
Without Lost-Time Injury

◦ Attestation Service ◦



45% of Business Awarded
to Riyada SMEs, worth
₹ 850,113



36% of Business Awarded to Local
Companies, worth **₹ 668,500**
Awarded to Local Companies



Registered
SME Base
Grew by **20%**

Management Discussion & Analysis Report



The year 2025 was marked by achievements and strategic developments for Oman Post, as the company continued to solidify its position as a leading postal and logistics solutions provider in the Sultanate of Oman. This was underpinned by a comprehensive strategic vision centered on digital transformation, the optimization of operational efficiencies, and the continuous elevation of the customer experience.

Throughout 2025, Oman Post pursued operational excellence through the systematic modernization of its postal infrastructure, the strategic expansion of its logistics service portfolio, and the deployment of advanced technological solutions designed to optimize operational workflows and enhance service quality. Furthermore, the organization reinforced its strategic partnerships with key stakeholders across both the public and private sectors, which had a positive impact on business volume and revenue growth.

In terms of digital transformation, Oman Post achieved measurable progress in the automation of processes and the enhancement of digital service channels. These initiatives directly contributed to elevated customer satisfaction metrics and significant reductions in shipment processing lifecycles.

Additionally, Oman Post placed significant emphasis on sustainability and social responsibility through environmental and community initiatives that reinforce its role as a responsible national institution.

The operational and financial performance of Oman Post in 2025 underscores the organization's unwavering commitment to executing its strategic objectives and reinforcing its position as a key driver of the Sultanate's postal and logistics services sector.

The year 2025 witnessed exceptional operational performance for Oman Post, as the company achieved a qualitative leap in the level of efficiency and quality of services provided, supported by an operational strategy based on speed, accuracy and excellence in customer experience.

Oman Post continued to consolidate its position in express delivery sector by optimizing delivery timeframes, increasing adherence to stringent delivery schedules, and expanding both its domestic and international distribution networks. These strategic efforts culminated in Oman Post being awarded the Gold Category Award of Express Mail Service (EMS) by the Universal Postal Union (UPU) for the third consecutive year, reaffirming the sustainability of its high performance and the quality of its operational processes in accordance with international standards. This achievement is a clear indicator of the efficiency of its logistics operations system, the adoption of global best practices in shipment management and tracking, as well as its continued investment in human capital and the development of infrastructure and enabling technological systems.

As part of its commitment to enhancing customer experience, Oman Post achieved an additional global milestone by securing the second-place ranking globally in the EMS Customer Care Awards for the second consecutive year, by the Universal Postal Union (UPU). This ranking reflects the company's excellence in response agility, efficiency in feedback resolution, and the attainment of superior customer satisfaction levels, coupled with the rigorous application of quality assurance standards across all beneficiary touchpoints.

Commercial and Operational Performance

During the year, operational performance indicators showed notable improvement through the reduction of shipment processing times, higher on-time delivery rates, improved accuracy in sorting and tracking operations, and stronger integration between branches and distribution centres, in addition to progress in a number of areas related to the development and diversification of postal services.

First: International Postal Development Index

The accomplishments of Oman Post during 2025, most notably the Gold Category Award of Express Mail Service (EMS) and the premier ranking in customer service, directly contributed to elevating the organization's performance within the Universal Postal Union's (UPU) Integrated Index for Postal Development (ZIPD).

This index is one of the most important international benchmarks for measuring the efficiency and performance of postal services worldwide through the assessment of four main dimensions: service quality, reliability, international reach, and operational resilience. Oman Post also ranked first globally for the third consecutive year in Express Mail Service (EMS) and second globally for the second consecutive year in customer service, according to the Universal Postal Union. The company also maintained its quality performance level by achieving 100% on-time mail delivery performance, while local indicators showed that it maintained a 96% customer satisfaction rate.

These awards are the result of continuous improvement, reflecting the development of the national postal ecosystem and its alignment with international best practices. These results also confirm the pivotal role the company plays in supporting national competitiveness and strengthening the Sultanate's presence in international indicators related to the logistics and postal services sector.

Second: International Cooperation

Oman Post joined the Postal Prosperity Zone (PPZ) initiative of the Universal Postal Union with the objective of supporting cross-border e-commerce through the digital integration of logistics operations among postal operators, customs authorities, and global private operators.

It also signed a Memorandum of Understanding (MoU) with Russian Post to strengthen cooperation in various postal and logistics fields.

Third: Enhancing and Developing Postal Services

During 2025, Oman Post continued to develop and expand its portfolio of services provided through postal offices across the governorates in Sultanate of Oman. This initiative has facilitated access for citizens and residents to integrated postal and logistics services efficiently and conveniently.

The diversification is reflected in the provision of a range of specialised services that meet the needs of individuals and institutions, key among them:

- **Local and International Attestation Services for official documents** which was successfully launched in partnership with the Ministry of Foreign Affairs across 9 local post offices, with 33 countries covered internationally. The number of transactions authenticated during the year reached 212,000.

- **IPPEX and EMS Services** which ensure expedited delivery in accordance with the highest quality and reliability standards recognized locally and internationally.
- **Embassy services locally and internationally**, which provide reliable logistics solutions for diplomatic missions and related entities in accordance with approved regulatory frameworks and security standards. A cooperation agreement was signed with the Embassy of Bangladesh, and work commenced on providing passport collection and delivery services for Bangladeshi residents in the Sultanate of Oman through the embassy.
- **Parcel Delivery Service during Khareef Salalah Season** in support of tourism and commercial activity during the Khareef season. Oman Post launched the "Travel Light, Enjoy the Sights" campaign during the Khareef Salalah season, offering convenient shipping solutions between Dhofar and the other governorates during the season at competitive prices.
- **Expanding Express Delivery Services for Government Entities.** As part of its support for the government sector and to enhance institutional integration, Oman Post expanded its express delivery services for government entities during 2025. This was achieved by developing integrated logistics solutions tailored to the specific nature and requirements of government operations at both local and international levels.

This strategic expansion of services underscores Oman Post's commitment to its mandate as a leading postal services provider. Its operational scope transcends traditional postal services to actively support economic and tourism development, facilitate governmental procedures, and contribute to the enhancement of the quality of life within Omani society.



Fourth: Stamps and Collectibles

Oman Post issued 16 commemorative stamps during the year, including the following:

- A commemorative stamp marking the 5th Anniversary of His Majesty Sultan Haitham bin Tarik's Accession to Power.
- The launch of a joint stamp issue between the Sultanate of Oman and the Republic of Singapore, celebrating the historic relations between the two countries.
- A joint stamp issue with the Russian Federation, celebrating the historic relations between the two countries.
- A stamp marking 50 Years of Oman's Membership in the World Meteorological Organization.
- A stamp featuring the Arabian Fox.
- A documentary stamp marking the Sultanate's participation in Expo 2025 Osaka.
- A stamp entitled Ancient Omani Villages.
- A stamp entitled Omani Gemstones, issued in both regular and special editions.
- A special issue for the Ministry of Energy and Minerals entitled "100 Years: Energy, Legacy and Impact", marking the centenary of the signing of the first oil exploration agreement in the Sultanate.
- A stamp issued on the occasion of the Glorious National Day of the Sultanate of Oman.
- A special issue for the Sultan's Armed Forces on the occasion of Armed Forces Day on 11 December.
- A special issue for the Omani Cancer Society on the occasion of the 25th anniversary of its establishment.
- A stamp issued in cooperation with the Ministry of Culture, Sports and Youth to mark the Sultanate's participation in the Venice International Biennale of Architecture 2025.
- Another stamp marking the Sultanate of Oman's participation in the London Design Biennale 2025.
- A stamp issued on the occasion of World Post Day.
- A joint stamp issue between the Sultanate of Oman and the Islamic Republic of Iran.

As for the new collectibles issued during the year, they included the following artistic works:

- An artwork commemorating 280 years of the rule of the Al Busaid dynasty.
- An exclusive collection of stamps and collectibles marking 280 years of the rule of the Al Busaid dynasty.
- Products inspired by Omani stamps.
- A limited-edition commemorative gold stamp marking the 5th Anniversary of His Majesty Sultan Haitham bin Tarik's Accession to Power.

Local and International Exhibitions and Events

Oman Post organized a number of local events as follows:

- A gathering of stamp collectors at the Grand Millennium Muscat Hotel
- An exhibition for stamp and collectible enthusiasts on the occasion of World Post Day
- The launch of the Jusoor Competition in cooperation with the Ministry of Education and the Embassy of China
- The "From Stamp to Envelope: Narrating the Nation through the Postmark" exhibition at the National Museum of Oman

Oman Post also participated in a number of local and international exhibitions and events, including:

PHILAKOREA 2025 World Stamp Exhibition in the Republic of Korea.

- Sharjah Stamp Exhibition
- Sharjah International Book Fair
- Muscat International Book Fair
- World Post Day celebrations
- A joint exhibition with the Ministry of Transport, Communications and Information Technology

Fifth: Investments and Asset Development

As part of its strategy to diversify income sources and strengthen financial sustainability, Oman Post moved to activate its investments in real estate assets during 2025 by offering several vacant land plots and unused branches for investment. This initiative aims to generate sustainable returns and optimum leverage of locations with high strategic and commercial value.

The company focused on attracting investment opportunities that contribute to maximizing the added value of its assets, particularly in prime locations with strong commercial potential, which positively contributed to increasing non-operating revenues and strengthening the company's financial position. A total of 22 land plots had been offered for investment by 2025, and investment rights were awarded for 6 plots, while work continues to complete the investment plan for the company's assets.

The efforts also included developing and upgrading several postal branches with a new, modern look, in line with the requirements of the coming period and a modernized corporate identity while emphasizing a shift towards suitability and high quality standards. This approach is in line with the goals of Oman Vision 2040, which focuses on maximizing the payoff from national assets, enhancing economic efficiency and supporting the pathways of economic diversification.

These initiatives underscore Oman Post's commitment to adopting a balanced investment approach that supports its expansion plans and solidifies its role as an effective national institution in delivering sustainable development. Recognizing human capital as the fundamental driver of institutional excellence, Oman Post continued its strategic investment in the development of its national workforce throughout 2025. This was operationalized through specialized training programs designed to elevate operational and administrative competencies and foster a culture of innovation and product development, as outlined in the organization's five-year strategic plan. This investment empowers the organization to introduce innovative services and products, thereby diversifying revenue streams and addressing the evolving needs of diverse societal segments, encompassing both individual and institutional clients.

Sixth: Supporting Small and Medium Enterprises:

Oman Post prioritized the support of small and medium-sized enterprises (SMEs), fulfilling its mandate as a national partner in economic development. The organization launched integrated, customized logistics solutions specifically designed for the SME sector, encompassing domestic and international shipping, warehousing, and distribution services, thereby facilitating their access to regional and global markets.

Additionally, the company plans to open retail outlets within several branches, providing entrepreneurs and small business owners with a platform to showcase and commercialize their products through Oman Post's extensive national network. This initiative is projected to stimulate commercial activity and broaden the customer base.

These initiatives highlights Oman Post's role as a key enabler of the business sector and a supportive contributor to the development of local and international trade in line with national trends to augment the business environment and stimulate entrepreneurship across the Sultanate of Oman.

Quality, Health, Safety, Security and Environment

The company succeeded in achieving 98% compliance with the key indicators related to quality, health, safety, security, and the environment. It also completed the accreditation of a number of certificates and licenses, such as the Dangerous Goods Transport License, the Operating License issued by the Telecommunications Regulatory Authority, and ISO certifications for quality, health and safety, and the environment.

In affirmation of the strict implementation of health and safety protocols by safety and security officers, the company achieved 1,047,208 working hours without a lost-time injury. As part of its continued efforts to spread awareness in this area, the company launched 9 awareness campaigns for employees throughout the year on health and safety in the workplace, in addition to delivering 5 training courses this year covering multiple topics related to health, safety, security, and the environment.

Human Resources and Policies

The Omanisation rate at Oman Post reached 99% at the end of 2025. In addition, the company continued to implement the employee development plan in line with approved objectives, delivering 134 training and development programs through e-learning channels and self-paced attendance formats. These programs focused on developing technical and behavioral competencies in a manner consistent with work requirements and institutional best practices.

As part of efforts to enhance employee experience, the company implemented more than 24 initiatives to engage employees across all the governorates. These initiatives included participation in official occasions, institutional programs, awareness sessions on human resources policies and procedures, as well as branch visits, all of which contributed to strengthening institutional belonging and raising the level of internal communication.

In-Country Value Initiatives

Through the adoption of In-Country Value (ICV) standards in the operations and projects, Oman Post affirms its commitment to its role as an effective contributor to local economic development and to generating sustainable social and economic impact that supports the growth of the Sultanate's economy in line with the highest international standards for in county value content.

The company awarded 45% of its business to small and medium enterprises holding the Riyada Card, with a total estimated value of approximately OMR 850,113, in a step that clearly reflects its commitment to supporting this sector and strengthening its role in economic development. In addition, 36% of business was awarded to local companies, with a total estimated value of approximately OMR 668,500, as part of the company's plan to support the local market. This included a number of activities allocated exclusively to Riyada card holding SMEs, such as building maintenance services, CCTV systems, advertising and photography services, in addition to cleaning services, with the aim of enhancing opportunities for these companies and supporting their commercial activities.

The company also increased the number of Riyada card holding SMEs registered in its procurement system to 285 companies, representing an increase of 20% over the previous figure, in a step that reflects the growing base of national suppliers and the enhanced participation of SMEs in the procurement system. Requirements were also incorporated into major project tenders to encourage Omanisation, the use of Omani products, and support for SMEs, thereby contributing to the promotion of in-country value and the advancement of sustainable development.

Moreover, as a step toward supporting and empowering SMEs, the company contributed to developing the capabilities of these firms in order to improve the quality of their services by organizing a specialized workshop that reviewed tendering mechanisms, health and safety requirements, and the exchange of views and proposals, with the participation of more than 20 companies.



Corporate Governance Report



Introduction

The year 2025 was marked by achievements and strategic developments for Oman Post, as the Company continued to strengthen its position as a leading provider of postal and logistics solutions in the Sultanate of Oman, supported by a clear vision based on digital transformation, enhancing operational efficiency, and improving customer experience. In addition, the Company sought to achieve operational excellence through modernizing postal infrastructure, expanding the scope of logistics services, and introducing technological solutions that contributed to operational efficiency and improved service quality. The Company also strengthened its strategic partnerships with government and private entities, which had a positive impact on business volume and revenue growth. Additionally, the Company paid significant attention to sustainability and social responsibility through environmental and community initiatives that reinforce its role as a responsible national institution.

Its overall performance for 2025 reflects Oman Post's commitment to achieving its strategic objectives and consolidating its position as a key driver of the postal and logistics services sector in the Sultanate of Oman. The Company continued to strengthen its position in the express delivery sector through improving delivery times, increasing on-time performance rates, and expanding the domestic and international distribution network. These efforts were crowned by Oman Post receiving the Gold Category Award for International Express Mail Delivery from the Universal Postal Union, for the third consecutive year, confirming the sustainability of high performance and the quality of operational processes in accordance with international standards. This achievement represents a clear indicator of the efficiency of the logistics operations system and the adoption of the best global practices in shipment management and tracking, in addition to continuous investment in human resources and the development of supporting infrastructure and technological systems.

As part of its commitment to enhancing customer experience, the Company achieved another global milestone by ranking second globally in customer care according to the classification of the Universal Postal Union, for the second consecutive year. This ranking reflects excellence in response speed, efficiency in handling inquiries and complaints, and high levels of customer satisfaction, in addition to the application of strict quality standards across all points of interaction with beneficiaries.

The Company's shareholders exercise their rights through the General Assembly, which elects the Board of Directors, approves the Articles of Association, appoints the auditors, ratifies the auditors' annual report, approves related-party practices, and makes decisions on any other material matters.

First: Commercial Activities

Oman Post Company provides a wide range of postal services, including letters, postcards, and parcels (up to 30 kg), as well as various postal services, including the delivery of government mail (pouches) and third party services.

Second: Corporate Governance

The roles and responsibilities of the Board of Directors are clearly defined in Article 184 of the Commercial Companies Law ("CCL"), and the 5th principle of the Code issued by the Oman Investment Authority. In this context, the Board of Directors of Oman Post is committed to performing its responsibilities efficiently and effectively in accordance with the provisions of the law, the Group's Articles of Association, and the adopted policies. The Board has dedicated its efforts and commitment to achieving the Company's objectives, strengthening corporate governance, increasing shareholder value, and contributing positively globally and within the local community.

The Board of Directors is also responsible for approving the Company's objectives and strategy and approving its organizational structure, while the executive management seeks to implement and follow up on the Company's strategy and inform the Board of Directors by providing periodic reports on the Company's activities and the Group's financial, operational, and administrative performance.

Third: Board of Directors

Board Members, Members' Independence and Overview of Committee Membership

Board Composition:

In compliance with the provisions of the Commercial Companies Law, the Board of Directors of Oman Post consists of three members.

Below is the composition of the Board of Directors, the dates of meetings held, and the allowances paid during the past year 2025.

Sr.	Member name	Capacity	Dependency	Date of appointment	Nationality
1	Badar Mohamed Al Nadabi	Chairman	Non-Independent	24 May 2023	Omani
2	Ahmed Khamis Al Shukaili	Deputy Chairman	Non-Independent	24 May 2023	Omani
3	Ali Hamed Al Daraei	Member	Independent	27 March 2024	Omani

Number of Board Meetings, Remuneration and Allowances Paid During the Year Ended 31 December 2025:

Sr.	Member name	Number of attended meeting
1	Badar Mohamed Al Nadabi	4/4
2	Ahmed Khamis Ali Al Shukaili	4/4
3	Ali Hamed Al Daraei	4/4

Board Meetings:

Board Meeting No.	Date of Board Meeting
1/2025	18 March 2025
2/2025	1 June 2025
3/2025	2 September 2025
4/2025	7 December 2025

Annual Remuneration and Allowances of the Board of Directors for 2025

In accordance with the Guidelines for Board Meeting Attendance Allowances and Remuneration for Companies Affiliated with the Oman Investment Authority (OIA), and based on the Company's financial statements, no remuneration was determined for the Board of Directors for the financial year ended 31 December 2025.

Fourth: Training Courses for Members of the Board of Directors

The following table presents the training courses attended by members of the Board of Directors of Oman Post Company SAOC.

No.	Member name	Courses
1	Badar Mohamed Al Nadabi	Board Risk Management
2	Ahmed Khamis Al Shukaili	Board Risk Management
3	Ali Hamed Al Daraei	-

Fifth: Sub-Committees

The Board of Directors of Oman Post Company established the Audit and Risk Committee, which operates in accordance with a charter defining the Committee's role and powers.

Audit and Risk Committee (ARC)

The Audit and Risk Committee consists of two members of the Board of Directors. During 2025, the Committee undertook, in addition to its other responsibilities, the following tasks:

- Approving the Company's annual internal audit plan.
- Reviewing the Company's Delegation of Authority Manual and making recommendations thereon.
- Reviewing and recommending the approval of the Company's administrative policies.
- Monitoring the effectiveness of the company's internal control systems
- Discussion and review of internal audit reports.
- Reviewing related-party transactions.
- Reviewing the external auditor's report for the year 2025.
- Supervising the effectiveness of the Internal Audit Unit.
- Discussing and reviewing the Risk Management, Corporate Governance, and Compliance report.

Allowances Paid for the Year Ended 31 December 2025 – Audit and Risk Committee:

No.	Member name	Capacity	No. of meetings
1	Ahmed Khamis Al Shukaili	Committee Chair	(4/4)
2	Ali Hamed Al Daraei	Member	(4/4)

Sixth: Executive Management

The following table presents the composition of the executive management:

No.	Executive Name	Executive Position
1	Ibrahim Sultan Alhosni (Resigned)	Acting Chief Executive Officer/ Vice President – Finance
2	Scott Smiley (Seconded from Asyad Group)	Acting Chief Executive Officer
3	Sayyid Nasr bin Badr Al-Busaidi (Resigned)	Head of Postal Unit
4	Ahmed Nasser Al Aamri	Assigned to Manage Postal Services
5	Abdullah Ali Al Hattali (Resigned)	VP of Corporate Support
6	David Jacobs	VP of Operation

Seventh: Management Discussion and Analysis Report

Operational Efficiency

The year witnessed notable development in operational performance indicators due to reducing shipment processing time, increasing the rate of on-time delivery, improving the accuracy of sorting and tracking operations, and enhancing integration between branches and distribution centers.

These achievements collectively confirm Oman Post's ability to deliver sustainable operational performance that strengthens its competitiveness regionally and globally.

Contribution to Enhancing the Postal Development Index

The achievements realized by Oman Post Company during 2025, particularly the Gold Category Award in Express Mail Service (EMS) and the second global ranking in customer service, contribute to strengthening the Company's performance within the Integrated Index for Postal Development (ZIPD) issued by the Universal Postal Union.

Standing as a significant international benchmark, this index measures the efficiency and performance of postal services worldwide through evaluating four main dimensions: service quality, reliability, international reach and operational resilience. Through continuous improvement in speed indicators, adherence to delivery schedules, and customer satisfaction, Oman Post contributes to strengthening the Sultanate of Oman's position in global

rankings, reflecting the development of the national postal ecosystem and its alignment with international best practices. Such results further affirm the Company's pivotal role in supporting national competitiveness and strengthening the Oman's presence in international indices related to the logistics and postal services sector.

Service Diversification

During 2025, Oman Post continued to develop and expand its portfolio of services provided through postal offices across the Governorates of the Sultanate of Oman. This contributes to facilitating access for citizens and residents to integrated postal and logistics services efficiently and conveniently, reflecting the Post's commitment as a leading national postal services provider whose services support economic and tourism activities, facilitate government procedures, and enhance quality of life in Omani society. These services include:

- **Local and international attestation services** which facilitate official procedures and save time and effort for beneficiaries locally and internationally across the embassies and consulates of the Sultanate of Oman abroad.
- **Premium and express parcel services** which ensure fast delivery in accordance with the highest standards of quality and reliability locally and internationally.
- **Seasonal parcel service for the Khareef season** supporting tourism and commercial activity during the Khareef season and enhancing visitor experience in the Governorate of Dhofar.
- **Embassies services locally and internationally** which provide reliable logistics solutions for diplomatic missions and related entities in accordance with the approved regulatory frameworks and security standards.

Expansion of Express Delivery Services for Government Entities

As part of its support to the government sector and to enhance institutional integration, in 2025, the Company expanded the scope of express delivery services dedicated to government entities developing integrated logistics solutions aligned with the nature and requirements of government operations locally and internationally. These developments included improvement of collection and delivery mechanisms, provision of dedicated tracking channels, strengthening security and confidentiality in transporting official documents and sensitive shipments enhancing operational efficiency to ensure timely completion and adherence to scheduled delivery times.

Revenue Enhancement through Investments and Asset Development

As part of its strategy to diversify income sources and strengthen financial sustainability, Oman Post activated its investments in real estate assets during 2025 by offering several vacant land plots and certain unused postal branches for investment. This initiative aims to generate sustainable returns and maximize the utilization of locations with high strategic and commercial value.

Eighth: External Auditors

KPMG served as the Company's external auditor for a period of four years ended in 2025. Based on directives of the OIA relating to Extensible Business Reporting Language (XBRL) and the Corporate Governance Code (CCG), the audit fees for the financial year ended 31 December 2025 amount to OMR 8,288 (eight thousand two

hundred eighty-eight Omani rials), excluding VAT. PwC, was appointed as the auditor for 2026 with fees of OMR 9,000 (nine thousand Omani Rials). The following table details the work and fees for the auditors for the years 2025 and 2026:

Statutory Audit Fees	2025 (OMR)	2026 (OMR)
Statutory audit	8,288	9,000
Other assurance services	-	-
Tax, VAT and advisory services	667	-
Other services	-	-

Ninth: Communication Channels

Oman Post is dedicated to maintaining a high level of transparency by ensuring effective communication with stakeholders and investors while implementing best practices in corporate communication and disclosure. The company's website and digital platforms serve as the primary channels for sharing information about the company, including the annual financial reports, the auditor reports, environmental, social, and governance (ESG) initiatives, sustainability updates and other disclosures. The Company also utilizes traditional media such as official newspapers, radio, television, and other media channels to strengthen communication and ensure timely and effective dissemination of information.

Tenth: Compliance Disclosure

Oman Post is committed to complying with the highest standards of corporate governance, in accordance with the principles approved by the Board of Directors and stipulated in the Corporate Governance Charter issued by the Oman Investment Authority. Both the Board and executive management are keen to enhance transparency, accountability, and ethical business practices to achieve long-term sustainable value for shareholders while safeguarding shareholder rights. During the financial year ended 31 December 2025, no fines or penalties were imposed on the Company by any regulatory authority.

Eleventh: ESG Standards

Oman Post continues to strengthen the ESG standards within its strategies in alignment with international standards and the guidelines of the OIA, aiming to achieve sustainable value for customers and society. These initiatives are published annually through the Sustainability Report, which is released through the Company's official channels.

Twelfth: Social Responsibility

In recognition of its social responsibility role and its commitment to strengthening and empowering the local community, Oman Post adopted five social initiatives in 2025 from different sectors with a total value of OMR 2,028.

Thirteenth: Universal Service Obligation (USO)

Emerging as an entity that provides public services, Oman Post Company SAOC received financial support amounting to OMR 2.65 million from Asyad Group to finance its operations and growth during 2025. This represents a decrease compared with OMR 3.49 million received in 2024, reflecting a reduction of 24%.

Following the Council of Ministers' approval of the general policy and executive program for the postal sector, Oman Post held several meetings during the past year with relevant entities including: the Ministry of Finance, the Ministry of Transport, Communications and Information Technology, and the Telecommunications Regulatory Authority; to review and complete the requirements for approving the Universal Service Agreement between the Company and the Government.

Government Support

On behalf of the Board of Directors, we are pleased to express our sincere appreciation and deep gratitude to the Government of the Sultanate of Oman and all stakeholders for their continuous support, which represents a fundamental pillar in strengthening the Company's journey towards achieving its strategic objectives. This support contributes effectively to driving the Company's growth and consolidating its position as a key player in the global logistics services sector.

We would also like to extend our sincere thanks and appreciation to all our employees for their dedication and continued efforts. We look forward to achieving further success and sustainable growth in the years ahead.

Kind regards,



Badar Mohamed Al Nadabi

Chairman
Oman Post Company



Scott Smiley

Acting Chief Executive Officer
Asyad Logistics

Financial Statements



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Independent auditors' report

To the Shareholders of OMAN POST SAOC

Report on the Audit of the Financial Statements

Opinion

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

In our opinion, the accompanying 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 (IFRS Accounting Standards)

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditors' Responsibilities for the Audit of the 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 the Sultanate of Oman, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Information

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

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

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Other Information (continued)

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, 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 and their preparation in compliance with the applicable provisions of the Commercial Companies Law of 2019 and the Ministerial Decision 146/2021, and for such internal control as management determines is necessary to enable the preparation of 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/Group's financial reporting process.

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

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Continued from page 3

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

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the 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 auditors' 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 auditors' 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.

Report on Other Legal and Regulatory Requirements

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

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

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

26 March 2026



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

	Notes	2025 ₹	2024 ₹
Revenue from operations	5	6,048,079	4,609,252
Other income	6	570,361	424,595
		6,618,440	5,033,847
Annual fee to Telecommunications Regulatory Authority		(139,357)	(209,669)
Shipping and transportation charges		(715,976)	(671,158)
Salaries and related costs	8	(4,108,871)	(4,140,379)
Other expenses	7	(3,450,487)	(2,841,257)
Depreciation on property and equipment and right-of-use assets	12.1 12.2	(703,202)	(760,248)
Impairment loss / (reversal) on financial assets	3.1(b)	(79,595)	137,031
Operating loss for the year		(2,579,048)	(3,451,833)
Government subsidies:			
Approved subsidies to cover expenses for the year	12.7	2,651,451	3,492,493
		2,651,451	3,492,493
Profit before interest for the year		72,403	40,660
Finance charges	9	(233,071)	(272,127)
Loss and total comprehensive loss for the year		(160,668)	(231,467)

The notes on pages 42 to 70 form an integral part of these financial statements.
Independent auditor's report - pages 35 - 37.

**STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2025**

	Notes	2025 ₹	2024 ₹
Assets			
Non-current assets			
Property and equipment	12.1	3,323,695	3,554,957
Right-of-use assets	12.2	3,040,954	3,291,746
		6,364,649	6,846,703
Current assets			
Trade receivables	11.1	1,292,973	1,215,145
Other financial assets at amortised cost	11.2	2,852,879	951,658
Other current assets	12.3	1,166,028	438,789
Cash and cash equivalents	11.3	1,109,750	1,358,879
		6,421,630	3,964,471
Total assets		12,786,279	10,811,174
Equity and liabilities			
Equity			
Share capital	13	3,500,000	3,500,000
Legal reserve	14	176,112	176,112
Accumulated losses		(5,345,117)	(5,184,449)
Net deficit		(1,669,005)	(1,508,337)
Liabilities			
Non-current liabilities			
Deferred government grant	12.8	325,861	404,386
Lease liabilities	11.5	3,299,266	3,470,106
Provision for employees' end of service benefits	12.6	347,242	351,365
		3,972,369	4,225,857
Current liabilities			
Trade and other payables	11.4	5,505,325	3,419,738
Other current liabilities	12.4	1,668,345	1,260,129
Provisions	12.5	17,706	335,537
Subsidies received in advance	12.7	102,776	102,776
Deferred government grant	12.8	87,081	125,916
Loan from shareholders	11.6	2,258,000	2,658,000
Short-term borrowings	11.7	650,000	-
Lease liabilities	11.5	193,682	191,558
		10,482,915	8,093,654
Total liabilities		14,455,284	12,319,511
Total equity and liabilities		12,786,279	10,811,174

These financial statements were approved and authorized for issue by the Board of Directors on 25 March 2026 and signed on their behalf by



Badar Mohamed Al Nadabi
Chairman - Oman Post Company



Scott Smiley
Acting Chief Executive Officer - Asyad Logistics

The notes on pages 42 to 70 form an integral part of these financial statements.
Independent auditor's report - pages 35 - 37.

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

Note	Share capital ₹	Legal reserve ₹	Accumulated losses ₹	Total ₹
As at 1 January 2024	3,500,000	176,112	(4,952,982)	(1,276,870)
Loss and total comprehensive loss for the year	-	-	(231,467)	(231,467)
At 31 December 2024	<u>3,500,000</u>	<u>176,112</u>	<u>(5,184,449)</u>	<u>(1,508,337)</u>
As at 1 January 2025	3,500,000	176,112	(5,184,449)	(1,508,337)
Loss and total comprehensive loss for the year	-	-	(160,668)	(160,668)
At 31 December 2025	<u>3,500,000</u>	<u>176,112</u>	<u>(5,345,117)</u>	<u>(1,669,005)</u>

The notes on pages 42 to 70 form an integral part of these financial statements.
Independent auditor's report - pages 35 - 37.

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 DECEMBER 2025

	2025 ₹	2024 ₹
Operating activities		
Loss for the year	(160,668)	(231,467)
Adjustments for:		
Government subsidies	(2,651,451)	(3,492,493)
Government subsidy for capital assets	(117,361)	(159,542)
Impairment Loss/(reversal) on financial assets	79,595	(137,031)
Employee end-of-service benefits charge	5,210	10,191
Depreciation	703,202	760,248
Profit on Disposal of Non-Current Assets	(4,950)	(10,100)
Interest expense on subsidy-related and Bank overdrafts	17,025	54,468
Interest expense on unwinding of lease liabilities	216,046	217,659
Changes in working capital:		
Trade and other receivables	(2,785,884)	(399,574)
End of service benefits paid	(9,333)	(20,133)
Trade payables and provisions	2,826,797	1,452,035
Net cash flow used in operating activities	<u>(1,881,772)</u>	<u>(1,955,739)</u>
Investing activities		
Purchase of property and equipment	(213,461)	(329,560)
Proceeds from the sale of non-current assets	8,550	10,100
Net cash generated (used in) investing activities	<u>(204,911)</u>	<u>(319,460)</u>
Financing activities		
Lease payment made during the year	(413,896)	(339,355)
Loans from shareholders	250,000	2,747,000
Loan write-back as shareholder contribution	(650,000)	(3,437,765)
Shareholders' subsidies received to cover operating expenses	2,651,450	3,437,765
Receipt of capital grant during the year	-	-
Net cash generated from financing activities	<u>1,837,554</u>	<u>2,407,645</u>
Net increase in cash and cash equivalents	<u>(249,129)</u>	<u>132,446</u>
Cash and cash equivalents at the beginning of the year	1,358,879	1,226,433
Cash and cash equivalents at the end of the year (note 11.3)	<u>1,109,750</u>	<u>1,358,879</u>

The notes on pages 42 to 70 form an integral part of these financial statements.
Independent auditor's report - pages 35 - 37.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2025

1 Legal status and activities

Oman Post SAOC (the "Company") is a closed Omani joint stock company formed pursuant to Royal Decree 48/2005 issued on 4 June 2005 and registered in the Commercial Registration at Ministry of Commerce and Industry on 07 January 2006. The principal activities of the Company are providing all domestic and international postage services such as collecting and delivering messages, courier services, money transfers and private postage services.

On 1 January 2024, the Parent Company changed from ASYAD SAOC to Asyad Logistics LLC which is wholly owned by ASYAD SAOC which is wholly owned by the Government of the Sultanate of Oman ("the government") through the Ministry of Finance ("MoF") and Oman Investment Authority ("OIA").

2 Summary of material accounting policies

The principal accounting policies are summarized below. These policies have been consistently applied to all the years presented, unless otherwise stated.

2.1 Basis of preparation

(a) These financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) and applicable requirements of the Commercial Companies Law of 2019. The financial statements comply with IFRS as issued by the International Accounting Standards Board (IASB).

(b) Historical cost convention

These financial statements have been prepared on a historical cost basis except where otherwise described in the accounting policies below.

(c) Going Concern

The Royal Decree 48/2005 issued by the Government of Oman states that the amount of the operational losses for the year shall be reimbursed by an annual subsidy. Accordingly, the Company received cash subsidies of ~~3,437,765~~ 3,437,765 inclusive of capital grant (through the Parent Company). Further, MoF / OIA has confirmed that it shall continue to provide financial support to the Parent Company and its Group entities.

(d) Also, as per Article 147 of the Commercial Companies Law 2019, an Extraordinary general meeting has been convened confirming appropriate measures to be taken by the Shareholders due to the share capital erosion. Accordingly, the Board of Directors believes it is appropriate for these financial statements to be prepared on going concern basis.

(e) Use of judgements and estimates

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

(f) New and amended standards adopted by the Company:

A number of new standards, amendments to standards and interpretations are effective for the periods beginning on or after 1 January 2025. Those which are relevant to these financial statements, are set out below.

Amendments to IAS 21 - The Effects of Changes in Foreign Exchange Rates relating to Lack of Exchangeability

NOTES TO THE FINANCIAL STATEMENTS (Contd.)

FOR THE YEAR ENDED 31 DECEMBER 2025

2 Summary of material accounting policies (continued)

2.1 Basis of preparation (continued)

(g) New standards and interpretations not yet adopted:

Certain new accounting standards, amendments to accounting standards and interpretations have been published that are not mandatory for 31 December 2025 reporting periods and have not been early adopted by the company. These standards, amendments or interpretations are not expected to have a material impact on the entity in the current or future reporting periods and on foreseeable future transactions.

(h) Standards, amendments and interpretations to existing standards that are not yet effective and have not been early adopted by the company:

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

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

2.2 Revenue recognition

The Company's revenue is derived from providing various services to its customers. Revenue is recognized at fair value of the consideration net of all the volume discounts at rates prescribed by the relevant Postal tariffs or the price contracted with the customers. Revenue for all major services provided to customers is recognized as below:

- Revenue from stamps and related services is recognised at the point when stamps are sold and related services are provided to the customers;
- Revenue from Post boxes is recognised over the period such post boxes are rented during the year at predefined tariffs;
- Revenue from international accounts is accrued based on the volume of mails handled during the year at rates predefined by the Universal Postal Union;

NOTES TO THE FINANCIAL STATEMENTS (Contd.)

FOR THE YEAR ENDED 31 DECEMBER 2025

2 Summary of material accounting policies (continued)

2.2 Revenue recognition (continued)

- Revenue from services to ministries and other institutions, handling of express mails and other mailing services is recognised when such services are rendered; and
- Revenue from providing all other services is recognised in the accounting period in which the services are rendered.

(i) Financing components

The Company does not expect to have any contracts where the period between the transfer of the promised goods or services to the customer and payment by the customer exceeds one year. As a consequence, the Company does not adjust any of the transaction prices for the time value of money.

2.3 Interest income and expenses

Interest income and expense are accounted for on the accruals basis using the effective interest rate method.

2.4 Foreign currency transactions

Items included in these financial statements are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). These financial statements are presented in Rials Omani, which is the Company's functional and presentation currency.

Foreign currency transactions are translated into Rials Omani at the exchange rate prevailing on the transaction date. Foreign currency assets and liabilities are translated into Rials Omani at the exchange rate prevailing at the reporting date. Foreign currency differences are recognised in the statement of profit or loss and other comprehensive income.

2.5 Taxation

Taxation on the results for the year comprises current tax calculated as per the fiscal regulations of the Sultanate of Oman and deferred tax.

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

Deferred income tax is provided, using the liability method, for all temporary differences arising between the tax bases of assets and liabilities and their carrying values for financial reporting purposes. Currently enacted tax rates are used to determine deferred tax. Deferred income tax assets and liabilities are offset as there is a legally enforceable right to offset these in Oman. The tax effects on the temporary differences are disclosed under non-current assets 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. Deferred tax assets are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

As at 31 December 2025, the BEPS Pillar Two rules were not considered to be substantively enacted for the purposes of IAS 12 – Income Taxes, as the related regulations and implementation guidance had not yet been prescribed. Accordingly, no current or deferred tax impacts arising from Pillar Two have been recognised in the financial statements as at the reporting date.

NOTES TO THE FINANCIAL STATEMENTS (Contd.)

FOR THE YEAR ENDED 31 DECEMBER 2025

2 Summary of material accounting policies (continued)

2.6 Property and equipment

Property and equipment is stated at cost less accumulated depreciation and any identified impairment loss. The cost of property and equipment is the purchase price together with any incidental expenses. Subsequent costs are included in the assets' carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. All other repairs and maintenance are charged to the statement of profit or loss during the financial period in which they are incurred.

Depreciation is provided on a straight-line basis on all property and equipment. The rates of depreciation are based on the estimated useful lives of the assets as follows:

	2025 Years	2024 Years
Buildings	25	25
Building on leasehold land	25	25
Building improvements	5	5
Furniture and fixtures	10	10
Motor vehicles	8	8
Office equipment	4	4
Postal equipment	15	15

The assets' residual values and useful lives are reviewed and adjusted, if appropriate, at the end of each reporting period.

Where the carrying amount of an asset is greater than its estimated recoverable amount it is written down immediately to its recoverable amount.

Capital work-in-progress is stated at cost. When commissioned, capital work-in-progress is transferred to the appropriate property and equipment category and depreciated in accordance with the Company's policy.

Gains and losses on disposals of property and equipment are determined by reference to their carrying amounts, are recognised within 'other income'.

2.7 Impairment of non-financial assets

At each reporting date, the Company reviews the carrying amounts of its assets (or cash-generating units) to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any).

The loss arising on an impairment of an asset is determined as the difference between the recoverable amount and carrying amount of the asset and is recognised immediately in the statement of profit or loss.

Where an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount and the increase is recognised as income immediately, provided that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised earlier.

NOTES TO THE FINANCIAL STATEMENTS (Contd.)

FOR THE YEAR ENDED 31 DECEMBER 2025

2 Summary of material accounting policies (continued)

2.8 Financial assets

(i) Classification

The Company classifies its non-derivative financial instruments in the following measurement categories:

- Those to be measured subsequently at fair value (either through other comprehensive income (FVOCI), or through profit or loss (FVTPL), and
- Those to be measured at amortised cost.

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

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

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

(ii) Recognition and derecognition

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

(iii) Measurement

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

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

Debt instruments

There are three measurement categories into which the Company classifies its debt instruments as:

- Amortised cost: Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. Interest income from these financial assets is included in finance income using the effective interest rate method. Any gain or loss arising on derecognition is recognised directly in profit or loss and presented in other gains / (losses) together with foreign exchange gains and losses. Impairment losses are presented as separate line item in the statement of profit or loss.

NOTES TO THE FINANCIAL STATEMENTS (Contd.)

FOR THE YEAR ENDED 31 DECEMBER 2025

2 Summary of significant accounting policies (continued)

2.8 Financial assets (continued)

(iii) Measurement (continued)

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

Equity instruments

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

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

(iv) Impairment

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

For trade receivables, the Company applies the simplified approach permitted by IFRS 9, which requires expected lifetime losses to be recognised from initial recognition of the receivables, see note 3.1(b) for further details.

2.9 Trade and other receivables

Trade receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less loss allowance. See note 11.1 for further information about the Company's accounting for trade receivables and note 3.1(b) for a description of the Company's impairment policies.

2.10 Cash and cash equivalents

For the purpose of the statement of cash flows, cash and cash equivalents include cash on hand, all bank balances, including deposits with a maturity of three months or less from the date of placement and bank overdrafts.

NOTES TO THE FINANCIAL STATEMENTS (Contd.)

FOR THE YEAR ENDED 31 DECEMBER 2025

2 Summary of material accounting policies (continued)

2.11 Provision for employees' end of service benefits and leave entitlements.

Employees' end of service benefits are accrued in accordance with the terms of employment of the Company's employees at the reporting date, having regard to the requirements of the Oman Labour Law 2023 and its amendments and IAS 19. Employee entitlements to annual leave and leave passage are recognised when they accrue to employees and an accrual is made for the estimated liability arising as a result of services rendered by employees up to the reporting date. These accruals are included in current liabilities, while the provision relating to end of service benefits is disclosed as a non-current liability.

Contributions to a defined contribution retirement plan and occupational hazard insurance for Omani employees in accordance with the Omani Social Insurances Law of 1991 are recognised as an expense in the statement of profit or loss and other comprehensive income as incurred.

2.12 Trade and other payables

Trade and other payables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest rate method. Liabilities are recognised for amounts to be paid for goods and services received, whether or not billed to the Company.

2.13 Provisions

A provision is 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 an outflow of economic benefits will be required to settle the obligation and amount can be reliably measured. If the effect is material, provisions are determined by discounting the expected future cash flows at the rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability.

2.14 Subsidies/Grant

(a) Government subsidy

Government subsidy is the amount of subsidy due to the Company to cover the Company's operating expenses (revenue grant) and annual deficit, and is recognised in the statement of profit or loss of the period it becomes receivable. Any excess subsidy over the actual loss for the year is recognised in the balance sheet as subsidies received in advance. Any short receipts are recorded as receivable. Additionally, the Company is also reimbursed for the payments made against terminal benefits to certain employees. These are recognised in the statement of profit or loss, where the corresponding payments for terminal benefits are made to employees.

(b) Government grants

Government grant relating to the purchase of property and equipment (capital grant) is included in non-current liabilities as deferred government grant and is credited to profit or loss on a straight-line basis over the expected lives of the related assets.

NOTES TO THE FINANCIAL STATEMENTS (Contd.)

FOR THE YEAR ENDED 31 DECEMBER 2025

2 Summary of significant accounting policies (continued)

2.15 Leases

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

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

- Fixed payments (including in-substance fixed payments), less any lease incentives receivable
- Variable lease payments that are based on an index or a rate
- Amounts expected to be payable by the lessee under residual value guarantees
- The exercise price of a purchase option if the lessee is reasonably certain to exercise that option, and
- Payments of penalties for terminating the lease, if the lease term reflects the lessee exercising that option.

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

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

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

Payments associated with short-term leases and leases of low-value assets are recognised on a straight-line basis as an expense in the statement of profit or loss. Short-term leases are leases with a lease term of 12 months or less.

Extension and termination options are included in a number of property and equipment leases across the Company. These terms are used to maximise operational flexibility in terms of managing contracts. The majority of extension and termination options held are exercisable only by the Company and not by the respective lessor.

2.16 Borrowings

Borrowings are initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in profit or loss over the period of the borrowings using the effective interest method. Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw down occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalised as a prepayment for liquidity services and amortised over the period of the facility to which it relates.

Borrowings are classified as current liabilities unless the Company has an unconditional right to defer settlement of the liability for at least 12 months after the reporting date.

NOTES TO THE FINANCIAL STATEMENTS (Contd.)

FOR THE YEAR ENDED 31 DECEMBER 2025

3 Financial risk and capital management

3.1 Financial risk factors

The Company's activities expose it to a variety of financial risks including the effects of changes in market risk (including currency and interest rate risk), credit risk and liquidity risk. The Company's overall risk management program focuses on the unpredictability of financial markets and seeks to minimize potential adverse effects on the financial performance of the Company. Risk management is carried out by management under policies approved by the Board of Directors.

(a) Market risk

(i) 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. In respect of the Company's transactions denominated in US Dollar, the Company is not exposed to currency risk as the Rial Omani is pegged to the US Dollar.

(ii) Interest rate risk

Interest rate risk arises from the possibility of changes in interest rates and mismatches or gaps in the amount of assets and liabilities that mature or are re-priced in a given period. The impact of a shift in interest rates by 1% would have an insignificant impact in the pre-tax profit for the year of the Company.

(b) Credit risk

Credit risk is the risk of financial loss if a customer or counterparty to a financial instrument fails to meet its contractual obligations arising principally from cash equivalents, as well as credit exposures to customers, including outstanding amounts from related parties and from cash equivalents.

The credit period for services rendered to the international counterparties is governed by the Universal Postal Union (UPU) guidelines, wherein it specifies the final statement including the value and volumes for a year will have to be submitted within 6 months from the end of the year. It further grants the counterparties a period of 2 months to accept and settle the amounts payable to others, thereby granting a cumulative period of 8 months from the year end as the credit period. Management thus, considers the amounts not due until 6 months from the year end and applies delay risk on the amounts which are expected to be received after 9 months from the year end, considering an additional one month as a grace period on standard business practice.

As per the credit policy for local parties, customers are extended a credit period of up to 30 days in the normal course of business. The credit quality of financial assets is determined by the customers' history of meeting commitments, market intelligence related information and management's trade experience. External ratings generally are not available in the environment in which the Company is operating.

Concentration of credit risk arises when a number of counter-parties are engaged in similar business activities, or activities in the same geographic region, or have similar economic features that would cause their ability to meet contractual obligations to be similarly affected by changes in economic, political or other conditions. Concentrations of credit risk indicate the relative sensitivity of the Company's performance to developments affecting a particular industry or geographical location.

For customers where there is no independent rating agency established in the country, the credit control team comprising of senior management assesses the credit quality of the customers, taking into account their financial position, past experience and other factors. The outstanding position of the customers is continuously reviewed by management.

NOTES TO THE FINANCIAL STATEMENTS (Contd.)

FOR THE YEAR ENDED 31 DECEMBER 2025

3 Financial risk and capital management (continued)

3.1 Financial risk factors (continued)

(b) Credit risk (continued)

The Company mainly categorises its trade receivables as receivables from international accounts and local receivables. Gross exposure by major classification of trade receivables is set out below:

	2025		2024	
	₹	%	₹	%
International accounts	859,756	61%	713,160	57%
Regional receivables	552,416	39%	543,428	43%
Total gross	1,412,172	100%	1,256,588	100%

The credit quality of financial assets is determined by the customers' history of meeting commitments, market intelligence related information and management's trade experience.

With respect to exposures with banks, management considers the credit risk exposure to be minimal as the Company deals with reputed and rated local banks. Management does not expect any losses from non-performance by these counterparties.

Cash at bank

Rating		2025	2024
	Moody's rating	₹	₹
Bank Muscat	Baa3	481,842	772,051
Oman Arab Bank	Baa3	567,945	507,491
Sohar International Bank	Baa3	2,850	62,777
National Bank of Oman	Baa3	4,838	3,747
		1,057,475	1,346,066

The rest of the items of 'cash and cash equivalents' in the statement of financial position represent cash in hand. The stated rating is as per the global bank ratings by Moody's Investors Service.

(i) Security

There is no security for trade receivables outstanding as at 31 December 2025 and 2024.

(ii) Impairment of financial assets

The Company has trade receivables, due from related parties and cash and cash equivalents as financial assets that are subject to IFRS 9's new expected credit loss model. However, in case of due from related parties and cash and cash equivalents, the identified impairment loss was immaterial.

NOTES TO THE FINANCIAL STATEMENTS (Contd.)

FOR THE YEAR ENDED 31 DECEMBER 2025

3 Financial risk and capital management (continued)

2.1 Financial risk factors (continued)

(b) Credit risk (continued)

(ii) Impairment of financial assets (continued)

Trade receivables

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

To measure the expected credit losses, trade receivables have been grouped based on shared credit risk characteristic and the days past due.

The expected loss rates are based on historical credit loss experience and are adjusted to reflect current and forward-looking information on macroeconomic factors affecting the ability of the customers to settle the receivables. The Company has identified GDP of Oman and its per capita income for the local sales receivables and country risk premiums and credit ratings of the sovereign bonds of each of the respective counterparty country for international accounts receivables to be the most relevant factors and accordingly, adjusted the historical loss rates based on expected changes in the factors.

On that basis, the loss allowance as at 31 December 2025 and 31 December 2024 was determined as follows for both categories of trade receivables as below:

	As at 31 December 2025			As at 31 December 2024		
	Gross carrying amount	Expected loss rate	Loss allowance	Gross carrying amount	Expected loss rate	Loss allowance
International Accounts Aging						
0- 365 days	724,227	10.33%	74,836	-	-	-
365 days and above	135,529	13.31%	18,039	713,160	2.05%	14,598
Total	859,756		92,875	713,160		14,598

	As at 31 December 2025			As at 31 December 2024		
	Gross carrying amount	Expected loss rate	Loss allowance	Gross carrying amount	Expected loss rate	Loss allowance
Local Parties						
0-30 days	67,560	3.19%	2,155	140,624	3.46%	4,866
31-60 days	38,150	3.92%	1,495	30,635	4.43%	1,357
61-90 days	20,148	4.48%	903	5,756	4.84%	279
91 days and above	426,558	5.10%	21,771	366,412	5.05%	18,504
Total	552,416		26,324	543,427		25,006

NOTES TO THE FINANCIAL STATEMENTS (Contd.)

FOR THE YEAR ENDED 31 DECEMBER 2025

3 Financial risk management (continued)

3.1 Financial risk factors (continued)

(b) Credit risk (continued)

(ii) Impairment of financial assets (continued)

The closing loss allowances for trade receivables as at 31 December 2024 reconcile to the opening loss allowances as follows:

	International accounts	Receivables from local parties	Total
	<u>₹</u>	<u>₹</u>	<u>₹</u>
Opening loss allowance as at 1 January 2025 – calculated under IFRS 9	14,598	25,006	39,604
(Decrease) / increase in loss allowance recognised in profit or loss during the year	78,277	1,318	79,595
At 31 December 2025	92,875	26,324	119,199

	International accounts	Receivables from local parties	Total
	<u>₹</u>	<u>₹</u>	<u>₹</u>
Opening loss allowance as at 1 January 2024 – calculated under IFRS 9	160,570	16,065	176,635
(Decrease) / increase in loss allowance recognised in profit or loss during the year	(145,972)	8,941	(137,031)
At 31 December 2024	14,598	25,006	39,604

Impairment losses on financial assets are presented as net impairment losses within operating profit. Subsequent recoveries of amounts previously written off are credited against the same line item. At the reporting date, if the forward-looking factors were to shift upwards or downwards by 1%, there would be an insignificant change in the Company's profitability.

(c) Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company's approach to manage liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its financial obligations when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation.

The Company also maintains sufficient bank balances and availability of funding from the Parent Company to meet its obligations as they fall due for payment and is therefore not subject to significant liquidity risk. At the end of the reporting period, the entire accounts and other payables had contractual maturities of less than one year. Also refer to note 2.1(c) for details.

NOTES TO THE FINANCIAL STATEMENTS (Contd.)

FOR THE YEAR ENDED 31 DECEMBER 2025

3 Financial risk management (continued)

3.1 Financial risk factors (continued)

(c) Liquidity risk (continued)

The table below analyses the Company's financial liabilities into the relevant maturity groupings based on the remaining period at the reporting date to the contractual maturity date.

2025	Carrying amount	Contractual cash flows			Total
		Less than 1 year	1 – 5 years	More than 5 years	
At 31 December 2025					
Lease liabilities (Note 11.5)	3,492,948	397,903	1,521,531	4,007,562	5,926,996
Trade and other payables (Note 11.4)	4,887,469	4,887,469	-	-	4,887,469
Loan from shareholders (Note 11.6)	2,258,000	2,258,000	-	-	2,258,000
Short term borrowings (Note 11.7)	650,000	650,000	-	-	650,000
Total financial liabilities	11,288,417	8,193,372	1,521,531	4,007,562	13,722,465

2024	Carrying amount	Contractual cash flows			Total
		Less than 1 year	1 – 5 Years	More than 5 Years	
At 31 December 2024					
Lease liabilities	3,661,663	440,019	1,633,056	4,234,189	6,307,264
Trade and other payables	2,704,931	2,704,931	-	-	2,704,931
Loan from shareholders	2,658,000	2,658,000	-	-	2,658,000
Short term borrowings	-	-	-	-	-
Total financial liabilities	9,024,594	5,802,950	1,633,056	4,234,189	11,670,195

3.2 Capital management

The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern in order to provide returns for shareholders and to maintain an optimal capital structure to reduce the cost of capital. The Company receives annual subsidies from the shareholders to finance the operational loss and accordingly, considers it appropriate to prepare the financial statement on a going concern basis. Also, refer to note 2.1(c) for details.

NOTES TO THE FINANCIAL STATEMENTS (Contd.)

FOR THE YEAR ENDED 31 DECEMBER 2025

4 Critical accounting estimates

The preparation of these financial statements require management to make estimates and assumptions that affect the reported amount of financial assets and liabilities at the reporting date and the resultant provisions and changes in fair value for the year. Such estimates are necessarily based on assumptions about several factors involving varying, and possibly different degrees of judgement and uncertainty and actual results may differ from management's estimates resulting in future changes in estimated assets and liabilities.

Estimates are regularly evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are set out below:

(a) Useful lives of property and equipment

Depreciation is charged so as to write off the cost of assets over their estimated useful lives. The calculation of useful lives is based on management's assessment of various factors such as the operating cycles, the maintenance programs, and normal wear and tear using its best estimates (note 12.1).

(b) Provision for impairment of trade receivables and other financial assets

For impairment of trade receivables, refer to note 3.1 (b).

5 Revenue from operations

Disaggregation of revenue from contracts with customers

Disaggregation is based on service offerings and geographical location as below:

	2025	2024
Based on geographical location		
- local	5,629,126	4,180,097
- international	418,953	429,155
	6,048,079	4,609,252

Stream wise revenue recognized during the year:

	2025	2024
Post box rental	893,647	954,975
International accounts terminal dues	418,953	399,717
Attestations	3,308,263	1,739,854
Stamps and mails	279,087	329,260
Parcels and other postal services	506,765	453,380
Fees from Ministry of Housing service	245,584	310,519
Express mail services (EMS)	186,530	224,215
Other Revenue (non-mail)	209,250	197,332
	6,048,079	4,609,252

NOTES TO THE FINANCIAL STATEMENTS (Contd.)
FOR THE YEAR ENDED 31 DECEMBER 2025

6 Other income

	2025	2024
	₹	₹
Other non-operating income	453,001	265,053
Amortisation of capital subsidy (Note 12.8)	117,360	159,542
	570,361	424,595

7 Other expenses

	2025	2024
	₹	₹
Professional and consultancy fees	142,040	99,432
Advertisement and marketing	337,955	338,831
Repairs and maintenance	367,006	537,884
Communication	301,040	183,501
Cleaning	19,582	83,236
Water and electricity	29,513	73,690
Registration and renewals	280,097	188,349
Postal and stamp costs	1,956,788	810,712
Printing and stationery	19,753	15,139
Motor vehicle expenses	49,577	68,535
Rent (short term lease)	30,953	(5,993)
Business trips	103,320	120,702
Recruitment & training expenses	43,957	128,864
Director's sitting fees	6,200	5,400
Staff related legal claims (note 12.5)	(237,294)	192,975
	3,450,487	2,841,257

NOTES TO THE FINANCIAL STATEMENTS (Contd.)
FOR THE YEAR ENDED 31 DECEMBER 2025

8 Salaries and related costs

	2025	2024
	₹	₹
Salaries and benefits	3,420,969	3,472,662
Staff redundancy payment during the year	3,489	29,335
Civil service pension fund and social insurance	679,203	628,191
End of service benefits (note 12.6)	5,210	10,191
	4,108,871	4,140,379

During the year, the Company continued to offer Voluntary Retirement Scheme (VRS) to eligible employees as part of its restructuring plan. It was designed to provide an option for employees who wished to retire early and receive certain benefits in exchange for voluntarily resigning from the Company. The Company believes that the VRS will result in long term cost savings. As a result of the VRS, 1 employee accepted the VRS offer.

9 Finance charges

	2025	2024
	₹	₹
Interest charges on lease liabilities	216,046	217,659
Interest expense on subsidy-related and Bank overdrafts	17,025	54,468
	233,071	272,127

10 Income tax

No provision for current tax has been made as the Company has not made any taxable profits during the year. Management has carried forward the accumulated losses in the tax filing [FRI 2024 - ₹ (6,249,761)] but not recognised any deferred tax assets or liabilities in view of the uncertainty of the timing as to its future realisation against taxable profits. The assessment of the Company has been finalized until 2021 with Oman Taxation Authorities.

11 Financial assets and liabilities

The Company holds the following financial instruments:

Financial assets	Note	2025	2024
		₹	₹
Financial assets at amortised cost			
Trade receivables	11.1	1,292,973	1,216,983
Other financial assets at amortised cost	11.2	2,852,879	949,820
Cash and cash equivalents	11.3	1,109,750	1,358,879
		5,255,602	3,525,682

NOTES TO THE FINANCIAL STATEMENTS (Contd.)

FOR THE YEAR ENDED 31 DECEMBER 2025

11 Financial assets and liabilities (continued)

Financial liabilities	Note	2025	2024
		₹	₹
Liabilities at amortised cost			
Trade and other payables	11.4	5,505,325	3,419,739
Lease liabilities	11.5	3,492,948	3,661,663
Loan from shareholder	11.6	2,258,000	2,658,000
Short-term borrowings	11.7	650,000	-
		11,906,273	9,739,402

11.1 Trade receivables

	2025	2024
	₹	₹
Trade receivables	1,412,172	1,256,587
Less: provision for impairment [note 3.1(b)]	(119,199)	(39,604)
	1,292,973	1,216,983

(i) Classification as trade receivables

Trade receivables are amounts due from customers for goods sold and services performed in the ordinary course of business. They are generally due within 9 months from the year-end for international accounts and 30 days for local customers and therefore are all classified as current. These receivables are recognized initially at the amount of consideration that is unconditional unless they contain significant financing components, when they are recognised fair value.

The Company holds these receivables with the objective to collect the contractual cash flows and therefore measures them subsequently at amortised cost using the effective interest method. Details about the Company's impairment policies and the calculation of the loss allowance are provided in note 3.1(b).

(ii) Carrying and fair values of trade receivables

The carrying amounts of the Company's trade receivables are denominated in Rial Omani. Due to the short-term nature of the current receivables, their carrying amount approximates their fair value.

(iii) Impairment and risk exposure

Information about the impairment of trade receivables and Company's exposure to credit risk, foreign currency risk and interest rate risk can be found in note 3.1.

Classification of financial assets at amortised cost

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

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

NOTES TO THE FINANCIAL STATEMENTS (Contd.)

FOR THE YEAR ENDED 31 DECEMBER 2025

11 Financial assets and liabilities (continued)

11.2 Other financial assets at amortised cost

(i) Loans provided to related party

Loans provided to related party are amounts due primarily as a result of financing activities and in certain cases for goods sold and services performed in the ordinary course of business. They are repayable on demand and therefore classified as current. These receivables are recognised initially at the amount of consideration that is unconditional unless they contain significant financing components, when they are recognised fair value.

The Company holds these receivables with the objective to collect the contractual cash flows and therefore measures them subsequently at amortised cost using the effective interest method. Details about the Company's impairment policies and the calculation of the loss allowance are provided in note 3.1(b).

Financial assets at amortised cost include the below item:

	2025	2024
	₹	₹
Deposits	147,176	177,660
Receivables due from related parties [refer note 15 (b)]	2,705,703	772,160
	2,852,879	949,820

(ii) Deposits

These amounts represent the interest free deposits made by the Company in the normal course of business provided to Central Bank of Oman for e-Finance business, and various landlords for lease arrangements entered.

(iii) Carrying and fair values of other financial assets at amortised cost

The carrying amounts of the Company's other financial assets at amortised cost are denominated in Rial Omani. Due to the short-term nature of the current receivables, their carrying amount is considered the same as their fair value.

(iv) Impairment and risk exposure

Information about the impairment of due from related parties and Company's exposure to credit risk, foreign currency risk and interest rate risk can be found in note 3.1.

11.3 Cash and cash equivalents

	2025	2024
	₹	₹
Cash in hand	52,275	12,813
Cash at bank	1,057,475	1,346,066
	1,109,750	1,358,879

Classification as cash equivalents

Cash and cash equivalents include cash on hand, all bank balances, including deposits (if any) with a maturity of three months or less from the date of placement. Bank overdrafts (if any) are shown in the statement of financial position under current liabilities.

NOTES TO THE FINANCIAL STATEMENTS (Contd.)

FOR THE YEAR ENDED 31 DECEMBER 2025

11 Financial assets and liabilities (continued)

11.4 Trade and other payables

	2025	2024
	₹	₹
Trade payables	4,887,469	2,704,931
Accrued expenses	617,856	714,807
	5,505,325	3,419,738

Trade payables are unsecured.

The carrying amount of trade payables approximates the same as their fair values, due to their short-term nature.

11.5 Lease liabilities

i) Movement of lease liability during the year

	2025	2024
	₹	₹
Balance as at 1 January	3,661,664	3,662,696
Less: Lease Liabilities against the Cancelled Leases	-	(263,631)
Add: New leases during the year	29,134	384,295
Add: Finance charge	216,046	217,659
Less: Lease payments made during the year	(413,896)	(339,355)
Closing balance as at 31 December	3,492,948	3,661,664

For the new additional right-of-use assets, lease liabilities were measured at the present value of the remaining lease payments, discounted using lessee's incremental borrowing rate. The lessee's incremental borrowing rate applied to the lease liabilities was 6%.

NOTES TO THE FINANCIAL STATEMENTS (Contd.)

FOR THE YEAR ENDED 31 DECEMBER 2025

11 Financial assets and liabilities (continued)

11.5 Lease liabilities (continued)

ii) Obligations under lease arrangements

	2025	2024
	Minimum lease payment	Minimum lease payment
	₹	₹
Due within one year	397,903	440,020
Due after one year to five years	1,521,531	1,633,056
Due after 5 years	4,007,562	4,234,189
Total minimum lease payments	5,926,996	6,307,265
Less: Amount representing finance charges	(2,434,048)	(2,645,601)
Present value of minimum lease payment	3,492,948	3,661,664
Less: current portion of lease liability	(193,682)	(191,558)
Non-current portion of lease liability	3,299,266	3,470,106

	2025	2024
	₹	₹
Overdraft for operational cash flows	-	400,000
Loan for Cargo Hub	2,258,000	2,258,000
	2,258,000	2,658,000

Shareholders have extended overdraft facility at their sourced interest rates 4.28% (FY 2023 at 4.28%) to cover for the shortfall in cash flows due to delay in receiving subsidy funds from MoF / OIA. In addition, the shareholders have provided a temporary loan (interest free) to fund the Cargo Hub project. The loans are provided by the shareholders to manage the liquidity position and repayable on demand. During 2023, the shareholders - Asyad Group has decided to partially write off their loan balance by ₹ 6,057,393, including accrued interest.

NOTES TO THE FINANCIAL STATEMENTS (Contd.)

FOR THE YEAR ENDED 31 DECEMBER 2025

11 Financial assets and liabilities (continued)

11.6 Loan from shareholders

The movement in the loan from Asyad Group SAOC is as follows:

	2025	2024
At the beginning of the year	2,658,000	3,348,765
Loan obtained during the year	-	2,747,000
Loan Repayment / written off during the year	(400,000)	-
Received during the year through Asyad SAOC	-	(3,437,765)
	2,258,000	2,658,000

11.7 Short-term borrowings

The loan from the bank is as follows:

	2025	2024
At the beginning of the year	-	-
Loan obtained during the year	1,576,000	-
Loan Repayment / written off during the year	(926,000)	-
	650,000	-

The short-term loans are renewable every three months and are repayable at maturity; therefore, the carrying amounts approximate their fair values. No overdraft was drawn as at 31 December 2025 (2024: Nil). The rate is subject to renegotiation with the banks upon renewal of the facilities, which generally takes place on a quarterly basis.

12 Non-financial assets and liabilities

This note provides information about the Company's non-financial assets and liabilities, including:

- specific information about each type of non-financial asset and non-financial liability
 - Property and equipment (note 12.1)
 - Right-of-use assets (note 12.2)
 - Other current assets (note 12.3)
 - Other current liabilities (note 12.4)
 - Provisions (note 12.5)
 - Provision for employees' end of service benefits (note 12.6)
 - Subsidies receivable/received in advance (note 12.7)
 - Deferred government grant (note 12.8)
- Information about determining the fair value of the assets and liabilities, including judgements and estimation uncertainty involved.

NOTES TO THE FINANCIAL STATEMENTS (Contd.)

FOR THE YEAR ENDED 31 DECEMBER 2025

NOTES TO THE FINANCIAL STATEMENTS (Contd.) FOR THE YEAR ENDED 31 DECEMBER 2025

12 Non-financial assets and liabilities (continued)

12.1 Property and equipment

i) Movement of property and equipment

	Buildings	Building on leasehold	Buildings improvement	Furniture and fixtures	Motor vehicles	Office equipment	Postal equipment	Capital work in progress	Total
Cost									
At 1 January 2024	20	1,566,080	2,473,457	964,719	221,226	1,760,680	1,258,699	213,930	8,458,811
Additions	-	-	10,849	41,477	-	30,313	25,867	221,056	328,562
Transfers	-	-	10,173	-	-	-	-	(10,173)	-
Disposal/write-off	-	-	-	-	(60,500)	-	-	-	(60,500)
At 31 December 2024	20	1,566,080	2,494,479	1,006,196	160,726	1,790,993	1,284,566	424,813	8,727,873
Accumulated depreciation									
At 1 January 2024	-	257,204	1,937,807	495,278	196,482	1,541,953	301,804	-	4,730,528
Disposals	-	-	-	-	(60,500)	-	-	-	(60,500)
Charge for the year	-	58,826	180,059	65,902	3,594	110,497	84,010	-	502,888
At 31 December 2024	-	316,030	2,117,866	561,180	139,576	1,652,450	385,814	-	5,172,916
Net book value									
At 31 December 2024	20	1,250,050	376,613	445,016	21,150	138,543	898,752	424,813	3,554,957

NOTES TO THE FINANCIAL STATEMENTS (Contd.)
FOR THE YEAR ENDED 31 DECEMBER 2025

12 Non-financial assets and liabilities (continued)

12.1 Property and equipment

i) Movement of property and equipment

	Buildings	Building on leasehold	Buildings improvement	Furniture and fixtures	Motor vehicles	Office equipment	Postal equipment	Capital work in progress	Total
Cost									
At 1 January 2025	20	1,566,080	2,494,479	1,006,196	160,726	1,790,993	1,284,566	424,813	8,728,873
Additions	-	-	13,182	14,938	-	64,268	29,708	185,877	307,973
Transfers	-	-	51,434	-	-	24,085	-	(187,881)	(112,362)
Disposal/write-off	-	-	-	(44,278)	-	(114,246)	(2,157)	-	(160,681)
At 31 December 2025	20	1,566,080	2,559,095	976,856	160,726	1,765,100	1,312,117	422,809	8,762,803
Accumulated depreciation									
At 1 January 2025	-	316,030	2,117,866	561,180	139,576	1,652,450	385,814	-	5,172,916
Disposals	-	-	-	(41,451)	-	(113,979)	(1,653)	-	(157,083)
Charge for the year	-	58,826	126,072	65,731	3,594	84,938	84,114	-	423,275
At 31 December 2025	-	374,856	2,243,938	585,460	143,170	1,623,409	468,275	-	5,439,108
Net book value									
At 31 December 2025	20	1,191,224	315,157	391,396	17,556	141,691	843,842	422,809	3,323,695

NOTES TO THE FINANCIAL STATEMENTS (Contd.)
FOR THE YEAR ENDED 31 DECEMBER 2025

12 Non-financial assets and liabilities (continued)

12.2 Right-of-use assets

i) Amounts recognised in the statement of financial position

Right-of-use assets	2025	2024
	₹	₹
Land	2,921,129	3,143,033
Vehicles	119,825	148,713
	3,040,954	3,291,746
Lease liabilities	2025	2024
	₹	₹
Lease liabilities	3,686,630	3,853,220
Less: Current portion	(193,682)	(191,558)
	3,492,948	3,661,663

ii) Amounts recognised in the statement of profit or loss and other comprehensive income

Depreciation charge of right-of-use assets	2025	2024
	₹	₹
Land	221,904	209,801
Vehicles	58,023	47,559
	279,927	257,360
Interest expense (included in finance cost)	216,046	217,659
	495,973	475,019

iii) Movement of right-of-use assets – land during the year

	2025	2024
	₹	₹
Balance of leasehold improvements as at 1 January	3,143,033	3,337,366
Addition of leasehold improvements during the year	-	188,022
Less: Disposal of Leasehold Improvements During the year	-	(172,554)
Depreciation for the year	(221,904)	(209,801)
Closing balance of leasehold improvements as at 31 December	2,921,129	3,143,033

NOTES TO THE FINANCIAL STATEMENTS (Contd.)

FOR THE YEAR ENDED 31 DECEMBER 2025

12 Non-financial assets and liabilities (continued)

12.2 Right-of-use assets (continued)

Land agreement

A lease agreement for the head office site was signed with Oman Aviation Group S.A.O.C on 1 September 2019, granting the right to use and benefit from the site area for an initial period of 10 years from the execution date. The lease term may be extended for additional terms upon request by the company.

iv) Movement of right-of-use assets - vehicles during the year

	2025	2024
	<u>₹</u>	<u>₹</u>
Balance of leased vehicles as at 1 January	148,713	8,517
Addition / (Cancellation) of leased vehicles during the year	29,135	196,272
Less: Disposal of Leased Vehicles During the year	-	(8,517)
Depreciation for the year	(58,023)	(47,559)
Closing balance of leased vehicles as at 31 December	<u>119,825</u>	<u>148,713</u>

The right-of-use asset is depreciated on a straight-line basis which is the shorter of the asset's useful life and the lease term.

12.3 Other current assets

	2025	2024
	<u>₹</u>	<u>₹</u>
Inventories	150,206	144,091
Prepayments and advances	1,015,822	294,698
Other current assets	<u>1,166,028</u>	<u>438,789</u>

12.4 Other current liabilities

	2025	2024
	<u>₹</u>	<u>₹</u>
Leave salary and passage payable	167,780	118,300
Advances from customers	1,193,899	874,004
Staff Bonus Provision and Other Payables	306,666	267,825
	<u>1,668,345</u>	<u>1,260,129</u>

NOTES TO THE FINANCIAL STATEMENTS (Contd.)

FOR THE YEAR ENDED 31 DECEMBER 2025

12 Non-financial assets and liabilities (continued)

12.5 Provisions

	2025	2024
	<u>₹</u>	<u>₹</u>
Staff acting allowance provisions	-	80,537
Legal claims' provision	17,706	255,000
	<u>17,706</u>	<u>335,537</u>

Staff acting allowance provision relates to claims raised by certain current and ex-employees who have been appointed to act in different positions without the payment of their acting allowance. Pending arbitration, the Company has estimated the allowance of employees' that may have to be paid on the basis of resolutions issued in the past.

Legal claims' provision relates to lawsuits filed by certain commercial customers and ex-employees against the Company for which judgements are pending / awarded in favour of the plaintiff by the primary courts. All the cases have been appealed by the Company in higher courts and are pending with the higher courts at various stages.

The movement of the above liabilities during the year is as follows:

	Acting allowance provision	Legal claims' provision
	<u>₹</u>	<u>₹</u>
Opening provision as at 1 January 2025	80,537	255,000
Reversed during year (note 7)	(80,537)	(237,294)
Closing provision as at 31 December 2025	<u>-</u>	<u>17,706</u>

12.6 Provision for employees' end of service benefits

	2025	2024
	<u>₹</u>	<u>₹</u>
At the beginning of the year	351,365	361,307
Expenses recognised in the statement of profit or loss and other comprehensive income (note 8)	5,210	10,191
Paid during the year - civil service pension employees	(9,333)	(20,133)
	<u>347,242</u>	<u>351,365</u>

The amounts paid to the civil service pension employees have been reimbursed to the Company by the MoF. Refer to note 12.7 for details. Other end of service benefits payments is not reimbursable.

NOTES TO THE FINANCIAL STATEMENTS (Contd.)

FOR THE YEAR ENDED 31 DECEMBER 2025

12 Non-financial assets and liabilities (continued)

12.6 Provision for employees' end of service benefits (continued)

In accordance with the provisions of IAS 19, Employee benefits as amended, management has carried out an exercise to assess the present value of the Company's obligations as at 31 December 2025, using the projected unit credit method, in respect of employees' end of service benefits payable. Under this method, an assessment has been made of an employees' expected service life with the Company and the expected basic salary at the date of leaving the service. The present values of the obligations at 31 December 2025 and 2024 are not materially different from the provision computed in accordance with the Omani Labour Law.

12.7 Subsidies receivable/ received in advance

Subsidies receivable/received in advance from the government represent amounts receivable/received to cover expenses incurred during the year. The subsidy for the year is provided through the Parent Company whereas the payments for employees' end of service benefits for civil service pension employees was reimbursed to the Company directly by MoF.

i) Movement of subsidy receivable / (advance) during the year is as follows:

	2025	2024
	₹	₹
Subsidy from shareholder		
Opening subsidies (advance) / receivable	(102,777)	(157,505)
Approved subsidies to cover expenses for the year	2,651,451	3,492,493
Received during the year	(2,651,450)	(3,437,765)
Net subsidies (advance)	(102,776)	(102,777)

12.8 Deferred government grant

	2025	2024
	₹	₹
As at 1 January	530,302	689,844
Amortisation for the year (note 6)	(117,360)	(159,542)
As at 31 December	412,942	530,302
Less: Current portion for deferred income	(87,081)	(125,916)
	325,861	404,386

For details refer to note 2.14(b)

NOTES TO THE FINANCIAL STATEMENTS (Contd.)

FOR THE YEAR ENDED 31 DECEMBER 2025

13 Share capital

	2025	2024
	₹	₹
Authorised share capital		
6,000,000 ordinary shares of ₹ 1 each	6,000,000	6,000,000
Issued share capital:		
3,500,000 ordinary shares of ₹ 1 each	3,500,000	3,500,000

14 Legal reserve

In accordance with the Commercial Companies Law of Oman 2019, an annual appropriation of 10% of the profit of the Company for the year is made to this reserve until the accumulated balance of the reserve equals to one third of the paid up share capital of the respective entity. This reserve is not available for distribution.

15 Related parties

The Company has entered into transactions with related parties in the normal course of business. Related parties comprise MoF, OIA, entities over which the government has control, joint control or significant influence, the Parent Company and its group companies, and the key management personnel. The Company enters into transactions with these parties in the ordinary course of business at terms and conditions agreed with the related parties. The Company has applied the exemptions as allowed for 'Government entities' under IAS 24 – 'Related party disclosures', for disclosure of transactions and balances with another entity that is a related party because of the Government having control or jointly control of, or significant influence over, both the Company and the other entity, except for transactions and balances material to the Company.

(a) Transactions during the year with related parties other than the aforementioned parties

(i) Key management remuneration

The remuneration to key managerial personnel paid during the year was as follows:

	2025	2024
	₹	₹
Benefits & salaries to key managerial personnel	121,203	221,209
Directors' sitting fees	6,200	5,400
	127,403	226,609

NOTES TO THE FINANCIAL STATEMENTS (Contd.)

FOR THE YEAR ENDED 31 DECEMBER 2025

15 Related parties (continued)

(b) Year end balances with related parties other than the aforementioned parties

(i) Accounts receivable from related parties (note 11.2)

	2025	2024
	<u>₹</u>	<u>₹</u>
Accounts receivable from Asyad Group Company	414,992	549,429
Accounts receivable from Asyad Express LLC	1,979,180	72,626
Asyad Logistics LLC	168,661	19,917
Asyad supply chain services SPC	142,870	150,104
	2,705,703	793,914

(ii) Accounts payable to related parties (note 11.4)

	2025	2024
	<u>₹</u>	<u>₹</u>
Accounts payable to Asyad Group Company	2,008,724	1,486,321
Accounts payable to Asyad Express LLC	1,850,169	401,834
Accounts payable to National Transport Company- Mwasalat	35,717	15,185
Accounts payable to Asyad Supply Chain SPC	31,698	-
Oman Drydock Company	31,004	28,890
	3,957,312	1,932,230

16 Reconciliation of movements of liabilities to cash flows arising from financing activities

Borrowings	At January 1	Additions	Repayments during the year	Non-cash changes	At December 31
	<u>₹</u>	<u>₹</u>	<u>₹</u>	<u>₹</u>	<u>₹</u>
2025					
Loan from Asyad	2,658,000	250,000	(650,000)	-	2,258,000
Loan From Bank	-	1,576,000	(926,000)	-	650,000
Interest on Asyad Loan	170,489	-	(158,018)	-	12,471
Interest on Bank Loan	-	16,217	(11,663)	-	4,554
	2,828,489	1,842,217	(1,745,681)	-	2,925,025

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